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KERALA 1962

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.



GOVERNMENT OF KERALA

KERALA 1962

An Economic Review

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Government of Kerala

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INTRODUCTION

The Economic Review 1962 is circulated as usual among the members of the Legislative Assembly. It seeks to provide a brief synoptic picture of developments in the different sectors of the economy of Kerala.

2. It is to be noted that current statistics of the State's economy become available only with a lag of a number of years. This limiting factor in the statistical picture makes it difficult to assess and analyse developments of the economy during a particular year at the beginning of the succeeding year itself. However, the available data have been compiled and analysed in the ensuing chapters.

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

CHAPTER I

DEMOGRAPHIC FEATURES

The population problem constitutes the most fundamental of all human problems in the context of economic growth. The rate of economic development essentially depends upon the size and growth of population. India which occupies the second place in human resources has one of the lowest per capita incomes. Kerala's per capita income is even lower than that of India. Kerala has one of the highest rates of population growth among the States in India. If an effective curb on this growth of numbers is not made by a multipronged attack on the problem it will be most difficult to keep the real standard of living of the people in the State from falling.

1.2. The State's population which stood at 135.49 lakhs in 1951 reached 169.04 lakhs in 1961, thus recording an increase of 24.76% over the decade. The population density rose from 907 per square mile in 1951 to 1127 in 1961. No other State has as high a density of population as Kerala. The State accounts for only 1.27% of the land area in India, but her population is 3.85% of the Indian population. Having almost the same birth rate as the rest of India, the State has quite a low death rate. Chronic economic ills of the State like unemployment and food scarcity are the direct outcome of extreme demographic pressure.

Rate of growth

1.3. Kerala's population rose by 24.76% over the decade 1951-61 as against the rise in the all India population of 21.50%. Table 1.1 shows the growth of population over the decade in various states of India. Kerala is among the first six states having high rates of population growth. Table 1.2 shows the rate of growth of population in Kerala and all India over the period 1901-61. Population has increased by about 165% in Kerala during 1901-61 as against the all India increase of only 86%. During this period the overall increase is higher in Kerala than in all other States except Assam. In fact only Assam, Gujerat, West Bengal and Maharashtra had more than cent percent population rise during this period. Kerala had a net growth of 23.19% during the first twenty years (1901-21) against a growth of only 5.35% for all India. There was an explosive rate of growth during the next four decades. When the population for the country as a whole increased by only 26.79% during 1921-41 that for the State increased by 41.23%. The next two decades saw a rise of 53.22% in Kerala as against 36.37% for India as a whole. This fantastic growth in population can mainly be attributed to the considerable fall in the death rate followed by a negligible fall in the birth rate.

TABLE—1.1
Population Growth—State-wise—1951-61

Sl. No.	States	Population—Millions			Percentage variation 1951-61
		1961	1951	Variation 1951-61	
1	Andhra Pradesh	35.98	31.11	4.87	15.65
2	Assam	11.87	8.83	3.04	34.45
3	Bihar	46.45	38.78	7.67	19.78
4	Gujerat	20.63	16.26	4.37	26.88
5	Jammu & Kashmir	3.56	3.25	0.31	9.44
6	Kerala	16.90	13.55	3.35	24.76
7	Madhya Pradesh	32.37	26.07	6.30	24.17
8	Madras	33.69	30.12	3.57	11.85
9	Maharashtra	39.55	32.00	7.55	23.60
10	Mysore	23.58	19.40	4.18	21.57
11	Orissa	17.54	14.64	2.90	19.82
12	Punjab	20.30	16.13	4.17	25.86
13	Rajasthan	20.15	15.97	4.18	26.20
14	Uttar Pradesh	73.74	63.21	10.53	16.66
15	West Bengal	34.92	26.30	8.62	32.79
India (including Union Territories)		439.24	361.13	77.64	21.50

TABLE—1.2
Growth of Population—India and Kerala—1901-61

Year	India		Kerala	
	Population (Millions)	Decennial percentage variation	Population (Millions)	Decennial percentage variation
1901	236.28	..	6.34	..
1911	252.12	+ 5.73	7.12	+ 12.33
1921	251.35	— 0.31	7.81	+ 0.97
1931	279.02	+11.01	9.51	+ 21.76
1941	318.70	+14.22	11.03	+ 15.98
1951	361.13	+13.31	13.55	+ 22.84
1961	439.24	+21.50	16.90	+ 24.76

Birth and death rates

1.4. The 1961 Census report and the reports of the Kerala Department of Statistics on vital events indicate that birth rate in Kerala is increasing in spite of the none too satisfactory efforts at population control, that the death rate is falling and as a result of the interaction of the above the rate of natural growth is rising steadily.

TABLE—1.3

Birth and Death Rates—Kerala

<i>Reference year</i>	<i>Birth rate</i>	<i>Death rate</i>	<i>Rate of natural growth of population</i>
1930	17.0	9.7	7.3
1940	19.7	10.9	8.8
1950	20.3	9.4	10.9
1956	23.0	7.4	15.6
1957	23.8	9.6	14.2
1958	24.6	7.6	17.0
1959	25.0	7.4	17.6

1.5. The birth rate in Kerala is more or less the same as in the rest of India. The death rate, however, is much less in this State than in other parts of the country. The birth rate per thousand was 25.0 for the State in 1959 and 23.0 for India. The death rate was as low as 7.40 in Kerala in 1959 as against 10.0 for India as a whole. Table 1.3 shows the birth and death rates for Kerala for a few years. There is considerable variation among the States in the matter of birth and death rates. The figures published by the Census Actuary prove that at the all India level also there is a clear trend indicating a falling death rate accompanied by a more or less steady birth rate. Substantial improvements in health services, sanitation etc., had not only reduced death rates but had their favourable impact on the expectation of life. The average expectation of life at birth was estimated at 26.91 for males and 26.56 for females in 1931. The figures for 1951 for India were 32.45 and 31.66 for males and females respectively. The corresponding figures for Kerala State were 39.89 and 42.34. The average life expectation for India would be around 45 in 1961. Kerala's position should be better in view of the much better health standards obtaining in this State.

Population Density

1.6. The population density of Kerala which according to the 1961 Census is 1127 per square mile is the highest in India and one of the highest in the whole world (the latest world population density is only 22 per square kilo metre as against Kerala's 435 per square kilo metre). For the whole of India the density of population is only 373 per square mile. This excessive pressure on land in Kerala is most alarming. Unless it is possible to produce more from Kerala's limited land resources and also to bring about rapid industrialisation it will be most difficult for Kerala to advance economically. Kerala's density of population was 423 per square mile in 1901 and this has nearly increased three-fold by 1961. It will be of the order of 1500 by 1971. This growing density of population is one of the most menacing aspects of Kerala's population problems. Table 1.4 shows the ranking of States in India according to area, population and density. Table 1.5 shows comparative figures of the intensity of the density of population in India and Kerala. It can be seen that there is no part in Kerala where density is below 500. Table 1.6 gives the density of population in Kerala, districtwise. Alleppey has the highest density while Kottayam has the lowest.

TABLE—1.4

<i>Sl. No.</i>	<i>States</i>	<i>Rank in area</i>	<i>Rank in population</i>	<i>Rank in density</i>
1	Andhra Pradesh	5	4	7 (339)
2	Assam	12	14	12 (252)
3	Bihar	8	2	3 (691)
4	Gujarat	7	9	11 (286)
5	Jammu & Kashmir	..	15	..
6	Kerala	15	13	1 (1127)
7	Madhya Pradesh	1	7	13 (189)
8	Madras	10	6	4 (669)
9	Maharashtra	3	3	8 (333)
10	Mysore	6	8	9 (318)
11	Orissa	9	12	10 (292)
12	Punjab	11	10	6 (430)
13	Rajasthan	2	11	14 (153)
14	Uttar Pradesh	4	1	5 (649)
15	West Bengal	13	5	2 (1032)

(Figures in brackets indicate absolute figures of density per square mile).

TABLE—1.5

Intensity of Density of Population—India & Kerala

<i>Density</i>	<i>India</i>		<i>Kerala</i>	
	<i>Proportion to total area</i>	<i>Percentage of population to total population</i>	<i>Proportion to total area</i>	<i>Percentage of population to total population</i>
0—200	30.82	8.63	..	..
201—350	32.45	22.92	..	..
351—500	12.85	14.16	..	..
501—750	13.20	22.25	33.80	20.78
751—1000	6.13	13.96	26.17	22.00
Above 1000	4.55	18.08	40.03	57.22

TABLE—1.6

Density of Population—District-wise

<i>District</i>	<i>Density of population</i>		
	1951	1961	
Trivandrum	..	1569	2067
Quilon	..	745	1062
Alleppey	..	2160	2553
Kottayam	..	664	706
Ernakulam	..	982	1442
Trichur	..	1188	1442
Palghat	..	793	897
Kozhikode	..	809	1018
Cannanore	..	618	812
KERALA	..	907	1127

Sex Ratio

1.7. There are 1022 females per 1000 males in Kerala, as per Census figures of 1961. In 1951 the ratio was higher at 1028. Census reports reveal that the female population in Kerala was higher than that of the males throughout the period 1901-1961. The ratio was 1004 in 1901; it increased to 1008 in 1911, 1011 in 1921, 1022 in 1931 and 1027 in 1941. Among the States, besides Kerala, only Orissa has more females than males. The higher sex ratio as regards Kerala is at least partly due to the large volume of migration of men that

has taken place from the State to the rest of India. India as a whole has only 941 females per 1000 males and this shows the greater mortality rate among the females at most ages compared to males.

1.8. A districtwise analysis shows that Trichur District has the highest sex ratio of 1090 and Kottayam the lowest of 963. Only Kottayam, Quilon and Ernakulam have lesser number of females than males.

Age composition

1.9. The age composition in the States has not shown any great alteration in the last few decades. There is heavy concentration in the age group 0-15 indicating high birth rates. A welcome tendency, from the point of view of health standards, is a slow and steady rise in the population of old persons above 55 years, thanks to the increasing medical and sanitation facilities. This is a concomitant of development, but the heavy concentration of population in the 0—15 age group (nearly 40% of the population is in this age group) is indicative of unplanned procreation. A population policy should aim at reducing this heavy concentration in this age group.

Impact of population on the State's economy

1.10. There is no doubt population is the most involved problem which confronts Kerala economy. Unemployment, food scarcity, waste of labour power, occupational imbalance, land hunger, low per capita income, low standard of living, low saving capacity—all these are the inevitable corollaries of the excessive growth of population in the State.

1.11. As regards unemployment Kerala's position is most unenviable. Even West Bengal which has the highest rate of growth in India has only a lesser percentage of unemployed than Kerala. Growing unemployment in the State is the direct result of excessive growth of population. Every year about 1.8 lakhs of persons are added to the existing surplus labour force in the State. There are lesser number of jobs to go round. The agricultural sector is being subjected to heavy pressure, so also the services sector. The inevitable result of all these is the higher dependency on income-earners by unproductive dependents. The saving capacity is very much reduced as a result of this heavy dependency. The only recourse to be had is, therefore, expansion of the industries sector in order to accommodate as much labour as possible in this sector.

1.12. The chronic food shortage in Kerala is well known to need special mention. Day by day the position is deteriorating as population is growing at a very fast rate. Compared to other States, Kerala's land holding are tiny, and uneconomic. The average holding which was 53 cents in 1921 is even

less than 30 cents at present. The output per capita is the lowest in India due to the excessive pressure of population on land. Kerala cannot offer even 6 oz. of food per day as against the all India average of about 14 oz. The total requirement of the State (at the rate of 14 oz. per adult per day) is of the order of 20 lakh tons while she is able to produce only just more than 50% of her requirements. At the present rate of population growth Kerala has to feed an additional 4 lakh persons every year. This indicates a difficult food position ahead for the State even with the present rate of population growth.

1.13. The basic problem of the State is demographic. Planning must aim at raising the living standards of the people. The fruits of planning are being dissipated away mainly due to the excessive growth of population. Demographically we are running so fast that economically we are either standing still or falling back. There is no simple solution to this demographic problem. Rapid industrialisation will be of help here, for industrialisation has led to declining fertility in several advanced countries in the past. There is no reason why we should not have the same experience of the Western Countries and Japan. Internal migration within India itself, is most difficult because of the complex structure of our society which is divided by social evils like caste, religion and communalism.

1.14. There are spectacular developments in the field of medicine and hygiene. But mere death control without a planned birth control will aggravate the population problem. The importance of family planning is generally realised and there is not much of an organised opposition to it. The attempts made till now have not been quite successful. Family Planning is an accepted policy of the Government of India. Even among various family-limitation measures, sterilisation seems to be the best method of permanent conception control. The experience which medical men have found in sterilisation shows that there might be a widespread acceptance of the process provided it is simple and low in cost and backed up by the right type of education. The State Department of Statistics in their study on this aspect reveals that facilities for sterilisation operation are provided only in about 57 hospitals in the State. The average number of children living to persons coming for sterilisation operation is 4.4 in the case of males and 4.9 in the case of females. This is indicative of the poor response to family planning education or the inadequacy of such education. Also it is found that the income of persons who have undergone such operations is very low, which means that the efficacy of this family limitation method has not been understood by the middle and upper income groups. We must redouble our efforts at population control in order to assure a decent standard of living to the people of Kerala.

CHAPTER II

AGRICULTURE AND ALLIED ACTIVITIES

The progress achieved in the agricultural field during 1960-61 which was the last year of the second Five Year Plan was not very satisfactory compared to the years that preceded. The gross agricultural output which had been growing at an average rate of 3.2% per annum during the first four years of the Plan showed a sluggish tendency during 1960-61 with a nominal growth of 0.4%. The fall in overall output was the consequence of a drastic fall in the production of coconut which is by far the most important crop of the State from the point of view of output. Production of rice increased during the year by about 29 thousand tons but the increase was less than that for the previous year. Rice production figures for 1961-62 show that there has been a fall in production in the year compared to 1960-61.

Rainfall

2.2. Rainfall was less in the State during 1961-62 compared to 1960-61. But the two districts of Kozhikode and Cannanore witnessed a higher rainfall. Total rainfall during 1961-62 was 3309.5 millimetres as against 3733.5 millimetres during 1960-61. Table 2.1 shows the average monthly rainfall for the different districts in Kerala during 1960-61.

Land Utilisation

2.3. Table 2.2 shows the trend in the pattern of land utilisation in Kerala for the decade, 1950-51 to 1960-61. The last decade witnessed a steady increase in the net area sown. In 1950-51 the net area under the plough was 4289 thousand acres which increased to 4754 thousand acres by 1960-61. The total cropped area increased from 4975 thousand acres in 1950-51 to 5804 thousand acres in 1960-61. Thus the increase in the net area sown over the period was 465 thousand acres while the total cropped area increased by 829 thousand acres leading to an increase in the area of multicropped land to the extent of 364 thousand acres. The average annual percentage increases in total cropped area and the net area sown are 1.7 and 1.1 respectively. Thus the increase in the total cropped area is more than proportionate to the increase in the net sown area. This indicates that additional crops are being raised progressively in the land already under cultivation. The area under forest increased remarkably, the average annual increase being 2.3%. Another noteworthy feature of the period was the decrease in the area of barren and uncultivable land and cultivable waste. This indicates the trend towards extending the area under cultivation. The increase in the land put to non-agricultural uses is probably the result of the progress in urbanisation.

TABLE 2.1
Average monthly Rainfall in Kerala During 1961-62.

Sl. No.	District	No. of Stations	Average rainfall (in Millimetres) during					
			July. 1961	Aug. 1961	Sept. 1961	Octo. 1961	Nov. 1961	Dec. 1961
1	Trivandrum	8	425.4	310.7	185.5	206.7	97.5	24.8
2	Quilon	10	645.2	480.3	192.5	225.8	98.4	14.0
3	Alleppey	9	730.9	589.2	295.7	278.8	141.4	42.9
4	Kottayam	15	926.7	567.8	257.9	245.3	96.3	28.5
5	Ernakulam	10	836.7	599.1	401.7	250.6	96.6	16.5
6	Trichur	4	1290.6	652.5	399.8	193.0	67.5	20.8
7	Palghat	9	110.1	593.6	298.6	283.8	69.0	7.0
8	Kozhikode	8	1772.8	951.5	724.9	314.7	141.5	7.6
9	Cannanore	8	1618.7	1067.2	662.0	364.4	75.0	11.5
STATE			928.6	645.8	379.8	262.6	98.0	19.3

TABLE—2.1 Contd.

Sl. No.	District	Average Rainfall (in Millimetres) during					Total '61-'62	
		Jan. 1962	Feb. 1962	Mar. 1962	April 1962	May 1962		June 1962
1	Trivandrum	58.1	57.3	48.4	142.5	433.6	127.5	2118.0
2	Quilon	76.3	126.9	70.7	148.7	399.4	154.6	2641.8
3	Alleppey	36.4	61.9	49.4	96.5	538.8	292.6	3154.5
4	Kottayam	37.3	65.1	51.8	128.3	409.8	189.8	3004.5
5	Ernakulam	11.7	72.7	46.6	114.6	538.7	292.4	3276.9
6	Trichur	23.3	57.1	41.1	41.6	637.3	296.6	3721.2
7	Palghat	16.1	34.9	50.9	85.0	300.8	260.3	2110.1
8	Kozhikode	28.2	36.0	33.6	95.1	542.0	294.0	4941.9
9	Cannanore	18.2	29.2	7.6	31.9	619.6	311.8	4817.1
STATE		33.9	60.1	45.5	98.2	491.1	246.6	3309.5

TABLE 2.2

Land Utilisation in Kerala

Sl. No.	Mode of utilisation	(Area in '000 acres)				Increase (+) or decrease (-) in 1960-61 over 1955-56	Increase (+) or decrease (-) in 1960-61 over 1950-51
		1950-51	1955-56	1960-61	(6)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Total Geographical area according to Village papers	9065	9412	9535	+123	+470	
1	Forests	2121	2433	2610	+177	+489	
2	Land put to non agricultural uses	466	471	506	+ 35	+ 40	
3	Barren and uncultivable land	596	497	374	-123	-222	
4	Permanent pastures and other grazing land	101	116	112	- 4	+ 11	
5	Land under miscellaneous tree crops	430	508	505	- 3	+ 75	
6	Cultivable waste	720	406	354	- 52	-366	
7	Fallow land other than current fallows	227	364	154	-210	- 73	
8	Current fallows	115	140	166	+ 26	+ 51	
9	Net area sown	4289	4477	4754	+277	+465	
10	Total cropped area	4975	5466	5804	+338	+829	
11	Area sown more than once	686	989	1050	+ 61	+364	

2.4. Compared to the previous year, there has been considerable increase in the net area sown, total cropped area and area sown more than once. While the net area sown increased by 48 thousand acres over the year the total cropped area increased by 106 thousand acres resulting in an increase of 58 thousand acres in the area sown more than once. This indicates the increasing intensity of land use in the State. There has been slight increase in the categories, land put to non-agricultural uses and land under miscellaneous tree crops. The categories which suffered remarkable fall in area over the year are barren and uncultivable land, cultivable waste and fallow lands. This again indicates nothing but the tendency towards more and more intensive use of the available land.

2.5. Table 2.3 shows the district-wise classification of land area of Kerala according to mode of utilisation. As a result of the greatest density of population in Kerala among the Indian States the per capita availability of land in the State is the lowest. Naturally land is being put to intensive use which results in the impoverishment of its fertility. The proportion of cultivated land to cultivable land is one of the highest in the State.

Agricultural Production

2.6. Table 2.4 gives the distribution of the total area among the different crops and the production of the crops during the years 1959-60 and 1960-61. The area under cultivation of food grains increased by 25,126 acres with a simultaneous increase in production by 29.31 thousand tons. This increase in the production does not compare favourably with the previous year's increase of 82.54 thousand tons. The area under cultivation as well as production increased in the case of sugarcane, pepper, ginger, cashewnut, tapioca, arecanut, cotton, groundnut and tobacco also. Though there was increase in the area under cultivation of coconut, production decreased by 145 million nuts. In the case of sesamum there was a considerable fall in the area as well as production.

2.7. Table 2.5 shows the area, production and average yield per acre of the principal crops for the years 1955-56 and 1960-61. The cultivated area and production increased simultaneously in the case of rice, tapioca, coconut, cashewnut and sugarcane. In the case of arecanut and bananas and plantains, though there has been a decline in the area under cultivation, the gross production registered an increase; an opposite trend is seen in respect of pepper and turmeric. If the average yield per acre is taken as a measure of productivity, the productivity trend in regard to some important crops, especially cash crops, in Kerala during the last quinquennium is disheartening. The yield per acre declined in the case of tapioca, coconut, cashewnut, pepper, ginger, turmeric

TABLE 2.3

**Total Area and Classification of Area in Each District in Kerala for the Year
Ending 30th June, 1961.**

District	Classification of Reporting Area.						
	Total geo- graphical area according to village papers	Forests	Land put to non-agri- cultural uses	Barren and uncultivable land	permanent pastures and other grazing land	Land under misc: tree crops not included in net sown.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Trivandrum	533983	110241	27919	5460	2462	1880	
Quilon	1159049	526629	29601	41094	4162	14526	
Alleppey	461568	1268	25276	6866	1180	12315	
Kottayam	1547434	614690	32996	68319	12676	43537	
Ernakulam	784381	136551	41779	27740	10082	23966	
Trichur	727137	328483	31554	12495	3463	3920	
Palghat	1261285	246275	151460	70408	15483	74539	
Kozhikode	1634814	479514	64914	47564	8358	104517	
Cannanore	1424960	166133	100189	94032	53904	225791	
STATE	9534611	2609784	505688	373978	111770	504991	

TABLE 2.3—Contd.

District	Classification of Reporting Area							Total cropped area
	Cultivable waste	Fallow land other than current fallow	Current fallow	Net area sown	Area sown more than once			
	(8)	(9)	(10)	(11)	(12)	(13)		
Trivandrum	6556	8119	6704	364642	121180	485822		
Quilon	14562	5721	9167	513587	121742	635329		
Alleppey	7041	2375	14666	390581	157743	548324	14	
Kottayam	58721	4706	17400	694389	73322	767711		
Ernakulam	22012	4609	17075	500567	48461	549028		
Trichur	22080	2386	11426	311330	175068	486398		
Palghat	56184	26391	22976	597569	189559	787128		
Kozhikode	74403	25841	38116	791587	91790	883377		
Cannanore	92812	74397	28338	589364	71662	661026		
STATE	354371	154545	165868	4753616	1050527	5804143		

TABLE 2.4
Area and production of the various crops.

Sl. No.	Crop	1959-60		1960-61	
		Area (Acres)	Production (tons)	Area (Acres)	Production (tons)
(1)	(2)	(3)	(4)	(5)	(6)
FOOD CROPS					
1	Rice	19,00,142	10,21,593	19,24,727	10,50,721
2	Jowar	3,640	630	3,640	630
3	Ragi	13,265	7,710	13,770	7,880
4	Other cereals & millets	14,521	2,885	14,445	2,860
5	Pulses	1,08,911	17,235	1,09,023	17,270
6	Sugarcane (gur)	22,010	35,780	22,600	37,490
7	Pepper	2,26,080	24,880	2,46,500	26,600
8	Chillies	8,321	N.A.	8,200	N.A.
9	Ginger	27,326	9,820	29,662	11,086
10	Turmeric	11,450	4,087	11,529	4,115
11	Cardamom	70,542	1,260	70,689	1,263
12	Areca nut	1,31,361	7,208	1,34,069	7,737
			(million nuts)		(million nuts)
13	Mangoes	1,46,857	N.A.	1,47,224	N.A.
14	Citrus fruits	4,603	N.A.	4,841	N.A.
15	Bananas & other plantains	1,10,430	3,24,621	1,09,774	3,22,687
16	Cahsewnut	1,29,525	80,388	1,34,222	83,297
17	Tapioca	5,94,922	16,46,625	5,98,490	16,56,500
18	Sweet potato	20,837	N.A.	19,846	N.A.
19	Other vegetables	62,610	..	61,811	..
20	Other food crops	2,03,932	..	2,02,275	..
	Total food crops	38,11,285(67%)	..	38,67,337(67%)	..

TABLE 2.4—Contd.

Sl. No.	Crop	1959-60		1960-61	
		Area (Acres)	Production (tons)	Area (Acres)	Production (tons)
(1)	(2)	(3)	(4)	(5)	(6)
NON-FOOD CROPS					
1	Groundnut	..	12,700	39,610	13,580
2	Castor	..	N.A.	528	N.A.
3	Sesamum	..	4,291	29,867	2,545
4	Coconut	..	3,365 (Million nuts)	12,37,398	3,220 (Million nuts)
5	Cotton	..	8,250 (Bales of 392 lbs. each)	24,270	10,610 (Bales of 392 lbs each)
6	Tobacco	..	850	1,835	990
7	Tea	..	39,737	92,988	39,737
8	Coffee	..	7,292	41,509	7,292
9	Rubber	..	21,263	3,03,605	22,682
10	Other nonfood crops	..	..	1,65,196	..
Total nonfood crops		..	..	19,36,806 (33%)	..

N. A.—Not available.

TABLE 2.5

Area Production and Average yield per Acre of the Principal crops (1955-56 and 1960-61)

Sl. No.	Crops	Area '000 acres		Production '000 tons		Average yield per acre in lbs.	
		1955-56	1960-61	1955-56	1960-61	1955-56	1960-61
1	Rice	1876.40	1924.73	870.00	1050.72	1039	1223
2	Pulses	110.58	109.02	17.28	17.27	350	355
3	Tapioca	548.90	598.49	1569.00	1656.50	6403	6200
4	Coconut (a)	1106.89	1237.40	3099.00	3220.00	2800	2602
5	Areca nut (a)	143.56	134.07	6460.00	7737.00	44999	57709
6	Cashewnut	92.58	134.22	57.86	83.30	1400	1389
7	Bananas and other plantains	116.30	109.77	311.79	322.69	6005	6585
8	Cardamom	69.36	70.69	1.24	1.26	40	40
9	Pepper	213.71	246.50	27.24	26.60	286	242
10	Ginger	25.83	29.66	10.94	11.09	949	837
11	Turmeric	11.25	11.53	5.02	4.12	1000	800
12	Sugarcane	18.02	22.60	334.47	374.90	41577	37158

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

TABLE 2.6

Increase in the Value of Production of the Important crops from 1955-56 to 1960-61.

Sl. No.	Crops	Production in 1955-56 ('000 tons)	Value of Production in 1955-56 (Rs. crores)	Production in 1960-61 ('000 tons)	Value of Production in 1960-61 (Rs. crores)	Increase in Value of Production (Rs. crores)	Percentage increase
1	Rice	869	41.4	1,051	50.0	+8.6	20.77
2	Pulses	17	0.4	17	0.4	0.0	0.00
3	Tapioca	1,569	7.8	1,657	8.2	+0.4	5.13
4	Sugarcane	327	1.3	375	1.5	+0.2	15.38
5	Pepper	27	7.1	27	7.1	0.00	0.00
6	Ginger	13	2.8	11	2.4	-0.4	-14.29
7	Turmeric	14	1.1	4	0.3	-0.8	-72.73
8	Sesamum	7	0.6	3	0.2	-0.4	-66.67
9	Bananas	311	8.5	323	8.8	+0.3	+3.53
10	Coconut	310*	49.4	+322	51.5	+2.1	4.25
11	Areca nut	648*	9.9	+774	11.8	+1.9	19.19
12	Cashewnut	56	3.8	83	5.6	+1.8	47.37
13	Rubber	21	6.8	23	7.4	+0.6	8.82
14	Tea	30	14.2	40	18.9	+4.7	33.10
15	Coffee	3	1.6	7	3.7	+2.1	131.25
16	Cardamom	1	3.0	1	3.0	0.0	0.0
Total		..	159.7	..	180.8	21.1	13.21

* Crores of nuts.

and sugarcane. The fall in the productivity of coconut may be mainly due to the wide-spread infection of coconut palms by the leaf rot and yellow leaf diseases. The per capita availability of cultivable land in the State is the lowest in India. Therefore, a substantial increase in the agricultural production can be achieved only through raising the per acre yield. Though there has been a substantial increase in the distribution of fertilisers, one of the input items which raise productivity, during the last five years, the per acre production appears to have declined in the case of many crops. That the decline in productivity is more pronounced in the case of cash crop items which are earners of foreign exchange calls for immediate measures to curb it. The increase in the productivity of rice is mainly due to increased application of fertilisers. The per acre yield of rice can be raised still further through a better combination of the input items.

2.8. An assessment of the effect of the second Plan on agricultural production can now be attempted. The plan which commenced with 1956-57 ended in the year 1960-61. There has been much improvement in the production of many crops as is clear from Table 2.5. The production of rice increased by 182 thousand tons, tapioca by 88 thousand tons, sugarcane by 48 thousand tons, bananas by 12 thousand tons, cashew by 27 thousand tons and coconut and arecanut by 12 crore and 126 crore nuts respectively. Production either declined or remained stationary in the case of pepper, ginger, turmeric, sesamum and cardamom. The additional production target fixed for rice in the plan was 3.46 lakh tons. But the target remains underfulfilled to the extent of 50% as the actual additional increase in production in 1960-61 over 1955-56 was only 1.82 lakh tons.

2.9. The increase in the total value of agricultural output in 1960-61 reckoned at 1955-56 prices was 13.21% (vide Table 2.6). This works out to an annual increment of 2.64% over the five years. The corresponding figure for all India is 3.95%. One may be tempted to conclude that in the field of agricultural development Kerala's performance is poor compared to India as a whole. But such a conclusion may not be perfectly correct when we compare the trend in agricultural production of Kerala during the first four years of the plan with that for India as a whole. During the first four years of the plan the annual increment in the gross agricultural output in India and Kerala were 2.5% and 3.2% respectively. But the last year of the plan witnessed a leap in agricultural production to the extent of 8.8% over the previous year for India as a whole. The corresponding figure for Kerala for the same period is only 0.4% which explains Kerala's apparently poor performance compared to India as a whole in the field of agricultural development during the second Plan period. One important factor which contributed to the slow growth in the field of agriculture in the State during the

last year of the plan was the drastic fall in coconut production during the year. The seriousness of the situation can very well be understood when we realise the fact that the total value of output earned by coconut is the highest for any single crop grown in Kerala.

2.10. The importance of the cash crops of Kerala in earning foreign exchange cannot be over-emphasised. The export value earned by these crops during the year 1960-61 was Rs. 107.88 crores of which the foreign exchange component was Rs. 67.41 crores. The importance of these crops from the national point of view will be evident from Table 2.7 which gives Kerala's contribution to the Indian output of the crops.

Food situation.

2.11. Rice production in the State which stood at 6.01 lakh tons in the first year of planning viz. 1950-51, rose to 8.70 lakh tons in 1955-56, the last year of the First Five Year Plan, and in 1960-61, which marked the end of the Second Five Year Plan production increased to 10.51 lakh tons. The increase in production is at once the result of increased productivity and extension of the area under the plough. The average per acre yield of paddy has risen from 807 lbs. in 1950-51 to 1031 lbs. in 1955-56 and to 1223 lbs. in 1960-61.

TABLE 2.7

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	Rice	1960-61	2.32	3.12
2	Pulses	1958-59	0.19	0.15
3	Tapioca	1956-57	84.56	81.07
4	Coconut	1959-60	71.62	72.54
5	Arecanut	1960-61	51.55	48.79
6	Bananas and other plantains	1956-57	27.33	17.22
7	Pepper	1960-61	96.85	96.53
8	Ginger	1960-61	66.69	66.26
9	Sugarcane	1960-61	0.39	0.37
10	Cardamom	1951-52	50.05	55.94
11	Tea	1960	12.07	11.92
12	Coffee	1959-60	15.13	30.87
13	Rubber	1960	94.40	89.92

The increase in production in 1960-61 over 1959-60 was only 29.13 thousand tons which is considerably lower than the addition in the preceding year. The performance of the agricultural sector as a whole in the concluding year of the Second Five Year Plan was below the mark.

2.12. Paddy occupies 33.1% of the total area of 58.04 lakh acres under cultivation in the State and contributes 27.6% of the total value of agricultural production. At the end of the Second Five Year Plan the area under irrigation increased to 8.29 lakh acres which was 14.3% of the total cropped area. It is expected that by the end of the Third Plan the irrigated area will increase to 12.84 lakh acres (22% of the total cropped area).

2.13. Kerala is a deficit state in the matter of food production. The steadily growing population makes the already bad situation worse. The requirement of cereals for the 1961 population at the rate of 14 ozs. per adult per day is 19.8 lakh tons. The production of cereals in the State in 1960-61 was only 10.62 lakh tons which indicates that there is a deficit of the order of 46%. The State's population increases by about 4 lakhs every year and the annual food grains requirement by 57 thousand tons. In order to meet this additional requirement alone the State has to step up her food production by at least 5% per annum as against the present average rate of 4.3%.

2.14. Food supply in the State in 1962 was lower compared to the previous year. In the first instance, there was a fall in internal production of rice by 47 thousand tons during the year. Secondly, the arrival of rice in 1962 was 6.61 lakh tons which was about 40 thousand tons less than that in the preceding year. But there was a slight increase in the central allotment of rice. It was 2.53 lakh tons in 1962 as against 2.40 lakh tons in 1961. Thus there was a net fall in the supply of rice. The statistics of the arrivals of rice into Kerala and the central allotment of rice to the State are furnished in Tables 2.8 and 2.9 respectively.

TABLE 2.8

Arrival of Rice into the State by rail and road.

Sl. No.	Month	1962				1961			
		From Andhra Pradesh (in tons)	From Madras (in tons)	Others (in tons)	Total (in tons)	Arrival by road (tons)	Total (tons)	Arrival of paddy by road (tons)	Total arrival of rice by rail and road (tons)
1	January	28933	18161	1649	48743	18516	67259	3572	44242
2	February	15655	17112	1077	33844	16883	50727	2730	43950
3	March	15121	19596	1139	35856	17814	53670	2983	66411
4	April	17539	17098	327	34964	17776	52740	2469	52626
5	May	16148	20794	..	36942	20538	57480	1821	59039
6	June	17335	23256	58	40649	20640	61289	675	70464
7	July	20639	8610	67	29316	23145	52461	351	60854
8	August	21524	16575	346	38445	23325	61770	561	70125
9	September	18370	17659	..	36039	24437	60476	1762	67026
10	October	15803	10770	114	26687	21898	48585	1855	58520
11	November	29017	16887	1004	46908	..	46908	..	60639
12	December	17842	28180	1816	47838	..	47838	..	46961
Total		233926	214708	7597	456231	204972	661203	18780	700857

TABLE 2.9

Central allotment of rice to the State (1962)

<i>Period</i>		<i>No. of weeks</i>	<i>Quantity (M. Tons)</i>
(1)		(2)	(3)
31-12-1961 to	3-3-1962	9	56120
4-3-1962 to	2-6-1962	13	41780
3-6-1962 to	23-6-1962	3	19262
24-6-1962 to	1-9-1962	10	65056
2-9-1962 to	29-9-1962	4	25885
30-9-1962 to	5-1-1963	14	45276
Total		53	253379

2.15. Despite the worsening of the supply position there was a slight decline in the price level of rice in 1962. The wholesale price index of rice (base 1952-53 = 100) which was 131 in 1961 declined to 128 in 1962. The price level of rice in the State, however, continued to be higher than the all India level. The all India price index of rice for the year 1962 was only 109.

ANIMAL HUSBANDRY

2.16. Animal Husbandry has an important role to play in agricultural development. But, as it stands now it is one of the least developed sectors in our economy. The potentialities of this sector seem to be very much under-estimated in our country. In spite of India's splendid tradition in the protection of cattle and the comparatively big livestock population in the country the contribution of animal husbandry to the national income is only 8%. The position is worse in the case of Kerala where the corresponding percentage is as low as 3%. The share of animal husbandry products expressed as percentage of the total agricultural production is about 16% and 6% for all India and Kerala respectively. A comparison with some foreign countries will bring out the low State of development of our country in this respect. In many of the European countries animal products constitute 60 to 70% of the total agricultural production while vegetable produce account for only 30 to 40% of it. Table 2.10 shows the agricultural production in the countries of the European Economic Community classified into vegetable and animal products.

TABLE—2.10.

**Composition of Agricultural Production in the European
Economic Community Countries (1953-54)**

(As percentage of gross agricultural production)

<i>Items</i>	<i>Countries</i>					
	<i>West Germany</i>	<i>Belgium</i>	<i>Luxem- bourg</i>	<i>France</i>	<i>Italy</i>	<i>Nether- lands</i>
Cereals	10	7	10	12	26	4
Potatoes	6	5	5	3	2	7
Sugarbeat	4	4	..	3	1	3
Wine	2	..	6	9	4	..
Fruit	5	5	1	3	10	4
Vegetables	2	9	..	8	7	6
Total Vegetable produce	30	35	27	42	66	32
Cattle and Sheep	14	15	15	17	8	14
Pigs	26	13	24	12	4	17
Poultry	1	1	1	7	2	1
Eggs	6	11	4	5	6	11
Milk and dairy products	22	24	28	17	13	25
Total animal products	70	65	73	58	34	68
Total all products	100	100	100	100	100	100

Source: Report on the Economic situation in the countries of the community—E. E. C. Commission.

TABLE 2.11
Livestock population in Kerala—Results of the last three censuses.

Item	Number in thousands as per			Percentage increase of col. 4 over col. 2
	1951 Census	1956 Census	1961 Census	
CATTLE				
(a) Males over 3 years				
(i) Breeding bulls	7.8	11.0	11.2	+ 43.59
(ii) Working bullocks	571.3	553.2	531.9*	- 6.90
(iii) Not used for breeding or work.	36.8	37.7	26.1	- 29.08
Total	615.9	601.9	569.2	- 7.58
(b) Females over 3 years				
(i) Breeding cows:				
(a) In milk	316.5	396.4	434.5	+ 37.28
(b) Dry & not calved	569.1	575.3	644.6	+ 13.27
(ii) Working cows	3.9	7.1	14.3	+ 266.67
(iii) Not used for breeding or work	13.7	19.2	39.4	+ 187.59
Total	903.2	998.0	1132.8	+ 25.42
(c) Youngstock	665.8	910.5	984.4	+ 47.85
Total Cattle	2184.9	2510.4	2686.4	+ 22.95
BUFFALOES				
(a) Males over 3 years				
(i) Breeding	3.2	4.0	3.1	- 3.13
(ii) Working	252.7	247.3	268.2*	+ 6.13
(iii) Not used for breeding or work	11.3	5.9	6.6	- 41.59
Total	267.2	257.2	277.9	+ 4.00

TABLE 2.11—Contd.

Item	Number in thousands as per			Percentage increase of col. 4 over col. 2
	1951 Census	1956 Census	1961 Census	
BUFFALOES—contd.				
(b) Females over 3 years				
(i) Breeding				
(a) In Milk	53.4	61.3	60.6	+ 13.48
(b) Dry and not calved	60.3	63.8	61.6	+ 2.16
(ii) Used for work	9.6	10.1	8.2	- 14.58
(iii) Not used for breeding or work	3.3	3.3	5.8	+ 75.76
Total	126.6	138.5	136.2	+ 7.58
(c) Youngstock	73.5	91.9	71.3	- 2.99
TOTAL BUFFALOES	467.3	487.6	485.4	+ 3.87
SHEEP	432.2	97.8	36.2	- 91.62
GOATS	412.8	955.6	1252.1	+203.32
PIGS	124.7	113.7	146.5	+ 15.81
OTHERS	1.8	3.1		
TOTAL LIVESTOCK	3623.6	4168.2	4606.8	+ 27.13
POULTRY				
(a) Fowls	3859.8	6462.8	..	..
(b) Ducks	263.5	332.1	..	..
TOTAL POULTRY	4123.3	6795.0**	9600.9	+142.55

** Includes 161 other poultry also.

* Includes those used for both breeding and work also.

2.17. Meat, milk and eggs are the main animal products in other countries. But in Kerala as well as India the situation is quite different. Here agriculture is largely dependent on cattle and buffaloes for the supply of agricultural labour. The main products of animal husbandry in this country are therefore milk, animal labour and also eggs. Meat is also produced but its contribution to the income from animal husbandry is not significant. Milk yield rate of Indian cows is one of the lowest in the world. This is the chief factor that makes the income from animal husbandry comparatively low. The traditional bias against slaughter of cattle makes meat production very low. This has an adverse effect on the rural economy. A large number of uneconomic and useless cattle are maintained which constitutes a drain on the economy. In other countries male cattle are mostly used for meat production. This practice, besides sparing the cost of maintaining them, helps to add considerably to the income from animal husbandry.

2.18. Table 2.11 which contains the livestock census figures for 1951, 1956 and 1961 reveals the trend in the growth of livestock population in Kerala during the last decade. The net increase in the livestock population during the decade 1951-61 is 27.1%. Among the different categories of animals the percentage increase has been most remarkable in the case of working cows (266.7%) unserviceable cows (287.6%) and goats (203.3%). The high rate of increase in the first two cases is obviously not a welcome trend. The big increase in the last case, though of little consequence so far as milk production is concerned, might improve meat supply if used for the purpose. The comparatively high percentage increase (75.8%) in numbers is evident also in the case of unserviceable she-buffaloes. The number of breeding bulls increased by 43.6% over the decade but the increase during the last quinquennium has been quite negligible. It is a welcome sign that the increase in the number of Cows as well as she-buffaloes in milk is higher than the increase in the number of those that are dry or not calved. The number of she-buffaloes in milk declined a little during the period, 1956 to 1961. The categories that have recorded considerable fall are male cattle and buffaloes not used for breeding or work, working she-buffaloes and sheep. The fall in the number of the first two categories is, of course, desirable. But the dwindling of the sheep population to about 8% of its original size over the comparatively short period of ten years is a problem which deserves immediate attention and investigation. As regards poultry population the trend has been most encouraging.

2.19. Though in the matter of low productivity Kerala's cattle bear close comparison to the all India cattle the State's animal husbandry has certain special features. The number of cattle and buffaloes as related to human population is not so large in Kerala as in other parts of India. The proportion of buffaloes in the bovine population is small in the State compared to India. But, unlike in other parts of India, he-buffaloes

are used extensively in Kerala to drive the ploughs. While there are some well defined breeds of cattle and buffaloes in many of the other States to form a nucleus stock for upgrading there are none in Kerala. But Kerala ranks high among the Indian States in the field of poultry rearing. Kerala which accounts for only 1.2% of the geographical area and 3.8% of the total population of the Indian Union has 8.2% of the total number of poultry in the country; the percentage bovine population in the State is only 1.4%. Table 2.12 shows the number of cattle and buffaloes in the different States of India as related to geographical area and human population.

TABLE—2.12

Bovine Population in the Different States of India as Related to Geographical Area and Human Population (1961)

<i>Sl. No.</i>	<i>State</i>	<i>No. of bovines per sq. mile of area</i>	<i>No. of bovines per thousand persons</i>
1	Andhra Pradesh	181	535
2	Assam	150	595
3	Bihar	298	430
4	Gujarat	130	454
5	Jammu & Kashmir	N.A.	627
6	Kerala	211	190
7	Madhya Pradesh	177	938
8	Madras	266	398
9	Maharashtra	157	472
10	Mysore	171	538
11	Orissa	168	575
12	Punjab	222	516
13	Rajasthan	130	853
14	Uttar Pradesh	328	506
15	West Bengal	367	355
16	Union Territories	113	403
	All India	200	517

2.20. The ratio of bovine population to human population in India is neither too high nor too low compared to world standards. But in relation to land area the number of bovines in India is surpassed only by a few countries such as Belgium, Netherlands, Ceylon, Pakistan and Thailand. In the case of Kerala the number of bovines per square mile is a little higher but the number per thousand of human population is very much lower than the all India average. This is not surprising as the State has the highest density of population in India. The low ratio of bovine population to human population in Kerala explains the comparatively low per capita availability of milk

in the State. Very few countries in the world have a higher number of bovines per unit of agricultural area (cultivated area plus pastures) and still fewer countries have a smaller ratio of bovine population to human population. The daily per capita availability of milk for the whole of India is about 135 gm. (4.8 oz.) whereas it is as low as 37 gm. (1.3 oz.) for Kerala. It is worthwhile to note in this connection that Italy with 178 bovines per thousand persons provides 422 gm. of milk per head per day to its people and Israel with only 76 heads of bovines per thousand persons provides 366 gm.; neither of these countries is, however, self-sufficient in milk. The criterion for self-sufficiency may be taken as a daily per capita production of 560 gm. (20 oz.) of milk. Hungary and United Kingdom which are more or less at the self-sufficiency level in milk production have only 197 and 212 bovines respectively per thousand persons. Therefore the problem facing Kerala is chiefly one of stepping up the productivity of milch animals.

2.21. Kerala's annual requirement of milk on the basis of a minimum standard of 10 oz. per head per day is 468 lakh Mds. The production of milk in the State in 1956 was 55 lakh Mds. Milk production in 1961 may be estimated on the basis of the increase in milk animals between 1956 and 1961, not taking into account any increase in productivity that might have taken place over the five year period. Estimating as indicated above the milk production in 1961 would be 59 lakh Mds. This works out to a per capita availability of only 1.26 oz. per day which is less than that in 1956 viz. 1.3 oz. per day. It is only reasonable to conclude that, even if allowance is made for some increase in the productivity of milch animals that might have taken place during the Second Plan period, the position in this respect has not improved over the Plan period. The acuteness of the problem will be evident if we consider the fact that the State has to step up productivity of milch animals eight fold in order to achieve self-sufficiency even at the minimum standard requirement. The present average annual yield of a milch cow in Kerala is 167 kg. An eight fold increase is not altogether impossible as in most of the European Countries the yield rate is more than eight times that in Kerala. There are several Indian breeds of cows like Sahiwal, Sindhi, Gir, Haryana, etc., which yield from 1500 to 2000 kg. of milk per lactation. However, an increase in the average milk yield of the above order is by no means an easy task. It will require a much bolder policy and a more ambitious programme for animal husbandry development than those envisaged in our Five Year Plans.

2.22. The State's position regarding poultry keeping is comparatively better. The vast increase in the number of poultry over the last decade is a sign of sustained progress of the industry. As per 1961 livestock census, Kerala has 96 lakh poultry of which about 45 lakhs are layers. The average annual production per layer is estimated at 78 eggs. The

production of eggs (hen's and duck's) in Kerala in 1961 can, therefore, be estimated at about 35 crores. The contribution to the State's income from this source is of the order of Rs. 4 crores. Its value is enhanced by the fact that it is shared, for the most part, by families in the lowest income group.

FISHERIES

2.23. In the fishing industry of India, the position of Kerala is something unique. Fish constitutes an important supplementary item of food for the people of the State. Kerala has good fishing grounds in her 330 mile coast line. About a lakh of people are directly engaged in fishing operations. The crafts used by most of them are antique and are sufficient only for about two thirds of the active fishermen. About four-fifths of the fish landings in Kerala are from the sea and the remaining from the inland fisheries. Out of the total Indian production of 12 lakh tons, the present contribution of Kerala is more than, 3 lakh tons. The State has certain varieties of fish like prawns and shrimps which have good export value.

2.24. Only marine fishing grounds are prominent and as a result about 85% of the total catch comes from the sea. Only about 1 to 2% of the total catch is from fresh water while the rest is from the backwaters of the State. Only in the States of Andhra Pradesh and Maharashtra is there a higher percentage of marine fish production, the percentage figures being more than 90% in each case. The corresponding figure for India as a whole is just above 70%.

2.25. The state-wise production of marine fish and the seasonal variations in production are shown in Table 2.13. It

TABLE—2.13

States	Period				Total *
	I	II	III	IV	
West Bengal & Orissa	1567	411	405	3149	5532
Andhra	22062	12276	8567	13951	56720
Kerala	33109	22201	97612	191683	344605
Madras	22078	29873	33525	22334	107810
Mysore	7246	793	4605	87913	100557
Maharashtra	28512	15866	12870	69924	127172
Gujarat	16295	16548	6288	88851	127982
Total	130869	97968	163772	477769	870378
Percentage	(15.06)	(11.27)	(18.85)	(54.94)	

* Marine fish production in the Andamans & Laccadive Islands and fish caught with the help of trawlers account for about 7900 m. tons. The total marine landings in 1960 is 878,242 metric tons.

can be found that nearly 55% of the total catch is obtained in the last quarter, of the year. Kerala contributes about 40% of the total marine fish landings. The most important economic species of the State are sardine (20%), prawns (13%), mackerel (11%), sharks (5%), silver bellies and horse mackerel (4% each), sole and ribbon fish (3% each).

2.26. Recurring floods render ponds, tanks and reservoirs unsuitable for fish culture while absence of enough water during the summer months makes water bodies in certain regions useless. Although a large number of major reservoirs, both irrigation as well as hydel, could be utilised for fish culture, the lack of suitable economic fresh water species and the necessity of importing lakhs and lakhs of fingerlings render such a project uneconomic. The estimated fish production from Kerala's reservoirs and irrigation canals constitutes only 0.06% of the total production from this source in India.

2.27. The quantity and value of fish caught in the State in 1960-61 are shown in Table 2.14. Fish production was higher in 1961 compared to 1960. It is estimated that in 1961 a total quantity of 3.87 lakh metric tons of fish valued at Rs. 5.06 crores was caught in Kerala.

TABLE—2.14

Details of fish Landings in Kerala (1960-61)

<i>Fish Variety</i>	<i>Weight in Metric tons</i>	<i>Value (Rs. lakhs)</i>
Shark and Dog Fish	3,687	10.87
Skate and Rays	1,328	3.10
Cat Fish	6,950	17.54
Oil Sardine	2,39,144	179.85
White Bait	3,892	8.94
Silver Bellies	5,205	9.20
Mackerel	75,322	139.18
Soles	11,729	13.16
Prawns	10,258	26.79
Other varieties	42,385	89.03
Total	3,99,900	497.66

2.28. Fish varieties such as shark, catfish, sardine, silver bellies, mackerel, soles and prawns have good commercial value. Prawns and shrimps are absorbed by countries like U.S.A., Burma and Hongkong. About 25% of the fish caught is exported as cured or fresh fish while another 25% is exported after being processed locally. Thus nearly 50% of the fish is

production of eggs (hen's and duck's) in Kerala in 1961 can, therefore, be estimated at about 35 crores. The contribution to the State's income from this source is of the order of Rs. 4 crores. Its value is enhanced by the fact that it is shared, for the most part, by families in the lowest income group.

FISHERIES

2.23. In the fishing industry of India, the position of Kerala is something unique. Fish constitutes an important supplementary item of food for the people of the State. Kerala has good fishing grounds in her 330 mile coast line. About a lakh of people are directly engaged in fishing operations. The crafts used by most of them are antique and are sufficient only for about two thirds of the active fishermen. About four-fifths of the fish landings in Kerala are from the sea and the remaining from the inland fisheries. Out of the total Indian production of 12 lakh tons, the present contribution of Kerala is more than, 3 lakh tons. The State has certain varieties of fish like prawns and shrimps which have good export value.

2.24. Only marine fishing grounds are prominent and as a result about 85% of the total catch comes from the sea. Only about 1 to 2% of the total catch is from fresh water while the rest is from the backwaters of the State. Only in the States of Andhra Pradesh and Maharashtra is there a higher percentage of marine fish production, the percentage figures being more than 90% in each case. The corresponding figure for India as a whole is just above 70%.

2.25. The state-wise production of marine fish and the seasonal variations in production are shown in Table 2.13. It

TABLE—2.13

States	<i>(metric tons)</i>				Total *
	Period				
	I	II	III	IV	
West Bengal & Orissa	1567	411	405	3149	5532
Andhra	22062	12276	8567	13951	56720
Kerala	33109	22201	97612	191683	344605
Madras	22078	29873	33525	22334	107810
Mysore	7246	793	4605	87913	100557
Maharashtra	28512	15866	12870	69924	127172
Gujarat	16295	16548	6288	88851	127982
Total	130869	97968	163772	477769	870378
Percentage	(15.06)	(11.27)	(18.85)	(54.94)	

* Marine fish production in the Andamans & Laccadive Islands and fish caught with the help of trawlers account for about 7900 m. tons. The total marine landings in 1960 is 878,242 metric tons.

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exported and another 50% is consumed locally. During 1958-59 the export of fresh fish and fish products through the ports of Kerala amounted to Rs. 1.52 crores. The corresponding figures for 1956-57 and 1957-58 were Rs. 1.30 crores and Rs. 1.50 crores respectively. The lean year of 1959-60 experienced a fall in export trade, the export value being 1.2 crores. The trend was more promising in the next two years. The value of exported fish and fish products from Cochin port alone stood at Rs. 1.79 crores and Rs. 2.48 crores during 1960-61 and 1961-62 respectively. The export of prawns and shrimps alone from Kerala in 1959 was valued at Rs. 1.23 crores.

2.29. Allround efforts must be made to boost our export trade in fish and fish products, to the maximum extent in view of the imperative need for foreign exchange. The U.S. market can be fully exploited by exporting more and more prawns. Dried prawns are in great demand in Burma and salted fish in Ceylon. The scope for the export of fish meal is very bright indeed. The increasing demand for fish meal in Germany and Netherlands has to be met. Kerala is a prominent producer of fish meal. It is expected that the export of fish meal will go up with the increase of production at the fish meal plant at Cochin.

2.30. Fish eating has become quite popular in Kerala. More than three-fourths of the population are regular fish eaters. Per capita consumption of fish in India is one of the lowest in the world (vide Table 2.15). But Kerala's average is better than the national average. About 70% of the people in Maharashtra are fish eaters. Except Kerala and Maharashtra most of the other fish producing States export the bulk of their catch.

TABLE—2.15

<i>Country</i>	<i>Yearly per capita consumption of fish (Kilograms)</i>
Japan	77
Norway	52
Iceland	50
Portugal	45
Philippines	19
Singapore	19
Ceylon	15
Malaya	11
Thailand	10
Indonesia	8
China	6
India	3
Kerala	15

2.31. The average price per metric ton of fish paid to coastal fisherman in Kerala and the other fish producing states is shown in Table 2.16.

TABLE—2.16

<i>State</i>	<i>Price per metric ton (Rs.)</i>
West Bengal	292
Orissa	500
Andhra	500
Madras	844
Kerala	360
Mysore	319
Bombay	225

2.32. The marketing aspect is being given some attention at present. A number of fishermen co-operatives have been started in the State to eliminate the necessity of middlemen. In 1957 the Indo-Norwegian Project initiated a pilot scheme for fish marketing which succeeded in popularising iced fish in the marketing routes established after considerable survey of marketing potentialities. Frozen fish has become popular with the establishment of a cold storage and refrigeration plant at Quilon. A sales organisation comprising the owners of mechanised boats at Quilon was set up and the members were assured of minimum beach prices for different species. Other fishermen are being attracted by the price incentives and cash payment system. It is expected that a good fish marketing organisation will soon be established in the State.

2.33. The 1958-59 figures show that Kerala has altogether 241 primary fishermen co-operatives with a total membership of 33,332 (vide Table 2.17). Kerala leads most States in bringing fishermen into the co-operative fold. Kerala has also two marketing federations. Most of the primary societies in the country owe their origin to the States' programmes of financial assistance for the purchase of fishery requisites. An amount of Rs. 10.22 lakhs is provided in Kerala's Third Plan for the development of fishermen co-operatives.

TABLE—2.17

<i>Sl. No.</i>	<i>State</i>	<i>Primary Societies</i>	<i>Membership</i>
1	Rajasthan	4	107
2	Orissa	152	13,586
3	Jammu & Kashmir	1	219
4	Madras	290	30,396
5	Bihar	136	10,141
6	Andhra Pradesh	337	41,100
7	Madhya Pradesh	43	2,181
8	Maharashtra	122	29,128
9	Kerala	241	33,332
10	West Bengal	473	27,350
11	Mysore	77	10,281
12	Gujarat	47	7,902
13	Assam	143	6,782
14	Uttar Pradesh	54	2,904
	All	2119	2,13,228

2.34. In the survey conducted by the Fisheries Department of the State in 1957, it was found that in Kerala there were 236 fishing villages with an average of 178 households in each of them. Each village has an average of 1140 inhabitants. The average income of the fishery household was found to be Rs. 542 per annum. The per capita income of the fishing population is much less than the per capita income for the State. Out of an estimated total of 7 lakh active fishermen in India, Kerala accounts for about a lakh. There are about 21,000 fishing crafts in the State as against 75,000 for India as a whole. Many of the fishermen follow coir spinning as a subsidiary pursuit to supplement their family income.

2.35. The fisheries sector of our economy needs considerable attention. The fisherfolk have only very limited means. The techniques used in production and processing of fish are crude and uneconomic. The development programmes under the plans should aim at an increase in production with the aid of schemes like mechanisation of fishing crafts. Only then will it be possible to raise the consumption level within the State as well as production for export leading to increased foreign exchange earnings.

FORESTS

2.36. Forests of Kerala constitute one of her most important assets because in recent years, they have contributed considerably towards the increase in the revenue of the State. They are a rich source of raw materials for various thriving industries like commercial plywood, timber, matches, etc. Again, they exercise a protective influence on the soil by preventing erosion. They have also a moderating effect on the climate of the State. The contribution of forests to the revenues for the past few years is shown in Table 2.18. The steady increase in revenues is due to larger receipts under timber and other produce as a result of planned exploitation of forests and higher price of timber and fire-wood.

2.37. The revenue from this source can be considerably increased if the private forests, which are fit for conservation, are brought under the State supervision so that a long-range planned development can be facilitated. At present though most of the forest lands are conserved by the State as "Reserve Forests", still there is a large area in private hands mostly in the Malabar region. Further there are large tracts of land known as 'unreserves' also in the Malabar region.

2.38. The out-turn of timber, fuel and other forest produce for 1961-62 is shown in Table 2.19. Because of the enormous increase in construction activities, timber has acquired great importance from the point of view of the consumer, and if this trend is continued, as most probably it will, timber will become a scarce factor unless the supply is not considerably stepped up to cope with the demand for it. The demand for fuel is also rising. The total out-turn of fire-wood in 1961-62 was 1,93,933 tons as against 1,79,383 tons in 1960-61. Unless there are fresh forest areas exclusively set apart for growing fire-wood, its scarcity will be keenly felt with growing population and progressive depletion of village fire-wood resources.

TABLE 2.18

Contribution of Forests to the State Revenues.

<i>Year</i>	<i>Revenue (Rs. lakhs)</i>
1957-58	292.80
1958-59	311.65
1959-60	329.89
1960-61	431.94
1961-62	392.50

TABLE 2.19

Out-turn of Timber and Fire-wood

<i>Sl. No.</i>	<i>Item</i>	<i>Unit</i>	1957-58	1958-59	1959-60	1960-61	1961-62
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	A. Round logs						
	(i) Teak	Cft.	665709	1186772	897685	1186833	1329453
	(ii) Others	Cft.	1930069	3269874	3448706	6698623	7075757
2	B. Sawn and Squared Timber						
	(i) Teak	Cft.	415	377	216	1622	138
	(ii) Others	Cft.	46126	144425	9656	3725	187
3	Rough poles	Nos.	461563	411290	300930	252340	376650
4	Fire wood	Tons	24070	52293	165866	179383	193934
5	Sandal wood	lbs.	8983	132489	89853	16270	50891
6	Outer Slabs	Nos.	83	1626	892	112	1092
7	Teak Kappukals	Nos.	Nil.	9367	337	Nil.	2260
8	Ivory	lbs.	1654	1566	593	1565	84

2.39. Table 2.19 shows that the total out-turn of round logs of teak during 1961-62 was 13,29,453 cft. and the out-turn of round logs other than teak during the same period was 70,75,757 cft. The corresponding figures for 1960-61 were 11,86,833 cft. and 66,98,623 cft. respectively. Thus there is a sizeable increase in the out-turn of round logs of both teak and other timber species. The out-turn of sawn and squared timber for 1961-62 was 325 cft. out of which 98 cft. was teak wood. This is considerably less than the out-turn in the previous year when there was a production of 3,725 cft. of timber other than teak and 1,622 cft. of teak wood. The production of rough poles has gone up by nearly 50% in 1961-62 over the previous year.

2.40. Investments to increase the forest wealth of Kerala can never be over-done because the returns from it even during the short period will bring in sizeable profit to the State. Afforestation activities have a two-fold advantage; they can provide employment opportunities, and they can increase the supply of raw materials for the growing forest based industries. The main industries in Kerala that depend upon the forests for their raw materials are plywood, paper, hard-board, match, rayon and splints and veneer industries.

IRRIGATION

2.41. Irrigation which has been accepted as a major programme for developing India's agriculture plays a very important role in crop production. The acute food shortage of the war and post-war years highlighted the necessity for irrigation, and investigation of a number of irrigation schemes was undertaken. The provision of minor irrigation facilities received impetus as a result of the Grow More Food Campaign launched vigorously in our State.

2.42. The only area under controlled irrigation at the commencement of the First Five Year Plan was the Nanjinad area which now forms part of the Madras State. The net area irrigated by major irrigation schemes in the State rose from 30,469 hectares at the end of the First Plan to 74,237 hectares at the end of the Second Plan, thus recording an increase of about 144% during the five year period. The total net and gross area expected to be irrigated by major works at the end of the Third Plan are 1,32,513 and 2,47,754 hectares (3,27,440 and 6,12,200 acres) respectively.

TABLE 2.20

Irrigated area—State-wise (1956-57)

Sl. No.	States	Total area cropped Hectares (‘000)	Net area irrigated Hectares (‘000)	Gross area irrigated Hectares (‘000)	Sources of water supply (percentage)			
					Canals	Tanks	Wells	Other sources
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Andhra Pradesh	12444	2860	3388	44.6	41.3	11.1	3.0
2	Assam	2429	620	620	58.6	..	..	41.4
3	West Bengal	6061	1218	1245	50.4	32.0	1.3	16.3
4	Bihar	10119	1774	1774	34.6	13.6	12.0	39.8
5	Bombay	28474	1463	1655	19.0	14.4	63.6	3.0
6	Jammu and Kashmir	771	301	314	95.4	0.4	0.9	3.3
7	Kerala	2211	335	449	49.9	9.3	3.5	37.3
8	Madhya Pradesh	17633	829	839	47.1	13.2	35.5	4.2
9	Madras	6938	2233	2925	36.2	39.8	22.4	1.6
10	Mysore	10400	740	762	22.3	44.2	17.5	16.0
11	Orissa	6053	977	1141	23.0	50.7	3.9	22.4
12	Punjab	9626	3019	3700	66.4	0.2	33.0	0.4
13	Rajasthan	13711	1412	1693	19.8	13.4	64.1	2.7
14	Uttar Pradesh	21354	4622	5045	37.5	9.1	47.4	6.0
15	Union Territories	886	131	158	40.5	7.6	51.9	..
	ALL INDIA	149110	22534	25708	41.0	20.0	30.0	9.0

1 Hectare—2.471 Acres.

2.43. During 1950 the total net area irrigated in Kerala from all sources was 3.01 lakh hectares. This rose to 3.28 lakh hectares in 1956 and 3.56 lakh hectares in 1959. Table 2.20 gives the statewise cropped area and area irrigated (gross and net) during 1956-57. 20% of the total cultivated area in Kerala received the benefit of irrigation during the year, half of this being served by canals. This compares favourably with the all India share of 17%. The percentage share of the gross irrigated area to total cropped area is the highest in Madras followed by Jammu and Kashmir and Punjab, where it forms more than 40%. Next in order comes Andhra, Assam and Uttar Pradesh. In all other States except Kerala and West Bengal the gross irrigated area form only less than 20% of the cropped area. Kerala's share of the total gross irrigated area in India formed 1.75% during 1956-57. Though the State's position remains encouraging when compared to a few other States like Bombay, Madhya Pradesh and Mysore, the rapidly increasing food requirements in Kerala call for a much speedier expansion of irrigation facilities.

2.44. Canals form the main source of irrigation in the country, the same feature being commonly observed in many of the States. In Table 2.20 is shown the relative importance of different sources of water supply in different States during 1956-57. At the all India level, the area irrigated by canals accounts for 41% of the total area irrigated. The relative importance of the different sources of irrigation varies from State to State. Canals form the primary source of irrigation in Kerala, Madhya Pradesh, Madras, Punjab, Andhra, Assam, West Bengal and Jammu & Kashmir which together account for 51% of the total area irrigated through canals. As against the all India figure of 41% canals account for 50% of the irrigated area in Kerala. Wells, tanks and other sources account for about 9%, 4% and 37% respectively of the total irrigated area. Tanks form the most important source of irrigation in Mysore and Orissa only.

2.45. Within the irrigation programme emphasis has, however, been shifted to some extent from major and medium irrigation in the First and Second Plans to minor projects in the Third Plan. The Planning Commission has accorded very high priority to programmes of minor irrigation. Very recently the Government of India has made a 50% increase in the Plan allocation for minor irrigation works. Minor works, in addition to yielding quick benefit, are more economical than the major ones. In Kerala, a considerable portion of the cultivated area is benefited by minor irrigation works. Minor works play an important role in the economy as irrigation is needed for supplementing monsoon rainfall during the first and second paddy seasons. The area irrigated by minor irrigation schemes is given below:

	<i>Net</i>	<i>Gross</i>
	<i>Area irrigated (hectares)</i>	
(1) at the end of the I Plan	69,830	1,39,659
(2) at the end of the II Plan	1,12,675	1,93,988
(3) area expected to be irrigated at the end of the III Plan	1,71,315	2,71,568
	(423,319 acres)	(6,71,045 acres)

2.46. The additional net area that will be irrigated by medium, lift and minor irrigation projects during the Third Plan period is 58,640 hectares. (Gross area 77,580 hectares).

2.47. One of the major problems in regard to irrigation is underutilisation or excess capacity. Of late, however, there has been some improvement in the utilisation of irrigation waters. The percentage of utilisation of irrigation capacity of major and medium irrigation projects in India is reported to have increased from 48 at the end of the First Plan to 76 at the end of the Second Plan. There are many reasons for the underutilisation of irrigation facilities. But it is mainly due to the shortage of investment funds available with the farmers that the full potential of irrigation water is not realised; crop yields per acre especially in new irrigated areas still tend to be lower. Expansion of holdings and relaxation on the Government's lending policy through institutional agencies like co-operatives may solve the problem to a considerable extent.

CHAPTER III

PLANTATIONS

Plantations are comparatively well developed in the State. Though the process of production in plantations is similar to that in agriculture, the former is safe from many of the ills like shortage of capital, diseconomy of small scale operation, antiquated techniques of production etc., which hinder the progress of agriculture. Plantations are, above all, a potential source of investible surplus. Though there are a large number of small holdings in the plantation industry the major portion of the area under plantation crops is in large units. The existence of small units also has its own advantages in so far as it raises the income level of the middle class and promotes further investment on land.

3.2. The three main plantation crops grown in the State are tea, coffee and rubber. The importance of tea lies in the fact that it brings in sizeable foreign exchange. In fact, tea ranks first among the export products of Kerala in the matter of foreign exchange earnings. So far as rubber is concerned Kerala contributes almost 90% of the all India production. As the indigenous production of rubber is not able to meet even 50% of the country's requirements, it is imperative that the State should develop the rubber plantation industry in the national interest.

Tea.

3.3. Kerala contributed about 11.17% of the all India production of tea in 1961. The respective contributions of the other main tea producing States, viz., Assam, West Bengal and Madras were 51.74%, 24.25% and 11%.

3.4. Table 3.1 gives the State-wise area under production and average yield per hectare of tea in India for the years 1956, 1960 and 1961. The year 1961 was definitely better than 1960 as far as tea production is concerned. This was particularly so in the case of Assam where the production increased by about 16% compared to the previous year. Slight increase in production was observed in other tea producing States also. As a result, the total production recorded an increase of 32,412 thousand kilograms over the year. The average yield per hectare increased from 971 kilograms in 1960 to 1068 kilograms in 1961. There was no appreciable change in the area under cultivation. The progress of tea plantations during the Second Plan period was fairly good. During this period the area under tea increased by more than 3% and production by more than 14% with the result that the average yield per hectare increased from 963 kilograms in 1956 to 1068 kilograms in 1961.

3.5. Table 3.2 shows the area and production of tea plantations in Kerala according to the sizes of estates as in 1960-61.

The increase in the number of holdings in the smallest size-group has been remarkable. It increased from 1460 in 1959-60 to 1704 in 1960-61. But the area under cultivation practically remained the same. There has been a slight increase in the area as well as number of estates in the size-group 4.05 to 60.70 hectares also. In the case of the other size-groups there has been practically no change. The average yield per hectare has increased in almost all the size-groups. The average yield, however, continues to be comparatively high in the bigger size-groups. In 1960-61 the highest average returns were obtained from the size-group 202.34 to 404.69 hectares. Out of a total of 1976 estates, almost 86% in the smallest group which represented only 2.8% of the total acreage. The corresponding figures for 1959-60 were 85% and 2.4% respectively. Units of area up to 202.34 hectares constitute about 95% of the total number of units and account for about 26% of the total area. The remaining 74% of the area is in big units of area above 202.34 hectares constituting only 5% of the total number of units. The corresponding figures for the previous year were practically the same.

3.6. Table 3.3 shows the State-wise area under cultivation and production of tea in India during 1961. As compared to 1960, the production as well as the area under cultivation of tea in the States of Madras and Kerala increased slightly in 1961, the increase in production being more than proportionate to the increase in area. The percentage shares of the two States in the acreage remained more or less the same but their percentage shares in production recorded a slight fall. Allround improvement was observed in Assam, but in the case of West Bengal the percentage share of area as well as production dwindled a little. For India as a whole the production of tea increased by 10%, though the increase in the area has been less than 1%.

3.7. The disposal of India's tea output during the six years ending 1960-61 is given in Table 3.4. The increasing trend observed in production during the first five years was reversed during 1960-61. Exports dwindled to a small extent but imports fell to an almost negligible figure of 0.25 thousand kilograms. Consumption showed an increase of 8% over the year. As compared to 1958-59 the increase in tea consumption was 15.6 million kilograms or over 14%.

3.8. Kerala contributes about 10% of the labour employed in tea industry in India. At the all India level the employment in the industry slightly declined during the year 1959; but in Kerala it was almost steady. The State-wise figures of employment in tea industry in India for the years 1956-59 are given in Table 3.5. The provisional figures for 1959 show a 6% fall in employment at the all India level compared to the previous year. This fall in employment was more or less uniform throughout India.

TABLE—3.1

Area under Cultivation total production and average yield per hectare of tea in each State of India for 1956, 1960 and 1961

Sl. No.	State	Area in '000 hectares			Production in '000 Kg.			Average yield per hectare in Kg.		
		1956	1960	1961*	1956	1960	1961*	1956	1960	1961
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Assam	156.75	162.01	162.33	167,725	157,500	182,891	1,070	972	1,127
2	West Bengal	79.23	82.36	82.62	76,361	81,523	85,735	964	990	1,038
3	Bihar	1.69	0.73	0.53	119	40	56	70	55	106
4	Tripura	4.88	5.18	5.05	2,145	2,155	2,641	440	416	523
5	Uttar Pradesh	2.55	2.37	2.08	846	945	863	332	399	415
6	Punjab (Kangara)	3.89	3.76	3.76	1,100	1,010	1,010	283	269	269
7	Himachal Pradesh	0.42	0.42	0.42	108	129	129	257	307	307
8	Madras	35.26	32.52	32.72	28,197	37,728	38,902	800	1,160	1,139
9	Mysore	1.88	1.81	1.79	1,382	1,687	1,786	735	932	998
10	Kerala	34.04	39.67	39.79	30,736	38,360	39,476	903	967	992
Total		320.59	330.83	331.09	308,719	321,077	353,489	963	971	1,068

(*) Provisional.

TABLE—3.2

Area and Production of tea according to the sizes of estates in Kerala—1960-61

Sl. No.	Size of Estates (Hectares)	Number of Estates	Area (Hectares)	Production (K.gms)	Average yield (K.gms./hectare)
(1)	(2)	(3)	(4)	(5)	(6)
1	Upto 4.05	..	1127.19	N.A.	N.A.
2	Above 4.05 upto 60.70	..	1884.90	619687*	367
3	60.70 upto 121.41	..	3265.35	2086512	639
4	121.41 upto 202.34	..	4231.66	3763034	889
5	202.34 upto 404.69	..	20758.59	22122155	1066
6	404.69	..	8441.50	8565332	1015
TOTAL		..	39709.19	37156720	967†

(*) Excluding the production from 197.32 hectares under the possession of Travancore small growers.

† The area and production accountable to 'Travancore Growers' has been excluded in the calculation of this average yield.

NOTE :—No. of estates and area relate to those on 31st March 1961 and production to calendar year 1960

TABLE—3.3

Distribution of Production of and Area under Tea among the States—1961

Sl. No.	State	Production ('000 K.gms)	Percentage	Area ('000 Hectares)	Percentage
1	Assam	182891	51.74	162.33	49.03
2	West Bengal	85735	24.25	82.62	24.95
3	Bihar	56	0.02	0.53	0.16
4	Tripura	2641	0.75	5.05	1.52
5	Uttar Pradesh	863	0.24	2.08	0.63
6	Punjab	1010	0.29	3.76	1.14
7	Himachal pradesh	129	0.04	0.42	0.13
8	Madras	38902	11.00	32.72	9.88
9	Mysore	1786	0.50	1.79	0.54
10	Kerala	39476	11.17	39.79	12.02
	TOTAL	353489	100.00	331.09	100.00

TABLE—3.4

Disposal of Indian Tea during 1955-56 to 1960-61

(Figures in thousand K. gms)

Year	Opening stock at the beginning of the financial year	Production during the calendar year	Import during the calendar year	Export during the financial year	Closing stock at the end of the financial year	Estimated internal consumption (2+3+4.—5—6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1955-56	39652	307704	221.71	183769	63367	100441.71
1956-57	63367	308719	463.61	233088	51554	87007.61
1957-58	54554	310802	240.81	191755	58104	112737.81
1958-59	58104	325225	11.65	217322	57132	108876.65
1959-60	63933	*328011	1.50	216145	60559	115241.50
1960-61	60559	*322351	0.25	198983	59425	124502.25

(*) Relate to financial year.

TABLE—3.5

Labour employed (Daily average) in Tea Industry in India

Sl. No.	State	1956	1957	1958	1959*
(1)	(2)	(3)	(4)	(5)	(6)
1	Assam	529,528	535,503	522,738	501,267
2	Bihar	1,063	902	792	519
3	Punjab	6,766	6,764	6,696	5,000
4	Uttar Pradesh	3,596	3,846	4,171	3,391
5	West Bengal	268,671	261,384	251,145	236,674
6	Mysore	5,242	5,951	5,396	3,661
7	Kerala	97,880	97,519	97,519	86,337
8	Madras	83,651	84,340	83,412	73,581
9	Himachal Pradesh	133	130	376	279
10	Tripura	8,153	7,918	7,993	8,696
	Total	1,004,683	1,004,257	980,238	919,405

(*) Provisional

TABLE—3.6

State-wise acreage, Production and average yield per acre of Coffee in India

State	Area in acres			Production in tons			Average yield per acre in lb.		
	1956-57	1957-58	1958-59	1956-57	1957-58	1958-59	1956-57	1957-58	1958-59
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Madras	61504	64342	63757	5325	7639	4950	194	266	174
Mysore	152543	153695	160519	31890	31315	33474	468	456	467
Kerala	46057	50145	47741	4323	4386	7043	210	196	330
Others *	297	290	281	362	450	403	..	..	..
TOTAL	260401	268472	272298	41900	43790	45870	358	362	374

* Production does not correspond to the area given against this item; it is excluded in calculating the all India average yield per acre.

NOTE :—Production figures upto 1957-58 are revised and final while those for 1958-59 are provisional.

Coffee.

3.9. Coffee production in the country declined from 67000 tonnes in 1960-61 to 49000 tonnes in 1961-62. This drastic fall in production need cause no anxiety as it was due mainly to the fact that 1960-61 had witnessed an unprecedented bumper crop in coffee. If we compare the production in 1960-61 with that in 1959-60—a normal year—we find that the former is about 1000 tonnes more than the latter. The estimated production for 1962-63 is 53000 tonnes, which means an increase of 4000 tonnes over the previous year. According to the International Coffee Agreement the basic export quota allotted to India is 21,600 tonnes. If this quantity is exported the country will be left with a net quantity of 31,400 tonnes for internal consumption.

3.10. The chief coffee producing States in India are Mysore, Madras and Kerala. Coffee production in all the other States together form only about 1% of the total production. State-wise figures of acreage, production and average yield per acre of coffee for the three years 1956-57 to 1958-59 are furnished in Table 3.6. Kerala accounted for about 19% of the all India area under coffee but contributed only about 15% of the all India output of coffee. Coffee production in Kerala witnessed a sudden rise in 1958-59. The production increased in the State by more than 60% during the year over that in 1957-58. An equally spectacular change in the opposite direction occurred in Madras while Mysore registered an increase of about 2000 tons. The net result was an overall increase in production by 2080 tons or 4.75%. The overall increase in the area under coffee during the year was comparatively less at 1.43%. The average yield per acre in 1958-59 was highest in Mysore and lowest in Madras. Kerala recorded remarkable progress in this respect during the year under review with a 68% increase in the average yield per acre of coffee while in Mysore the trend in the yield rate was more or less static over the three years 1956-57 to 1958-59.

TABLE—3.7

Area under cultivation and production of Coffee in the different Coffee growing Districts of Kerala (1960-61)

<i>District</i>	<i>Area (Acres)</i>	<i>Production (Tonnes)</i>
Quilon ..	586	6
Kottayam ..	4228	457
Ernakulam ..	170	32
Palghat ..	4814	1624
Kozhikode ..	28449	4540
Cannanore ..	3262	633
Total ..	41509	7292

3.11. There was no change in the area under cultivation or production of coffee in Kerala in 1960-61 over 1959-60. Coffee is grown mainly in the Districts of Kozhikode, Palghat, Cannanore and Kottayam. More than 50% of the coffee output in the State is contributed by the Kozhikode District. Table 3.7 gives the district-wise area under cultivation and production of coffee in the State during 1960-61.

3.12. Table 3.8 shows the area as well as the number of registered coffee estates in the State classified into various size-groups.

TABLE—3.8
Area and number of registered Coffee estates in Kerala
as on 31st July 1959 classified according to size

<i>Size in acres</i>	<i>Number</i>	<i>%</i>	<i>Area (acres)</i>	<i>%</i>
(1)	(2)	(3)	(4)	(5)
0— 5	11603	85.47	14977	33.06
5— 10	1256	9.25	5949	13.13
10— 25	542	3.99	5988	13.22
25— 50	72	0.53	2493	5.50
50—100	47	0.35	3172	7.00
100—150	13	0.10	1604	3.54
150—200	18	0.13	3043	6.72
200—250	9	0.07	2051	4.53
250 and above	15	0.11	6028	13.30
Total	13575	100.00	45305	100.00

There was a fall in area as well as number of estates in the smaller size-groups while, with the exception of estates of 250 acres and more, a simultaneous increase was observed both in area as well as in the number of estates. In the smallest size-group the area and the number of estates considerably declined, the respective figures being 24% and 6% less than those for the previous year. In the next two size-groups the area increased by 19% and 11% respectively but the number of estates decreased by more than 4% and 6% respectively. The same is the trend noticed in the size-groups 25-50 and 50-100. The next three size-groups witnessed an uptrend. In the size-group 150-200 alone, the area increased by nearly 52% and the number of estates rose from 12 to 18. However, the trend was reversed in the biggest size-group where the area shrunk by 655 acres and the number of estates fell from 16 to 15. On the whole, the number of estates dwindled from 14,475 in 1957-58 to 13,575 in 1958-59 and the area decreased by about 2,370 acres during the same period.

3.13. The per capita consumption of coffee in India is very low. Table 3.9 gives the per capita consumption in the different States of India while Table 3.10 showing the per capita imports of coffee into a few countries of the world indicates the level of consumption in the countries.

TABLE 3.9
Estimated per capita releases of coffee for consumption
According to States

<i>Sl. No.</i>	<i>State</i>	<i>Per capita release of coffee for consumption (Kottayam)</i>
1.	Kashmir	0.0005
2.	Delhi	0.0992
3.	Uttar Pradesh	0.0004
4.	Bihar	0.0004
5.	Punjab	0.0003
6.	Orissa	0.0004
7.	West Bengal	0.0088
8.	Bombay	0.0153
9.	Mysore	0.4391
10.	Madras	0.5429
11.	Andhra Pradesh	0.0326
12.	Kerala	0.1043
13.	Other States	0.0001
	All India	0.0786

Note: The calculation is based on 1951 population.

TABLE 3.10
Per capita imports of coffee in certain countries of the
world in 1958

<i>Sl. No.</i>	<i>Countries</i>	<i>Estimated per capita imports of coffee in 1958 (Kilograms).</i>
1.	France	4.36
2.	West Germany	2.87
3.	Italy	1.68
4.	Sweden	8.39
5.	United Kingdom	0.86
6.	Canada	3.22
7.	United States	6.95
8.	Japan	0.07
9.	Iraq	0.16
10.	Egypt	0.25
11.	Union of South Africa	0.79
12.	Australia	0.77
13.	India*	0.08

*The figure for India relates to per capita releases for internal consumption during 1958-59 (August to July).

It can be seen that consumption level in India is very much lower than that in many other countries whose consumption mainly depends on imports. Sweden with a per capita consumption of 8.39 kilograms per year stands first in the matter of coffee consumption. Compared to India, the per capita consumption is more than hundredfold in Sweden, about ninetyfold in U.S.A. and fiftyfold in France. Mysore and Madras are the only States where the consumption level is comparable with that in at least a few of the foreign countries cited in Table 3.10. The trend in the domestic consumption of coffee is an increasing one. The total quantity consumed increased from 24,921 tonnes in 1956-57 to 27,611 tonnes in 1957-58 and 28,426 tonnes in 1958-59. With the progress in urbanisation and rise in the general standard of living the consumption of coffee is apt to rise.

Rubber.

3.14. The steady increasing trend in the consumption of rubber continued during 1962. Rubber production also increased during the year. But the gap between consumption and production continues to be as wide as ever. Table 3.11 shows the trend in the production and consumption of rubber in India. The recent spurt in the area under rubber cultivation has not started yielding results. Side by side with the expansion of area under cultivation the yield rate has also to be stepped up considerably if the short-fall in production is to be covered. If the past trend in rubber consumption continues, the impending competition from synthetic rubber is not likely to affect the rubber plantations adversely, especially in view of the vast scope for reducing the cost of production of natural rubber through increasing productivity.

3.15. Rubber is cultivated mainly in Kerala, Madras, Mysore and Andamans. Acreage, production and average yield of rubber in each of these States are given in Table 3.12. It is observed that the area under rubber cultivation in 1961 was nearly 27000 acres more than that in 1960. The increase in the area of the order of 25000 acres in Kerala mainly accounted for this change. But increase in production was only about 1900 tons. With the exception of Andamans, the yield rate is the lowest in Kerala. However, it is encouraging to note that the yield rate compared to that of the previous year had not deteriorated in Kerala, though the general trend observed was a downward one.

3.16. Table 3.13 gives the number of units and acreage under rubber in each State in 1961 classified into holdings and estates. The average area of a holding as well as an estate is the lowest in Kerala. Though the average size of a holding in Kerala has increased from 3.25 acres in 1960 to 3.29 acres in 1961, that of an estate has dwindled from 235.94 acres to 232.73 acres during the same period. The net result was that the average area of a unit decreased from 5.29 acres in 1960 to 5.22 acres in 1961.

TABLE—3.11

Consumption of rubber in India from 1953 to 1962 (in Metric Tons)

Sl. No.	Year	Consumption of Natural Rubber	Consumption of Synthetic Rubber	Consumption of Reclaimed Rubber	Total consumption	Production of Natural Rubber
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1953	22731	16	2228	24975	21474
2	1954	25895	19	2266	28180	21837
3	1955	27984	107	2542	30633	22841
4	1956	29460	2447	3313	35220	23819
5	1957	32273	3080	3898	39151	24147
6	1958	35312	3304	4116	42732	24717
7	1959	39282	4410	4526	48218	23772
8	1960	45941	6561	5327	57829	25192
9	1961	48339	9598	5929	63866	26992
10	1962 (January—November)	46878	9448	5978	62304	27392

TABLE—3.12
State-wise acreage production and average yield per acre of rubber

States	1960			1961		
	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	303021	22317	1.47	328254	24103	1.47
Madras	13610	1998	2.94	15414	2043	2.65
Mysore	3949	440	2.23	4031	394	1.95
Andamans	422	35	1.66	422	26	1.23
Total	321002	24790	1.55	348121	26566	1.53

Source—Indian Rubber Statistics

TABLE—3.13

State-wise distribution of rubber holdings and estates at the end of 1961
(Area in acres)

States	Small growers			Large growers			Total		
	Number of Units	Area	Average area of a Unit	Number of Units	Area	Average area of a Unit	Number of Units	Area	Average area of a Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Kerala	62302	204909	3.29	530	123345	232.73	62832	328254	5.22
Madras	548	4536	8.28	39	10878	278.92	587	15414	26.26
Mysore	17	314	18.47	10	3717	371.70	27	4031	149.30
Andamans	..	..	..	1	422	422.00	1	422	422.00
Total	62867	209759	3.34	580	138362	238.56	63447	348121	5.49

Source—Indian Rubber Statistics.

TABLE—3.14

Classification of the area under rubber in India into holdings and estates of different size-groups as at the end of 1961

<i>Acreege Group (Acres)</i>	<i>Holdings</i>		<i>Estates</i>		<i>Total</i>	
	<i>Number of Units</i>	<i>Area (acres)</i>	<i>Number of Units</i>	<i>Area (acres)</i>	<i>Number of Units</i>	<i>Area (acres)</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Up to 5	54581	104757	..	..	54581	104757
Above 5 and up to 10	5124	38401	..	..	5124	38401
“ 10 “ 50	3162	66601	..	..	3162	66601
“ 50 “ 100	..	..	294	21173	294	21173
“ 100 “ 500	..	..	223	45928	223	45928
“ 500 “ 1000	..	..	32	21966	32	21966
“ 1000 “ 1500	..	..	18	22056	18	22056
“ 1500 “ 2000	..	..	6	10105	6	10105
“ 2000	..	..	7	17134	7	17134
Total	62867	209759	580	138362	63447	348121

Source—Indian Rubber Statistics

Madras witnessed a fall on both counts with the result that the average area of a unit fell from 31.14 acres in 1960 to 26.25 acres in 1961. There was practically no change in the Andamans. In Mysore, the average area of a holding has increased whereas that of a unit has shrunk considerably because of an increase in the number of holdings, the number and area of estates remaining the same. The classification of area into holdings and estates of different size-groups is furnished in Table 3.14. Holdings of size less than 5 acres, though constituting only 30% of the total area, form 86% of the total number of units. Nearly 94% of the total number of units and 42% of the total area are in holdings of less than 10 acres each. The largest number of estates are in the size-group 50-100 acres whereas the largest percentage area of estates is in the size-group 100-500 acres. Estates constitute only about 40% of the total area under rubber, the remaining 60% being accounted for by holdings.

CHAPTER IV

MINERALS

The development of minerals is a necessary concomitant of industrial progress. An appraisal of the mineral reserves in Kerala shows that the State is deficient in important minerals like coal, iron, petroleum and other basic minerals. This is one of the major bottlenecks to industrial progress in the State. Compared to States like Bihar, West Bengal, Madhya Pradesh and Maharashtra, Kerala is backward in mineral output. Table 4.1 gives the Statewise figures of mineral production in 1959 and 1960.

TABLE—4.1
Mineral Production in India (1959 and 1960)

Sl. No.	States	1959		1960		Percent change during period to 1959
		Total value of production (Rs. Crores)	Value of production as % of all India value of Production	Total value of production (Rs. Crores)	Value of production as % of all India value of Production	
1	Bihar	50.3	35.9	56.9	35.8	+13
2	West Bengal	30.4	21.7	34.1	21.4	+12
3	Madhya Pradesh	15.3	10.9	18.9	11.9	+23
4	Orissa	7.7	5.6	8.9	5.6	+15
5	Andhra Pradesh	6.9	4.9	8.1	5.1	+17
6	Mysore	7.3	5.2	8.0	5.0	+9
7	Rajasthan	5.3	3.8	6.1	3.8	+15
8	Maharashtra	9.9	7.1	5.6	3.5	+6
9	Gujarat			4.9	3.1	
10	Madras	1.7	1.2	2.0	1.3	+17
11	Assam	1.9	1.4	1.9	1.2	+0
12	Kerala	2.0	1.5	1.8	1.1	-10
13	Uttar Pradesh	1.0	0.7	1.1	0.7	+10
14	Punjab	0.2	0.1	0.4	0.3	+100
15	Jammu & Kashmir	..	..	0.2	0.1	
16	Delhi & Himachal Pradesh	..	..	0.1	0.1	
Total		139.9	100.0	159.0	100.0	+13

4.2. In 1960 the value of mineral production in India (Rs. 159 crores) has registered an increase of 14% over that in 1959. In Kerala the value of mineral output in 1960 was Rs. 1.8 crores and this formed only 1.1% of the total all India value of production. As is revealed in Table 4.1 both the value of production and share contribution of minerals in

Kerala are not encouraging. In 1960 there was a fall in the share of Kerala's output. As Kerala is industrially backward and as industrial development calls for a simultaneous development of minerals, mineral production has to be stepped up in the coming years. A geological survey of the State to assess the mineral resources is vital. Even though Kerala lacks in metallic minerals she possesses abundant reserves of some important minerals like ilmenite, rutile, and monazite which are good foreign exchange earners. So there is the possibility of exploring these and developing them to the possible extent. Recently the Government has notified that the mineral bearing areas of the State are reserved for exploitation by the Government only.

Ilmenite

4.3. Ilmenite is a titanium mineral—a double oxide of iron and titanium. Chavara, in the Quilon District is one of the richest ilmenite producing centres in the world and ilmenite recovered from this region is the principal mineral produced in the State.

4.4. Ilmenite is mainly used in the manufacture of titanium white pigment which is utilised for the production of paints and enamels, rubber, plastics, paper, glass, cosmetics, textile finishings etc. Kerala contributes more than 96% of the all India production of Ilmenite and the only other State where Ilmenite is produced is Madras.

4.5. The Ilmenite produced in India is largely exported to countries like the United States and the United Kingdom. India had almost a monopoly in the world production of ilmenite. But now, countries like Norway, Canada, Malaya, Australia and South Africa have emerged as rival producers to India. The severe competition from these producing countries resulted in a fall in the volume of exports. The production also registered a serious fall from 1958 since the bulk of the State's production was for export purpose. The falling trend in the volume of both production and export of ilmenite in Kerala during the last few years can be seen from Table 4.2.

TABLE 4.2
Production and Export of Ilmenite

	<i>Production</i> (Tonnes)	<i>Export</i> (Tonnes)
1958	290334	278558
1959	289251	283513
1960	238856	228697
1961	169878	131621
1961 (January to October)	137331	102779
1962 (January to October)	109385	75815

4.6. In view of the fall in the export market, the production of ilmenite can be increased only by stepping up internal consumption. At present only a small portion of the production is consumed in India. The Travancore Titanium Products Ltd., Trivandrum, processes nearly 20 tons of ilmenite per day at present to produce about 3500 tons of titanium dioxide pigment per annum. This is the only titanium factory in India. It is expected that the demand for titanium dioxide pigment will go up by the end of the present plan period. More than 20,000 tons of titanium dioxide pigment will be needed as against the anticipated production of only 7200 tons per annum by the factory at Trivandrum. The present production has, therefore, to be stepped up in order to cope with the increasing demand. So there is scope for starting another factory for the manufacture of titanium dioxide pigments. There are also bright prospects for manufacturing ferro-titanium and titanium tetra chloride as major industries. Kerala has all facilities for starting industries based on ilmenite. In short, ilmenite reserves of the State offer wide scope for industrial development in Kerala. There will not be any difficulty in stepping up internal demand as ilmenite has varied uses in the manufacture of a number of special alloys and precision electrical goods.

Rutile

4.7. Rutile is another titanium mineral found in the beach sands of Quilon District. Kerala holds the monopoly of its production in India. Rutile is utilised in the manufacture of white pigment and in arc-welding electrodes. The entire production exported to Bombay and Calcutta. The production of rutile is not sufficient to meet the domestic requirements and hence it is imported. The production and export of rutile in Kerala since 1957 are shown in Table 4.3.

TABLE 4.3
Production and Export of Rutile

	<i>Production.</i> (tonnes)	<i>Export.</i> (tonnes)
1958	457	368
1959	483	503
1960	982	1053
1961	807	775
1961 (January to October)	572	619
1962 (January to October)	1250	1203

4.8. There is an upward trend both in production and export of the mineral. This rise is all the more welcome in the context of an expectation of an increase in demand for the mineral in the future. A portion of the sand bar at Neendakara beach alone is estimated to contain about 7.40 lakh tons of rutile. The growing demand can be met only by further exploitation of these reserves.

Monazite

4.9. This is also an important mineral occurring in the beach sands of the State. It is a phosphate of thorium and is used in the generation of atomic energy. The production of this mineral is negligible compared to the potential reserves in the State. It is estimated that the sand-bar between Neendakara and Kayamkulam contains about 6.7 million tons of the mineral. 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> (tonnes)	<i>Export.</i> (tonnes)
1958	372	457
1959	193	194
1960	76	25
1961	151	56
1961 (January to October)	121	56
1962 (January to October)	87	100

4.10. A falling trend is noticed in the production and export of monazite. Compared to the previous year 1962 witnessed a fall in the production but the export recorded an increase.

4.11. The demand for the mineral is expected to be high in future because of its thoria content. The Rare Earths Factory at Alwaye consumes about 1500 tons of monazite per annum for the production of thorium oxide, rare earth salt and trisodium phosphate. The present production is insufficient to meet the requirements and hence the factory uses monazite from Manavalakurichi (Madras State) as it has a higher thoria content. There is every possibility of stepping up the production if proper attention is given to the extraction of ilmenite as it can be obtained as a by product of ilmenite. The monazite thus obtained will be cheaper also.

Zircon

4.12. Zircon is used in industries like ceramics, electric resistor and insulator, glass polishing, refractories, etc. It is recovered during the processing of beach sand for ilmenite, rutile, and other minerals. Zircon forms about 2 to 7% of the total mineral deposits in Kerala. The total reserves in the Neendakara bar is estimated to be about 8 lakh tons.

Sillimanite

4.13. Sillimanite is a valuable refractory material and is used in glass industry and other industries employing high temperature. Refractory bricks of high resistant quality can also be produced from this mineral. Sillimanite is obtained as a by-product in the separation of ilmenite and monazite from the beach sands. It forms about 2 to 5% of the mineral

deposits of Kerala. Here also there is the possibility of developing this mineral by exploiting the vast resources. From Chavara area alone, about 10,000 tons of sillimanite can be produced annually.

China Clay

4.14. There are liberal occurrences of china clay in the State. Deposits of ball clay and grey clay are also available. Compared to the vast resources of the State, the percentage share of the mineral in the total value of production is low. The value of production in 1960 was Rs. 3.41 crores while in 1959 it was Rs. 2.52 crores. The value has recorded an increase from Rs. 32.12 crores in 1959 to Rs. 48.69 crores in 1960 in India. In 1961 the production of china clay in the State was 12531 tonnes. In 1962 (January—September) there was a fall in both production and export as compared to the previous year for the same period (see Table 4.5). Even though Kerala is endowed with vast deposits of high grade clay the State contributes only 7% of the total value of production in India while the States like Bihar, Gujerat and Orissa account for the major share i.e., 53, 18 and 12 per cent respectively.

4.15. The largest deposits of china clay are found in Quilon and Trivandrum Districts even though good variety is found in the Districts of Ernakulam, Kozhikode and Cannanore. There are only two important concerns in the State engaged in the production of china clay and manufacture of china wares—one at Kundara and the other Pappinisserri. China clay is used in textile, paints, paper, rubber, cosmetics, pencils and insecticide industries over and above its use in the manufacture of china-wares. It is found that the domestic production is insufficient to cope with the demand and India had to import china clay from foreign countries during previous years. With the increasing pace of industrialisation the demand for china clay is expected to go up. The production has to be stepped up further and a better exploration is called for as the variety of china clay obtained in Kerala is one of finest in India.

TABLE 4.5
Production and Export of China Clay

<i>Period.</i>	<i>Quantity (tonnes)</i>	<i>Export (tonnes)</i>
1961 (January to September)	9303	9431
1962 (January to September)	8487	8953

4.16. There are many unexplored deposits in the State. The clay mine at Kundara now produces only 3500 tons per annum. The third plan envisages the production of 8000 tons of refined clay per annum. If such programmes are undertaken in the private sector also, there is ample scope for enlarging the china clay and ceramic industry, in the State.

As the delegation of the all India, Manufacturers' Organisation recommended there is considerable scope for the development of clay-based industries in the State.

Salt

4.17. Accurate data are not available with regard to the production of salt in the State. The production of salt in 1961 excluding that of small producers was 1100 tonnes. The share in all India production is even below 0.1%. The production of salt in 1962 (January-September) is only 374 tonnes as against 1100 tonnes for the same period in 1961. There is thus a serious fall in the production of salt. In order to meet the growing needs of the people further possibilities of raising production have to be explored.

Quartz Sand

4.18. Deposits of quartz sand are found in places like Shertallai, Panavally, Pattanakkad and Pallipuram. It is estimated that about 73 million tons of quartz sand are available around Shertallai alone. But at present it is collected only at Panavally and Pallipuram. The annual production is of the order of 3000 tonnes. The actual production during April to October 1962 is 3794 tonnes. The utility of quartz sand is mainly in the manufacture of glass of different types. A major portion of the sand is consumed by the Ogale Glass Factory at Alwaye. In Kerala the mineral is used for the manufacture of glass articles, white cement etc. The demand for quartz sand is expected to go up shortly in view of the requirement of the Sand Lime Brick Factory at Pallathara which is now being established. The requirement will be about 30 to 50 thousand tonnes of quartz sand during the third plan period.

Mica

4.19. Kerala's share in the production of mica is very negligible compared to the vast contribution of States like Bihar, Rajasthan and Andhra Pradesh. This is a mineral of importance because of its low thermal conductivity, toughness, flexibility, and comparatively high heat resistance. It is mostly used in electrical insulation industry. In powder form it is also used as a "filler" in various industries. Of all minerals the maximum foreign exchange is earned by mica.

4.20. Mica deposits are found in Kerala at several places. But these deposits are very insignificant when compared to those in Bihar, Rajasthan and Bombay. India is one of the important sources of sheet (block) mica producing between 70 to 80% of the total block mica output of the world. The mica industry of the country depends largely on the export market, the domestic consumption being small.

4.21. There is only one mica mine working at Punalur. The production of crude mica in the State in 1960 is 95 tonnes. This forms only 0.3% of the total all India production. The output of crude mica (State-wise) in 1959 and 1960 is shown in Table 4.6.

TABLE 4.6
Output of Crude Mica (tonnes)

<i>States.</i>	<i>1959</i>	<i>1960</i>
Andhra	5855	6973
Bihar	16338	14537
Kerala	124	95
Madras	177	114
Mysore	11	..
Rajasthan	6341	7282
Madhya Pradesh	..	2
Total—India	28846	29003

Tile Clay

4.22. Clay is the basic raw material for one of the important industries in the State, viz., bricks and tiles. A good number of people in the State are engaged in this industry. Kerala has 184 bricks and tiles factories which have an employment potential of 0.13 lakh. The most important production centres are Quilon, Trichur and Kozhikode. Tiles produced in the State have fairly good demand both in India and outside. The tiles are exported outside India to places like Singapore, Penang, Port-Swetenham and Ceylon.

Lime Shell

4.23. The backwaters and estuaries of the rivers in the State contain deposits of lime shell. The Vembanad lake is estimated to contain about 3 million tonnes of lime shell. The State's production of lime shell is about one lakh tonnes per annum. It is mainly used in the manufacture of white cement and chemicals. The Travancore Cement Factory at Kottayam consumes the major portion of the lime shell produced in the State. This is also used in the manufacture of sand lime bricks and calcium carbide. An increase in demand is expected with the establishment of a Sand Lime Brick Factory at Pallathura.

4.24. Besides the above minerals, gold occurrences are reported from Wynad and Nilambur areas of Malabar. The extent of total reserves is not yet known. The presence of iron ore and traces of petroleum oil have also been reported. Lignite is also reported to be found in certain places like Varkala though in negligible quantity. The delegation of the All India Manufacturers' Organisation which visited Kerala recently suggested that a factory could be established at Shertallai or Trivandrum, for using fine quartz sand for manufacturing on a large scale polished glass plates and different types of glass tubes. The delegation also stressed the possibility of manufacturing nitrates of lime fertilisers. If proper attention is given to the exploitation of the available mineral resources, the pace of mineral development can be speeded up to a considerable extent.

CHAPTER V

INDUSTRY AND POWER

Industry

(Industries can be broadly classified under two heads, (1) Small Enterprises and (2) Factory Enterprises. All units which are outside the purview of Factories Act come under 'Small Enterprises' and they consist of village and small industries, handicrafts and other household industries.

Small Enterprises

5.2. According to the 1961 census, the small enterprises of Kerala provide employment to 8.47 lakhs of people who form 83.1% of the total work force under industries. It goes to show that small enterprises which had been absorbing the bulk of the industrial employment in the past dominate the industrial structure even now. The figures presented in Table 5.1 reveal the distribution of employment in small enterprises over the various Districts in the State.

TABLE—5.1
Employment in Small Enterprises—Kerala 1961

Sl. No.	District	Workers in small enterprises (lakh Nos.)	Workers in household industries as percentage to total workers in small enterprises	Workers in small enterprises as percentage to total industrial employment
1	Trivandrum	0.96 (11.3)	63.8	93.0
2	Quilon	0.93 (11.0)	60.1	57.0
3	Alleppey	1.45 (17.2)	71.8	90.6
4	Kottayam	0.51 (6.0)	50.8	85.3
5	Ernakulam	0.99 (11.7)	48.8	84.7
6	Trichur	0.89 (10.5)	59.0	86.7
7	Palghat	0.79 (10.9)	60.4	91.2
8	Kozhikode	1.02 (12.1)	50.9	85.8
9	Cannanore	0.93 (9.3)	44.2	87.1
Total		8.47 (100.0)	57.7	83.1

(Figures in brackets indicate percentages)

5.3. The proportion of workers in household industries to the total workers in small enterprises is the highest in Alleppey District which accounts for the highest percentage of the total employment in the State under small enterprises. Kottayam District accounts for the lowest percentage share of the total

employment under small enterprises. In all the other Districts, there is not much variation in the percentage share of employment. In the Districts of Kottayam, Ernakulam, Kozhikode and Cannanore, the proportion of workers in household industries to the total workers in small enterprises is lower than the State average. The fact that small enterprises dominate the industrial structure of the State is true of all the Districts except Quilon.

5.4. The exact magnitude of the progress achieved in the small enterprise sector of the State is not known for want of adequate statistics on production and investment. However, in view of the high proportion of the development expenditure on industries (40% in the First Plan and 71% in the Second Plan) devoted to village and small industries in the first two plans it can be said that the progress achieved in this sector during the last decade, especially during the last few years, is satisfactory.

5.5. According to the Evaluation Report of the Working Group on Small Scale Industries, the capital employed per worker in small scale industries in Kerala is only Rs. 1,500 where as it is Rs. 5,600 for all India. It follows that the small enterprises of Kerala are less capitalised than those in India as a whole. This highlights the low technique of production employed in the industries in Kerala which, as a matter of fact, is one of the main reasons for the industrial backwardness of the State. Two of the most important industries of Kerala coming under small enterprises are Coir and Handloom. These industries use very antique techniques of production like most of the other small industries of the State. Another defect of the small enterprises of Kerala is that they are not properly organised. This defect was partly rectified as a result of plan schemes which helped to organise the workers in small enterprises on co-operative lines. There are about 2.62 lakh members in industrial co-operatives in Kerala, as against the total employment of 8.47 lakhs in small enterprises. Though a large proportion of the workers in the State is still outside the co-operative fold, the progress of industrial co-operative movement in the State is highly commendable compared to the rest of India.

5.6. At present small enterprises are protected in various ways against competition from large scale enterprises. The only effective way to withstand this competition is to improve the efficiency of small enterprises. Mechanisation is one of the requirements for increasing efficiency. There is already an increasing awareness of the need for improved techniques of production. Powerlooms are being introduced in the place of handlooms. The introduction of modern machinery and new techniques of production in coir industry is also under consideration in view of the growing competition from other producing countries.

5.7. The State and Central Governments are taking all possible steps to develop small enterprises. The State Government provides developed sites and loan assistance for the purchase of machinery and building factories. The scheme of Industrial Estate launched during the second plan period was aimed at the development of small enterprises. These Estates provide factory space and common facilities at concessional rates. An Economic Survey conducted to assess the progress of this scheme has brought to light some of the short-comings in the working of the scheme. The survey covered only three Estates in the State. According to this survey, the progress of Industrial Estate is considerably hampered on account of (1) unused capacity (2) idle capital (3) excessive expenditure on land and buildings and (4) wastage of space and facilities. The shortage of raw-materials, especially those obtained under quota certificates and import licenses, is the main reason for unused capacity. Some units work below capacity because of occasional failure in the supply of water and power. The existence of idle capital is attributable to the delay in getting machinery, the right type of raw-materials and trained technical hands to man the machines. With a view to remove the above short-comings, the management of the Industrial Estates was transferred from the Department of Industries and Commerce to Kerala State Small Industries Corporation in July 1962. This is a registered private Ltd. Company with an authorised capital of Rs. 50 lakhs and paid up capital of Rs. 5 lakhs. The Corporation started functioning with effect from 21-7-1961. The main activities of the Corporation are (1) organisation of raw-material depots for the supply of materials to small enterprises in the State (2) running of sales emporia for marketing the products of small enterprises (3) setting up and management of Industrial Estates and (4) running of common facility service centres. The Corporation being an autonomous body can quickly implement works relating to the Industrial Estates avoiding the usual delays inevitable in the departmental set up. Additional sheds are proposed to be constructed in all the Industrial Estates in order to meet the growing demand for sheds. A construction wing has already been established to expedite this programme. A raw-material depot has been opened in Quilon and steps are being taken for opening similar depots in other Districts also.

5.8. The Small Industries Service Institute of the Central Government which was first established at Trivandrum is now functioning at Trichur. The institute provides technical advice to the various small enterprises in the State. It has the following divisions to cater to the needs of small enterprises.

- (1) Mechanical and Electrical Engineering
- (2) Footwear and Leather goods

- (3) Woodworking
- (4) Fruit preservation
- (5) Chemical
- (6) Economic investigations and
- (7) Industrial arrangement and training.

There are also three mobile workshops under the control of the Institute. The Institute has conducted intensive campaigns in the Districts of Cannanore, Palghat, Quilon and Alleppey for the development of small enterprises. A study team consisting of State Government Officials and representatives of the Institute explored the possibilities of developing ancillary industries in and around Alwaye. The committee recommended the manufacture of polythene liners, M.S. drums, bolts and nuts, and quality lime. Many small units for the production of these articles are now coming up. The Institute participated in the various exhibitions held in the State in order to give propaganda to improved techniques of production and their advantages. The Institute sponsored also a study tour of small scale industrialists in the State to New Delhi, Jallundhur, Amritsar and Bombay for a period of nearly three weeks. By way of export promotion, the Institute recommended during the period from 1-1-1962 to 31-10-1962, 8 units to the State Trading Corporation of India for exporting their products.

Factory Enterprises

5.9. The State is short of capital, but has abundant manpower. Small enterprises are, therefore, suitable and they have to be encouraged in view of the growing unemployment in the State. Side by side with them large scale enterprises have also to be encouraged since small units are of low productivity in which additional investible surplus is very low. In fact the emphasis should be on the development of large scale enterprises for we do not have a well developed industrial base. The per capita industrial production in the State is very much below the all India average. In Industry and Mining the per capita income during 1957-58 was only Rs. 124 in Kerala whereas the all India figure was Rs. 544. This highlights our industrial backwardness compared to the rest of India. During the first and second plan periods there has been considerable broadening of the industrial base of the country. The progress of industrial development in India especially during the second plan period has been spectacular. The industrial growth in Kerala, on the contrary, has been rather slow with the result that the State has a large gap to catch up with the rest of India. The State is predominantly agricultural. Agriculture can support no more people. The

level of development that can be attained in agriculture is limited. In industrial sector the development potential is almost unlimited. To achieve a faster economic growth we have to concentrate our efforts in the industrial sector. Rapid industrialisation of the State is an urgent necessity. The delegation deputed by the All India Manufacturers' Organisation in January 1962 to study the industrial possibilities of Kerala have stated in their report that they "were disappointed to observe that in spite of the need for rapid industrialisation, not much progress had been made during the first and second plan periods in contrast to the progress that had been achieved in other parts of the country where several important projects and industries, especially heavy industries, have been completed or are in the process of being completed. It is unfortunate that no such heavy industries have been set up by the Union Government in Kerala. The investment on industries made in Kerala in the shape of a subsidiary unit, namely, D.D.T. Factory, is only Rs. 0.79 crore, which is hardly 0.1 per cent of the total investment of Rs. 657.9 crores made by the Government of India in the central sector of industries". In the first plan, the industrial sector was completely neglected because no serious study of the problem had been made and possible lines of development decided at the time the plan was drawn up. In the second plan the programme for the development of large scale industries was small, emphasis being mainly on the development of small scale industries. Consequently, the growth of large scale industries in the State was rather slow in the State during the first two plan periods. Most of the major industries of the State such as those producing rayon, titanium dioxide, ammonium sulphate, rayon grade caustic soda, aluminium metal, etc. were started before the inception of planning. In almost all the other States large scale industries have developed at a very much faster rate during the last decade. Thus planning has helped only to widen the gap between the levels of development attained by Kerala and other States. The figures in Table 5.2 provide a comparison of the industrial progress of different States. It is found that at the end of March 1959, the capital investment per company in the processing and manufacturing sector is the lowest in Kerala excepting Assam (see Table 5.2). The total investment in Kerala in the processing and manufacturing companies is Rs. 14.30 crores. This forms only 1.4% of the total investment in India. Only in the States of Assam, Orissa and Rajasthan the percentage share of investment is lower than in Kerala. During the period 1956-57 to 1958-59, the total investment in the processing and manufacturing companies has increased only by 12% in Kerala as against 67% in India. This shows the slow rate of growth of industries in Kerala compared to the rest of India.

TABLE—5.2

**Processing and Manufacturing Companies at Work at
the end of March 1959**

<i>Sl. No.</i>	<i>States</i>	<i>No. of companies as percentage of all India total</i>	<i>Paid up capital as percentage of all India total</i>	<i>Average paid up capital per company (Rs. lakhs)</i>
1	Andhra Pradesh	1.6	1.7	11.01
2	Assam	0.9	0.1	0.94
3	Bihar	1.5	2.5	16.85
4	Bombay	24.3	27.6	11.43
5	Kerala	3.5	1.4	4.07
6	Madhya Pradesh	1.2	2.5	10.50
7	Madras	6.7	4.6	6.73
8	Mysore	2.8	3.5	12.89
9	Orissa	1.0	0.8	7.81
10	Punjab	2.8	1.5	5.45
11	Rajasthan	1.1	0.9	7.56
12	Uttar Pradesh	5.9	2.8	4.85
13	West Bengal	42.1	18.4	4.38
14	Delhi and Union Territories	4.6	31.7	69.78
	INDIA	100.0 (10056)	100.0 (1011.97)	10.06

(Figures in brackets indicate absolute values) Rs. crores)

5.10. In the case of factory employment, in relation to total population, Kerala's position is comparable with all India. But at the same time it is necessary to bear in mind that about 64% of the total factory employment is in industries such as coir, cashew, bricks and tiles and wood based industries, where productivity is very low. Most of the operations in these industries are done manually and the capital employed per worker is very low. The capital employed per factory worker in Kerala is only Rs. 2737 against the all India figure of Rs. 5830. Another significant factor of the factory enterprise of Kerala is that about 30% of the total factory units in the State do not use power and they employ over 50% of the factory workers. These are indicative of the industrial backwardness of Kerala. In all developing economies, the industrial structure tends to grow more and more in the production of basic metals, machines and machine tools and chemicals and chemical products. In India taken as a whole and in all the industrially advanced States, such industries account for a larger share of total factory employment than in Kerala (vide Table 5.3).

TABLE—5.3

<i>State</i>	<i>Factory employment in the production of basic metals, machines, machine tools, transport equipment and chemical and chemical products as percentage of total factory employment.</i>
Kerala	8.4
Madras	27.7
Bombay	19.8
West Bengal	36.0
India	25.0

5.11. The industries in Kerala are mostly based on agricultural produce. In basic metal and metal based engineering industries there is a wide gap between the levels of development in Kerala and the rest of India. This structure is characteristic of an extremely undeveloped area. No wonder, productivity is low in such an area. Since wages are linked with productivity, the wage rate of factory workers in Kerala is also one of the lowest in India (vide Table 5.4)

TABLE—5.4

**Earnings of Factory Employees Drawing less than
Rs. 400 per month—1960**

<i>States</i>	<i>Average per capita daily earnings (Rs.)</i>
Andhra	3.19
Assam	3.27
Bihar	5.35
Gujarat	5.24
Kerala	2.69
Madras	4.15
Madhya Pradesh	3.80
Maharashtra	5.50
Orissa	3.18
Uttar Pradesh	4.01
West Bengal	4.43
Delhi	5.14

In relation to the cost of living, the wage rate of the factory workers in Kerala is lower than that in the States of Bihar, Bombay, Madhya Pradesh, Orissa, Uttar Pradesh and West Bengal (see Table 5.5).

TABLE—5.5

Indices of Wage rates and Consumer Expenditure

<i>Sl. No.</i>	<i>State</i>	<i>Indices of factory wages (1959)</i>	<i>Indices of per capita consumer expenditure (July 1958 to June 1959)</i>
1	Assam	66	110
2	Bihar	99	88
3	Bombay	115	106
4	Kerala	59	82
5	Madhya Pradesh	88	98
6	Orissa	76	70
7	Rajasthan	65	124
8	Uttar Pradesh	87	96
9	West Bengal	96	114
	All India	100	100

TABLE—5.6

Average Daily Earnings of Factory Employees Drawing less than Rs. 400 p. m. —1961

<i>Sl. No.</i>	<i>Industry</i>	<i>Earnings per worker</i>
		Rs.
1	Rice Mills ..	1.53
2	Oil Mills ..	2.24
3	Tea factories ..	3.00
4	Cashew factories ..	1.40
5	Beedi and Cigar ..	2.51
6	Cotton textiles and Knitting mills ..	3.96
7	Coir factories ..	3.04
8	Rayon ..	8.64
9	Timber Industry ..	2.99
10	Paper mills ..	3.44
11	Printing Press ..	3.53
12	Rubber ..	3.17
13	Soap ..	7.07
14	Bricks and tiles ..	3.15
15	Glass ..	3.28*
16	Cement ..	6.98*
17	General and electrical engineering ..	4.30
18	Automobile repairing ..	4.45
	All factories	2.89

(*) Figures relate to 1960.

TABLE 5.7
Distribution of Factories According to Employment—Kerala 1961

Sl. No.	Industry	No. of workers			Workers as percentage to total	No. of factories	Workers as percentage to total	No. of factories	Workers as percentage to total
		Less than 50	50-100	100-500					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Rice, oil and flour mills	..	85.0	6	9.4	2	5.6		
2	Tea	..	31.0	47	46.8	7	12.9		
3	Cashew	..	0.6	6	0.5	88	40.3		
4	Beedi and Cigar	..	49.6	16	34.8	3	15.6		
5	Textiles and Knitting	..	27.5	29	9.8	21	22.3		
6	Coir	..	35.5	25	12.4	40	48.1		
7	Saw mills	..	53.9	18	28.4	6	17.7		
8	Plywood	..	7.2	3	17.9	6	74.9		
9	Splints and veneers and matches	..	47.5	20	28.6	7	23.9		
10	Packing cases	..	81.6	2	18.4	..	..
11	Wood works and furniture	..	47.1	1	5.3	2	47.6		
12	Printing	..	53.9	9	14.2	4	15.2		
13	Rubber and Rubber Goods	..	50.3	4	8.0	6	41.7		
14	Bricks and tiles	..	17.7	55	28.6	22	36.5		
15	Metal and Metal Products	..	30.7	13	12.8	13	45.8		
16	Manufacture and repair of transport equipments	..	33.9	20	23.5	8	42.6		
17	Others	..	17.6	28	13.4	47	31.2		
..	ALL	1803	19.3	302	10.9	282	34.8		

TABLE 5.7—(Contd.)

Sl. No.	Industry	No. of workers					Employment as percentage to total factory employment	
		500-1000	1000 and above	All				
		(9)	(10)	(11)	(12)	(13)	(14)	(15)
		No. of factories	Workers as percentage to total	No. of factories	Workers as percentage to total	No. of factories	Total workers	
1	Rice, oil and flour mills	..	..	..	..	354	100.0 (0.04)	2.1
2	Tea	1	9.3	..	..	124	100.0 (0.06)	3.8
3	Cashew	59	49.7	5	8.9	186	100.0 (0.74)	43.0
4	Beedi and Cigar	..	..	..	..	98	100.0 (0.03)	1.7
5	Textiles and Knitting	7	26.6	2	13.8	283	100.0 (0.18)	10.5
6	Coir	1	4.0	..	..	218	100.0 (0.13)	7.6
7	Saw Mills	..	..	..	..	167	100.0 (0.04)	2.3
8	Ply wood	..	..	..	..	12	100.0 (0.01)	0.8
9	Splints and veneers and matches	..	..	..	..	96	100.0 (0.04)	2.5
10	Packing cases	..	..	..	..	37	100.0 (0.01)	0.3
11	Wood works and furniture	..	..	..	..	27	100.0 (0.01)	0.6
12	Printing	1	16.7	..	..	183	100.0 (0.04)	2.3
13	Rubber and Rubber Goods	..	..	..	..	109	100.0 (0.03)	1.6
14	Bricks and tiles	4	17.2	..	..	162	100.0 (0.12)	7.2
15	Metal and Metal Products	1	10.7	..	..	120	100.0 (0.06)	3.6
16	Manufacture and repair of transport equipments	..	..	..	..	118	100.0 (0.04)	2.6
17	Others	3	18.9	1	18.9	178	100.0 (0.13)	7.5
	ALL	77	28.3	8	6.7	2472	100.0 (1.71)	100.0

(Figures in brackets indicate employment in lakh numbers).

5.12. (The low productivity and low wage rate of industries in the State are only a reflection of the low level of technology. In industries like rayon, soap, and cement which employ higher levels of production technology the earnings per worker are comparatively high (see Table 5.6). The earnings per worker is the lowest in cashew industry which absorbs 43% of the total factory employment in the State. This is a peculiar feature of the industrial economy of Kerala. Another peculiar feature is the predominance of low productive small units. Out of the total of 2,472 factories at the end of 1961, 1,803 were small ones employing less than 50 workers. Table 5.7 gives the distribution of factories according to employment. Medium size factories which give employment to 50 to 100 workers are 302 in number. 367 factories are large, giving employment to more than 100 workers. Of these, 8 factories are really very big employing more than thousand workers. Five of these very big factories are in a single industry, viz., cashew. The cashew and coir factories are generally large in size because they developed very early and have export markets for their products.

5.13. From the point of view of foreign exchange earnings cashew industry is of strategic importance as the bulk of the production is exported to foreign countries. However, further addition to the existing number of factories is not desirable as there is a lot of unutilised capacity in most of the existing factories. The unutilised capacity in the cashew industry is estimated to be about 48% of the total capacity of production. Many other industries also work below their capacity. In coir industry the unutilised capacity varies between 40 to 46% of the installed capacity. The spare capacity in the units manufacturing umbrellas is about 53%, in hosiery industry 52%, and in soap industry 48% of the installed capacity. The unutilised capacity in the manufacture of packing cases, plywood and matches varies between 40 to 50% of the potential production. In industries such as textiles, tiles, tea, coffee, rubber, etc., the unutilised capacity is around 25%. In paper, rayon, and cement industries there is no unutilised capacity. It is found that in most of the cases unutilised capacity is due to shortage of raw material. For example, the production of raw cashewnuts in India is not sufficient to feed the cashew industry and a major share of the requirements of raw nuts is met by import. During 1960 about 99,418 tons of raw nuts were imported. Full utilisation of the capacity in this industry will therefore mean larger imports of raw nuts. Lack of rawmaterial (timber) is the main reason for non-utilisation of the full capacity in saw mills, plywood and packing cases industries. Softwood resources of the State are not sufficient to cater to the needs of the plywood and packing cases industries. During the last decade there was large scale felling of trees. This indiscriminate destruction of forests has been now prevented by legislation and the flow of timber has been impeded. Timber is now being supplied on quota basis. In the match industry the lack of demand due to competition from outside the State

is reported to be the main reason for unutilised capacity. In coir industry also lack of demand due to competition from substitutes and other producing countries is the main reason for unutilised capacity. Whatever be the reason for unutilised capacity, all possible steps should be taken to attain fuller utilisation of capacity. This will increase productivity. In a State like Kerala which is short of capital, wastages should be eliminated as far as possible. The present emergency also demands the elimination of all waste. New investments in those industries which possess a large unutilised capacity should be prevented. All such investments should be directed to industries which have the smallest unutilised capacity. In the context of Kerala's industrial backwardness these investments should be better channelled to industries on a higher technological level especially those manufacturing machines and machine tools. The development of machinery-making industry is an important requirement for rapid industrial development.

5.14. The main reason put forward for the industrial backwardness of Kerala is the absence of metallic minerals and fossil fuels in the State. The availability of cheap power in plenty compensates for the lack of fossil fuels. The absence of metallic minerals does not provide a satisfactory explanation for the slow rate of industrial growth because the neighbouring State of Madras has shown rapid industrial progress though it does not possess any substantial mineral deposits. The real bottleneck of industrial progress is shortage of capital. The flow of capital from outside the State has therefore to be encouraged. Industrialists outside the State should be attracted to Kerala. The flow of outside capital largely depends on availability of accurate information regarding the industrial potential of any particular area or item of raw material. In the past there was no specialised agency for the supply of such information. Now the State Government has set up a Labour and Industrial Bureau to provide industrial advisory service to prospective industrialists. The Bureau started functioning on 23-3-1962. The Bureau will collect, classify and supply information relating to existing industries and possibilities of their expansion as well as establishment of new industries. It will also supply data on the availability of raw materials, marketability of products, financial implications of projects and employment potential. Besides it will help to ease tensions in industrial relations due to disputes by supplying authentic information about conditions prevailing in similar industries. The Bureau has already collected whatever information on industry and labour is available with the different Government Departments as well as private organisations. It is further evolving methods of collecting information that is lacking. All the queries that have been received from entrepreneurs have been and are being answered promptly. This Bureau has started issuing a quarterly journal called "Kerala Industries and Labour Review" with a view to cater to the scientific information needs of both industrialists and labour.

5.15. There are also other institutions like Kerala State Financial Corporation and Kerala State Industrial Development Corporation which do useful work in industrial promotion. The activities of the State Financial Corporation are now confined to the granting of loans and advances to industrial concerns on mortgage of their entire fixed assets. Loans amounting to Rs. 217.50 lakhs have so far been advanced through the Corporation. Out of this, an amount of Rs. 43.66 lakhs was for tea industry, Rs. 35.89 lakhs for cotton textiles, Rs. 20.55 lakhs for non-metallic mineral products, Rs. 8.91 lakhs for cashew, Rs. 7.23 lakhs for coir, Rs. 10.49 lakhs for metal products, and the balance of about Rs. 91 lakhs for other industries. The State Industrial Development Corporation is invested with wide and extensive powers and is to work on purely business principles. It will function not only as a financing but also as a promotional institution to help intending industrial entrepreneurs. Technical investigations, geological and other surveys, preparation of project reports and negotiations for technical and financial collaboration with foreign as well as Indian agencies will also come under its purview. The financial assistance will be in the shape of participation in the share capital of industrial concerns, granting them loans and underwriting the issue of share capital. During 1962, 13 parties applied for assistance amounting to Rs. 192.26 lakhs (share participation Rs. 33.16 lakhs, underwriting Rs. 74.00 lakhs and loans Rs. 85.10 lakhs). The category-wise break-up of the 13 applicants is as follows:

Engineering	5
Chemical	1
Textile	3
Glass	1
Metal	2
Shipping	1
	13

5.16. The Corporation sanctioned during 1962 an amount of Rs. 117.96 lakhs to 8 applicants, against an amount of Rs. 141.56 lakhs applied for. The Corporation is sponsoring the establishment of two major companies, the Development Corporation Rubber Co. Ltd., and the Packaging Paper Corporation Ltd., with foreign technical and financial collaboration, the former for the manufacture of automobile tyres and tubes and the latter for the manufacture of packaging paper and newsprint. The capital outlay of the two companies is of the order of Rs. 15 crores. The direct employment potential is estimated at 2000 to 3000 persons. The output is estimated at 3 lakhs of tyres and tubes per annum and 100 to 200 tons of paper per day. The Corporation has made an investment of about Rs. 13.9 lakhs towards share capital in M/s Travancore

Titanium Products. The Corporation is taking steps to set up a Spinning Mill of 12000 spindles capacity in Alleppey District. Steps are also being taken to revive some of the defunct industrial units in the State. The Corporation had invited a few leading industrialists in North India to visit the State as its guests to make an on-the-spot study of the industrial possibilities in Kerala. Some of them have already visited the State and have indicated keen interest in establishing medium and large scale industries.

5.17. In order to assess the potentialities for industrial development and determine the lines of planned development for the future, a Techno Economic Survey of the State was conducted by the National Council of Applied Economic Research at the request of the State Government. The Survey report says that the State is well placed in the matter of overhead facilities like transport and power. It also possesses a variety of local resources like forests, marine wealth and agricultural cash crops. According to the Council the main reason for industrial backwardness of the State is the use of antiquated industrial techniques. The survey report has suggested replacement of antiquated processes by more modern techniques. The investment for engineering industries suggested by the Council is Rs. 63 crores. Forest based industries machines and chemical industries suggested will involve an investment of Rs. 26 crores. Large scale expansion of spinning capacity and rubber tyre factories are also recommended. The suggestions include 1 rayon pulp factory, 5 particle board factories, 3 sugar factories, 3 solvent oil cake extraction factories and 1 hard board factory. The recommendations of the Council are under consideration of the State Government and they will be taken up for implementation with due consideration to their economic feasibility.

5.18. In short, the State Government is taking every possible step for the rapid industrialisation of the State and an earnest attempt has already been made in the third plan, within the limits set by the size of the plan, to remove the deficiencies and inadequacies of the previous two plans. Every effort is being made for the establishment of as many large industries as possible. The private sector has to play a vital role in this earnest endeavour of Government for rapid industrialisation of the State.

TABLE—5.8
Indices of Industrial Production—Kerala

Year	Sugar		Coffee		Tea		Salt	
	Index of production	% change over the previous year	Index of production	% change over the previous year	Index of production	% change over the previous year	Index of production	% change over the previous year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1957	100	..	..	..	100	..	..	..
1958	85	-15	100	..	102	+2	100	..
1959	83	-3	126	+26	98	-4	142	+42
1960	104	+26	123	-2	106	+7	99	-31
1961	86	-18	166	+35	110	+4	155	+57

Year	Vegetable oil products (Vanaspathi)		Yarn		Cloth		Cement	
	Index of production	% change over the previous year	Index of production	% change over the previous year	Index of production	% change over the previous year	Index of production	% change over the previous year
(10)	(12)	(12)	(13)	(14)	(15)	(16)	(17)	
1957	..	..	..	..	..	..	..	..
1958	100	..	95	-5	102	+2	110	+10
1959	177	+77	106	+11	121	+19	64	-42
1960	274	+55	95	-11	79	-35	136	+113
1961	365	+33	107	+13	92	+17	108	-21

TABLE—5.9
Production of Selected Industries in Kerala—1961

Sl. No.	Articles	Unit	Quantity	Percentage share in all India Production
1	Sugar*	Metric ton	10398	0.3
2	Coffee	„	12810	19.5
3	Tea	„	38775	11.1
4	Salt	„	1100	0.03
5	Vegetable oil products (Vanaspathi)	„	2053	0.6
6	Yarn	„	10191	1.2
7	Cloth	Thousand Metres	17239	0.4
8	Plywood	Sq. Metres	1599533	24.8
9	Dipped rubber goods	Doz. Numbers	706110	2.8
10	Cement	Metric ton	53054	0.6
11	White wares (Crockery)	„	409	2.1
12	Sanitary wares	„	485	7.3
13	Stoneware pipes	„	2921	4.6

(*) Production relates to crop year (November to October).

5.19. The measures taken by Government have certainly improved the development of industries in the State. But it is difficult to make a realistic assessment of the progress achieved for want of up-to-date statistics on production. In the case of some selected industries such as sugar, tea, coffee, vegetable oil products (Vanaspathi), textile, plywood, cement and ceramics production figures are available. According to the latest available figures the production of coffee, tea, salt, vegetable oil products, yarn and cloth in 1961 showed improvement over the previous year (see Table 5.8). The output of yarn and cloth in 1961 increased by 13% and 17% respectively over the previous year. The output of coffee increased by 35% during 1961; but the increase in the production of tea has been only 4%. The production of vegetable oil products (Vanaspathi) recorded an increase of 33%. There was notable increase in the production of salt—the output increased by 57% in 1961. The production of sugar has been in almost continuous decline during the period 1957-61 except for 1959-60 (vide Table 5.8); in 1961 the production recorded a fall of 18% over the previous year. Cement production in 1961 recorded a fall of 21%. But compared to 1957 the production of cement in 1961 was higher by 8%. In the case of plywood and ceramics industries production figures are not available for years previous to 1961. The production figures for 1961 show that Kerala accounts for 24.8% of the all India production of plywood, 2.1% of the production of white wares, 7.3%

TABLE 5.10

Growth of Industries in Kerala

Sl. No.	Name of Industry	No. of Factories										
		Opened during			Removed during			At the end of				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
		1961	1962	1961	1962	1958	1959	1960	1961	1962		
1	Canning and Preservation of fruits and vegetables	..	1	..	..	3	4	4	4	5	
2	Canning and Preservation of fish and other sea foods	2	..	..	..	7	11	11	13	13	
3	Rice mill	7	7	..	9	139	90	95	102	100		
4	Flour mill	..	1	..	1	4	5	6	6	6		
5	Oil mill	10	47	2	18	210	234	238	246	275		
6	Confectioneries	..	..	..	..	1	1	1	1	1	
7	Sugar	..	..	..	..	1	1	1	1	1	
8	Tea	1	2	..	1	122	123	123	124	125		
9	Coffee	..	..	..	..	6	6	6	6	6	
10	Cashew	8	6	2	..	175	179	180	186	192		
11	Starch	..	1	..	..	3	4	4	4	5	
12	Salt	..	..	..	..	1	1	1	1	1	
13	Shark liver oil	..	..	..	..	1	1	1	1	1	
14	Beedi and Cigar	3	1	..	13	94	93	95	98	86		
15	Textiles	5	6	5	14	222	270	267	267	259		
16	Knitting	..	1	..	3	13	16	15	15	13		

17	Rayon	..	..	..	..	1	..	1	1	1	1	2
18	Coir	..	43	14	1	14	1	163	176	218	176	207
19	Umbrella	..	..	1	..	1	..	18	19	19	19	19
20	Saw mill	..	21	18	4	18	15	131	150	167	150	170
21	Woodworks and furniture	..	3	6	3	6	..	22	27	27	27	33
22	Plywood	..	..	1	..	1	..	13	13	13	13	14
23	Packing cases and tea chests	..	2	20	..	20	7	45	45	47	45	60
24	Splints and veneers and matches	..	3	20	..	20	3	95	93	96	93	113
25	Paper, paper boards etc.	..	..	..	..	..	..	2	2	2	2	2
26	Printing and binding	..	7	21	5	21	18	148	181	183	181	186
27	Tyre retreading	..	5	9	..	9	11	38	44	49	44	47
28	Rubber and rubber goods	..	2	5	1	5	2	59	59	60	59	63
29	Fertilisers	..	2	1	..	1	..	7	7	9	7	10
30	Chemical and chemical products	..	..	1	..	1	..	11	13	13	13	14
31	Storing and pumping of petroleum	..	1	..	..	..	..	8	8	9	8	9
32	Pharmaceuticals	..	1	1	..	1	1	9	10	11	10	11
33	Soap	..	..	..	..	..	..	7	7	7	7	7
34	Bricks and tiles	..	8	22	..	22	..	148	152	162	154	184
35	Glass work	..	..	..	..	..	..	2	2	2	2	2
36	Pottery and china ware etc.	..	1	..	..	..	..	7	7	8	7	8
37	Cement	..	..	..	..	..	..	1	1	1	1	1
38	Metal and metal products	..	14	26	2	26	11	78	88	110	98	125
39	Repair of motor vehicles, ships and air crafts	..	6	18	2	18	10	101	110	114	110	122

TABLE 5.10—(Contd.)

Sl. No.	Name of Industry	No. of Factories											
		Opened during					Removed during					At the end of	
		1961	1962	1961	1962	1958	1959	1960	1961	1962	(10)	(11)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)			
40	Cycle and cycle parts	..	..	..	1	2	4	4	4	4	3
41	Jewellery	..	..	..	3	2	4	4	4	4	1
42	Pencils	..	..	..	..	2	2	2	2	2	2
43	Plastic goods	..	..	..	..	3	3	3	3	3	3
44	Power	..	..	..	..	3	3	3	3	3	3
45	Dyeing and Printing	..	1	..	..	4	6	7	7	7	8
46	Garbling of pepper and other... hill produces	..	..	..	..	7	7	7	7	7	7
47	Mill boards	..	..	..	..	2	3	3	3	3	3
48	Soda	..	6	..	2	6	15	17	23	23	24		
49	Water and sanitary services and fittings	..	..	..	..	1	1	2	2	2	6
50	Surgical instruments	..	..	..	..	2	3	3	3	3	3
51	Scientific instruments	..	..	..	..	1	1	2	2	2	2
52	Others	..	2	..	..	1	1	4	6	6	11
..	TOTAL	..	163	27	169	2102	2248	2336	2472	2574			

of the production of sanitary wares and 4.6% of the production of stoneware pipes. The percentage share of the production of other products is given in Table 5.9. It is found that Kerala's share in the all India production of sugar, yarn, cloth, vegetable oil products and salt is very small.

5.20. The data on factory employment show that in 1961 the total factory employment in Kerala registered an increase of 2% over the previous year. The cashew and coir industries mainly accounted for the increase in the total employment.

5.21. Table 5.10 gives the growth of factory enterprises in Kerala during the period 1958 to 1962. The number of factories increased from 2102 in 1958 to 2574 in 1962. In 1962, 271 new factories were opened while 169 were closed down; the net increase in number was 102 as against the net increase of 136 in the previous year. The most remarkable expansion was in the industries of Bricks and Tiles, Woodworks and Packing cases and Splints and Veneers. Metal and metal based industries also maintained their growth. The industries that saw a reduction in the number of factories in 1962 were textiles, coir and beedi and cigar. All other industries maintained their growth, though at a relatively slow rate.

5.22. The increase in the number of factories does not give a true picture of the industrial progress as it does not differentiate between small and large units. Besides, it does not reflect the progress achieved due to the expansion of the existing units or those undertakings which are being established. The important large scale industries which were set up or expanded during 1962 and which are likely to be established in the State are, therefore, enumerated below. This together with the increase in the number of factories will give a comprehensive picture of the development of large scale industries during 1962.

Public Sector.

5.23. A Spinning and Weaving Mill was established at Balaramapuram and it went into production in April 1962. A Precision Instruments Factory is being set up in Palghat District under Central Sector. A Machine Tool Factory is likely to be established very soon under Central Sector. A team of Japanese experts recently visited Kerala and made a detailed on-the-spot study of the proposed Ship Building Yard at Cochin. Another team of Swiss experts made a preliminary survey for the possibility of starting a Dairy Development Project in the High Ranges. Preliminary works for starting a Heavy Transformer Factory at Angamaly with an authorised capital of Rs. 2.2 crores have also been completed.

Private Sector.

5.24. The Travancore Titanium Products Ltd. and Fertilisers and Chemicals (Travancore) Ltd. are being expanded.

M/s Gwalior Rayons Ltd., for the manufacture of Rayon Grade pulp is expected to go into production very soon. The capacity of this factory will be 150 tons of pulp per day. A Water Meter Plant with an investment of Rs. 20 lakhs is nearing completion at Palluruthy. A Zinc Smelter Plant with an investment of over Rs. 5 crores is being set up at Alwaye. The capacity of the factory will be 20000 tons of Zinc per year and 130 tons of sulphuric acid per day. A Rerolling Mill with a capacity of 15,000 tons of iron rods, bars, etc., is being set up at Calicut. A factory for the production of abrasive aluminium oxide is being set up at Edapally near Ernakulam. This unit will have an investment of Rs. 2 crores. Another factory for the production of penstock lines for Hydro Electric Projects is being set up at Palluruthy. The acquisition of land for the setting up of the Tracco Cable Co. is in progress. A factory for the manufacture of power cables with an investment of Rs. 1 crore is being set up at Karukutty. A Tin Plate Factory at Edapally (investment Rs. 20 lakhs), a Gelatin and Ossien Factory at Alwaye (investment Rs. 60 lakhs) and a Wire Rope Unit at Alwaye (investment Rs. 1 crore) are some of the other industries which are being established. A licence has been issued for starting a Model Spinning and Weaving Mill at Trivandrum with 25,000 spindles and 500 looms and the investment will be over Rs. 3 crores. Licences have also been issued for the establishment of 11 new spinning mills in the State, each with an investment of over Rs. 40 lakhs. The Kerala Industrial Development Corporation is sponsoring the establishment of two major companies with a total capital outlay of Rs. 15 crores, one for the manufacture of tyres and tubes for automobiles and the other for the manufacture of packaging paper using tropical timber species.

Co-operative Sector.

5.25. Two sugar mills, one at Pandalam and the other at Chittur are being established. They are expected to go into production early in 1964.

POWER

5.26. Power occupies a pivotal position in the economy of Kerala. It is a pre-requisite for the rapid industrialisation of the State which alone can find a permanent solution to the menacing problem of unemployment and under-employment. Kerala has of late been paying due attention to the development of her power resources. Even with an installed capacity of 162,000 KW at the end of the second plan only about 8% of the State's power potential has been exploited.

5.27. Out of a total outlay of Rs. 87 crores in the second plan, Kerala had invested Rs. 22 crores for the development of power. Four schemes with a total installed capacity of 162,000 KW were completed.—viz. Pallivasal (37,500 KW), Sengulam (48,000 KW), Poringalkuthu (32,000 KW) and

Neriamangalam (45,000 KW). Three other projects, viz., Panniar (30,000 KW), Sholayar (54,000 KW) and Sabarigiri (300,000 KW) which were already commissioned will be fully implemented during the third plan period. The foreign exchange crisis which developed towards the end of the second plan period had an unfavourable impact on the power development in the State by way of a drastic cut in the import of essential plant and machinery.

5.28. The third plan envisages ambitious development in this sector. Out of the total outlay of Rs. 170 crores, a sum of Rs. 43.56 crores is set apart for power development. A trebling of the installed capacity for power is aimed at. Besides implementing the three projects cited above the plan provides for considerable expansion of the transmission facilities in the State and distribution of electricity to an additional 750 villages and for connecting up of an additional 100,000 consumers. A notable achievement last year is the receipt of a loan of Rs. 25 crores from the U.S. to meet the entire cost of the Sabarigiri project. Work on two new schemes, viz., the Kuttiadi and the Idikki will also be commenced during the third plan period. At the end of the third plan period the total installed capacity in the State will be 606,000 KW with an effective capacity of 446,500 KW at 60% load factor.

TABLE—5.11

<i>Sl. No.</i>	<i>Category of Consumers</i>	<i>Revenue collected in 1961-62 (Rs. lakhs)</i>	<i>Percentage to total revenue</i>
(1)	(2)	(3)	(4)
1	Domestic consumers, commercial lights and small power	141.89	40.59
2	Public lighting	19.52	5.59
3	Agricultural operations and water works	16.52	4.73
4	Small and Medium industries (Low tension supply)	42.39	12.15
5	Large and Heavy industries (High tension supply)	111.34	31.87
6	Bulk supplies to licencees and neighbouring States	17.70	5.07
	Total	349.36	100.00

5.29. Table 5.11 shows the percentage of total revenue collected from each category of consumers during 1961-62. The bulk of the revenue is obtained from domestic consumers and commercial users of energy.

5.30. The pattern of consumption of electrical energy during the period 1957-58 to 1961-62 is shown in Table 5.12. For all intents and purposes there is no change in the percentage of electrical energy consumed by various categories of consumers. However, it cannot be denied that there is an absolute increase of consumption by every class of consumers, the increase being more than 95% in the case of domestic consumers and about 105% in public lighting during this period. There is also a slight increase in the percentage of electricity consumed by large and heavy industries while that consumed for agricultural operations and bulk supplies allotted to licencees and neighbouring States have fallen from 5.1% and 10.3% respectively in 1960-61 to 4.1% and 8.5% respectively in 1961-62.

5.31 Electrical energy generated increased from 411.35 million units in 1957-58 to 694.38 million units in 1961-62, an increase of 69% (see Table 5.13). Electrical energy purchased from Madras has also increased from 33.52 million units in 1957-58 to 56.76 million units in 1961-62.

5.32. There is shortage of electric power at present though Kerala can claim a low cost structure for electricity generation. The average cost of generation from the existing stations is only about 1.53 nP. per unit. It is expected that at the end of the third plan period there will be enough power generation in the State to meet the growing demand. Power generation, moreover, is at present given greater importance in view of the emergency created as a result of Chinese aggression. The State should do well to develop her power resources on the lines of an industry. Power industry has, no doubt, great export possibilities.

5.33. The per capita consumption of electric power in Kerala is one of the lowest at 36 units.

TABLE—5.12

Pattern of consumption of Electrical energy by various classes of consumers

Sl. No.	1957-58		1958-59		1959-60		1960-61		1961-62	
	M. units	Percent	M. units	Percent	M. units	Percent	M. units	Percent	M. units	Percent
1	24.50	6.8	29.97	7.0	35.16	8.4	40.57	8.0	47.88	7.8
2	3.35	0.9	4.43	1.0	5.66	1.3	6.62	1.1	6.88	1.1
3	19.56	5.4	18.78	4.4	19.75	4.7	25.62	5.1	24.78	4.1
4	27.25	7.5	30.30	7.1	34.13	8.0	40.40	8.0	47.01	7.7
5	248.60	68.4	297.42	70.0	269.04	63.5	340.38	67.5	434.44	70.8
6	40.03	11.0	42.05	10.5	59.59	14.1	52.03	10.3	52.30	8.5
TOTAL	363.29	100.0	422.95	100.0	423.33	100.0	505.62	100.0	613.29	100.0

TABLE--5.13

Generation of Electrical energy and purchase from Madras State

(In million units)

	1957-58	1958-59	1959-60	1960-61	1961-62
A. Electricity generated in the State	.. 411.35	504.58	488.00	581.82	694.38
B. Purchased from Madras	.. 33.52	35.43	45.00	50.34	56.76

CHAPTER VI

COMPANY ENTERPRISES

The company enterprises of Kerala are one of the least developed in India. Though Kerala accounts for 4.2% of the total number of companies in India, the State's share of the total paid-up capital of all companies in India is only 2%. This shows that the average capital investment of a company in Kerala is only half that of an average company in India. The companies in all the other States excepting Assam are highly capitalised compared to those in Kerala (vide Table 6.1). The slender capital structure of companies in Kerala is, in fact, one of the main factors which slackens the progress of company enterprise in the State.

6.2. Kerala had 1147 companies working at the end of 1958-59 with a total paid-up capital of Rs. 30.64 crores as against the all India figure of 27,403 companies with a paid

TABLE 6.1
Companies at work at the end of March 1959

Sl. No.	States	Agriculture and allied activities			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	3.04	0.20	0.32	4.98	4.90	4.74
2	Assam	30.77	49.88	2.58	4.27	8.72	3.24
3	Bihar	3.31	0.09	0.23	10.56	26.82	20.55
4	Bombay	2.19	0.40	1.47	1.72	1.12	5.27
5	Kerala	14.21	28.48	5.35	0.35	1.89	14.46
6	Madhya Pradesh	2.37	0.37	1.49	2.87	0.75	2.46
7	Madras	5.06	5.73	4.70	1.02	14.24	57.82
8	Mysore	6.69	5.27	5.33	3.19	2.23	4.72
9	Orissa	0.53	(*)	(*)	3.73	1.28	1.74
10	Punjab	1.39	1.29	2.54	0.12	0.23	4.93
11	Rajasthan	1.57	0.28	0.83	7.85	6.04	3.53
12	Uttar Pradesh	3.19	1.29	1.21	0.39	0.04	0.29
13	West Bengal	6.18	6.40	3.09	5.24	7.96	4.54
14	Delhi and other Union Territories	1.32	0.08	1.33	0.66	0.04	1.58
TOTAL		5.12	2.97	3.21	3.37	4.09	6.72

* Negligible

TABLE 6.1—Contd.

Sl. No.	States	Processing and manufacturing industries			Trade and Commerce		
		Number as per- centage of total	Paid up capital as per- centage of total	Paid up capital per com- pany (Rs. lakhs)	Number as per- centage of total	Paid up capital as per- centage of total	Paid up capital per com- pany (Rs.lakhs)
(1)	(2)	(9)	(10)	(11)	(12)	(13)	(14)
1	Andhra Pradesh	34.27	79.50	11.01	39.04	9.20	1.12
2	Assam	26.21	15.55	0.94	27.35	16.74	0.97
3	Bihar	30.85	64.21	16.85	32.51	4.35	1.08
4	Bombay	43.88	61.79	11.43	38.04	21.68	4.63
5	Kerala	30.60	46.65	4.07	46.21	19.57	1.13
6	Madhya Pradesh	32.36	70.14	10.50	34.48	25.83	7.09
7	Madras	29.95	49.68	6.73	46.36	23.48	2.10
8	Mysore	42.25	80.61	12.89	35.11	9.71	1.87
9	Orissa	55.85	86.40	7.81	22.87	2.00	0.44
10	Punjab	35.23	69.84	5.45	35.74	12.66	0.97
11	Rajasthan	25.78	42.49	7.56	53.82	45.97	3.92
12	Uttar Pradesh	45.91	74.67	4.85	34.24	17.82	1.55
13	West Bengal	35.66	52.34	4.38	37.59	26.29	2.09
14	Delhi and Other Union Territories	30.48	92.38	69.78	40.76	4.06	2.29
	TOTAL	36.70	66.77	10.06	38.59	17.87	2.56

Sl. No.	States	Transport and Communications			Construction and other services		
		Number as per- centage of total	Paid up capital as per- centage of total	Paid up capital per com- pany (Rs.lakhs)	Number as per- centage of total	Paid up capital as per- centage of total	Paid up capital per com- pany (Rs.lakhs)
(1)	(2)	(15)	(16)	(17)	(18)	(19)	(20)
1	Andhra Pradesh	4.13	1.40	1.65	14.54	4.80	1.54
2	Assam	3.70	1.54	0.66	7.70	7.57	1.56
3	Bihar	9.11	2.88	2.55	13.66	1.65	0.98
4	Bombay	2.86	5.92	16.86	11.31	9.09	6.53
5	Kerala	3.92	2.30	1.57	4.71	1.11	0.63
6	Madhya Pradesh	19.74	1.41	0.67	8.16	1.50	1.73
7	Madras	6.43	1.65	1.06	11.18	5.22	1.94
8	Mysore	4.86	1.06	1.47	7.90	1.12	0.96
9	Orissa	5.32	3.50	3.33	11.70	6.82	2.94
10	Punjab	19.14	7.58	1.09	8.38	8.40	2.76
11	Rajasthan	3.81	1.27	1.52	7.17	3.95	2.53
12	Uttar Pradesh	4.83	2.76	1.70	11.44	3.42	0.89
13	West Bengal	4.30	2.54	1.77	11.03	4.47	1.21
14	Delhi and Other Union Territories	12.13	0.66	1.26	14.65	2.78	4.32
	TOTAL	5.35	3.05	3.15	10.87	5.25	2.67

TABLE 6.1—Contd.

Sl. No.	States	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	100.00 (461)	100.00 (2188.94)	4.75
2	Assam	100.00 (351)	100.00 (557.67)	1.59
3	Bihar	100.00 (483)	100.00 (3908.64)	8.09
4	Bombay	100.00 (5571)	100.00 (45241.67)	8.12
5	Kerala	100.00 (1147)	100.00 (3064.39)	2.67
6	Madhya Pradesh	100.00 (380)	100.00 (3595.09)	9.46
7	Madras	100.00 (2254)	100.00 (9342.00)	4.14
8	Mysore	100.00 (658)	100.00 (4446.91)	6.76
9	Orissa	100.00 (188)	100.00 (949.68)	5.05
10	Punjab	100.00 (789)	100.00 (2170.94)	2.75
11	Rajasthan	100.00 (446)	100.00 (2046.79)	4.59
12	Uttar Pradesh	100.00 (1285)	100.00 (3830.10)	2.98
13	West Bengal	100.00 (11881)	100.00 (35471.29)	2.99
14	Delhi & other Union Territories	100.00 (1509)	100.00 (34747.26)	23.03
TOTAL		100.00 (27403)	100.00 (151561.37)	5.53

(Figures in brackets indicate absolute values—Paid up capital is given in lakhs of rupees).

TABLE—6.2

Growth of Company Enterprise in India and Kerala during 1956-57 to 1958-59.

		India							
		1956-57		1957-58		1958-59			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Industrial Classification	Number as percentage of total	Paid up capital as percentage of total (Rs. lakhs)	Paid up capital as percentage of total (Rs. lakhs)	Number as percentage of total	Paid up capital as percentage of total (Rs. lakhs)	Paid up capital as percentage of total (Rs. lakhs)	Number as percentage of total	Paid up capital as percentage of total (Rs. lakhs)	Paid up capital as percentage of total (Rs. lakhs)
1	Agriculture and allied activities	5.3	2.7	5.3	3.4	3.0	5.1	3.0	3.2
2	Mining & quarrying	3.3	4.1	3.3	4.4	6.1	3.4	4.1	6.7
3	Processing and manufacturing	35.3	5.8	35.9	62.7	8.1	36.7	66.8	10.1
4	Trade and Commerce	39.9	2.3	39.3	20.3	2.4	38.6	17.9	2.6
5	Transport and Communications	5.3	3.1	5.3	3.2	2.8	5.3	3.0	3.2
6	Construction and other services	10.9	2.4	10.9	6.0	2.6	10.9	5.2	2.7
	ALL	100.0	3.7	100.0	100.0	4.6	100.0	100.0	5.5
		(29,357)	(Rs. 1077.58 Crores)	(28,280)	(Rs. 1306.28 Crores)	(27,403)	(Rs. 1515.61 Crores)		

(Figures in brackets indicate absolute values)

TABLE—6.2—Contd.

Growth of Company Enterprise in India and Kerala during 1956-57 to 1958-59

		<i>Kerala</i>							
<i>Industrial Classification</i>		1956-57		1957-58		1958-59			
(1)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
	Number as percentage of total	Paid up capital as percentage of total	Paid up capital as percentage of total	Number as percentage of total	Paid up capital as percentage of total	Paid up capital as percentage of total	Number as percentage of total	Paid up capital as percentage of total	Paid up capital as percentage of total
	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)
1	Agriculture and allied activities	13.4	29.2	5.0	13.6	28.4	5.1	14.2	28.5
2	Mining and quarrying	0.2	0.2	1.7	0.3	1.1	8.2	0.4	1.9
3	Processing and manufacturing	28.7	44.9	3.6	29.5	46.0	3.8	30.6	46.6
4	Trade and Commerce	49.1	22.8	1.0	47.9	21.5	1.1	46.2	19.6
5	Transport and Communications	3.5	1.6	1.1	3.5	1.8	1.2	3.9	2.3
6	Construction and other services	5.1	1.3	0.6	5.2	1.2	0.6	4.7	1.1
	ALL	100.0	100.0	2.3	100.0	100.0	2.4	100.0	100.0
		(1,236)	(Rs. 28.43 Crores)		(1,212)	(Rs. 29.46 Crores)		(1,147)	(Rs. 30.64 Crores)

(Figures in brackets indicate absolute values)

up capital of Rs. 1515.61 crores. During the period 1956-57 to 1958-59, there was a steady fall in the number of companies both in Kerala and in India. But at the same time the total paid-up capital of companies registered an increase in India as well as in Kerala. This was encouraging because the companies were becoming increasingly capitalised. The rate of capital intensification was more rapid in India than in Kerala. The paid-up capital per company in India which stood at Rs. 3.7 lakhs at the end of 1956-57 rose to Rs. 5.5 lakhs at the end of 1958-59, registering an increase of 49% in two years. The corresponding increase in Kerala was from Rs. 2.3 lakhs to Rs. 2.7 lakhs, an increase of only 17%.

6.3. Compared to India, Kerala has higher percentage of companies in the sectors of trade and commerce and agriculture and allied activities. The State-wise figures given in Table 6.1 show that Kerala stands second to Assam in percentage share of companies in agriculture and allied activities. It should be noted that companies in this sector are largely made up of plantation units. Kerala and Assam which are famous for plantation crops will therefore naturally account for a higher percentage of companies in this sector. The paid-up capital per company in this sector is the highest in Kerala compared to other States. Rajasthan and Madras are the only States in which the percentage share of the number of companies in trade and commerce is higher than that of Kerala. The paid-up capital per company in Kerala in this sector, however, is one of the lowest in India. Compared to most other States of India, Kerala has only a lower percentage of companies in the processing and manufacturing sector. The paid-up capital per company in Kerala in this sector is also one of the lowest in India; the only other State where the paid-up capital per company is lower than that of Kerala is Assam. Compared to other States the percentage share of the number of companies and the paid-up capital per company in the construction and service sector are the lowest in Kerala. As in the case of many other States in India, the percentage share of the number of companies in transport and communication sector is comparatively small in Kerala. The paid-up capital per company in Kerala under mining and quarrying sector is one of the highest in India. Bihar and Madras are the only other States where the paid-up capital is higher than that of Kerala. But Kerala has only a negligibly small percentage of companies in this sector.

6.4. During the period 1956-57 to 1958-59 there was no appreciable change in the pattern of distribution of companies in India and in Kerala (see Table 6.2). There was however an allround improvement in the capital structure of companies. A slight shift resulting in greater concentration of companies in the processing and manufacturing sector was noted in Kerala and in India during the period 1956-57 to 1958-59

TABLE—6.3

Distribution of new Companies registered in India

Sl. No.	States	1960-61						1961-62						
		Number of Companies		Authorised Capital (Rs. lakhs)		Number of Companies		Authorised Capital (Rs. lakhs)						
		Public	Private	All	Public	Private	All	Public	Private	All	Public	Private	All	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
1	Andhra	..	1	31	32	25	513	538	6	22	28	241	48	289
2	Assam	..	1	4	5	5	11	16	2	13	15	250	284	534
3	Bihar	..	1	20	21	25	284	309	2	7	9	52	79	131
4	Gujarat	..	13	59	72	1501	944	2445	20	53	73	2458	495	2953
5	Kerala	..	11	35	46	281	90	371	5	46	51	211	760	971
6	Madhya Pradesh	..	1	23	24	100	170	270	3	20	23	300	283	583
7	Madras	..	21	322	343	3564	2153	5717	28	256	284	1276	859	2135
8	Maharashtra	..	33	302	335	4655	4146	8801	41	277	318	4538	2679	7217
9	Mysore	..	5	26	31	150	189	339	6	22	28	127	2078	2205
10	Orissa	..	1	19	20	5	52	57	2	10	12	5050	125	5175
11	Punjab	..	5	46	51	165	153	318	3	55	58	11	187	198
12	Rajasthan	..	3	23	26	210	79	289	5	25	30	265	162	427
13	Uttar Pradesh	..	1	46	47	50	704	754	4	35	39	850	73	923
14	West Bengal	..	42	389	431	4096	1865	5961	58	334	392	1452	3940	5392
15	Delhi and other Union Territories	..	14	185	199	918	1602	2520	14	240	254	839	2515	3354
..	INDIA	..	153	1530	1683	15750	12955	28705	199	1415	1614	17920	14567	32487

This change in the pattern of distribution was brought about mainly by a reduction in the percentage share of the number of companies in trade and commerce sector, there being no appreciable change in the proportion of companies in all the other sectors. The change in the percentage share of the paid-up capital in the processing and manufacturing sector was more significant in India than in Kerala. During the period 1956-57 to 1958-59 the average capital investment of processing and manufacturing companies increased from Rs. 5.8 lakhs to Rs. 10.1 lakhs (an increase of 74%) in India and from Rs. 3.6 lakhs to Rs. 4.1 lakhs (only an increase of 14%) in Kerala. This is an indicator of the widening gap between India and Kerala in the field of industrial development.

6.5. Table 6.3 shows the number as well as the total authorised capital of newly formed companies in 1960-61 and 1961-62. The new company registration in 1961-62 recorded a fall in the all India figure compared to 1960-61. But in terms of authorised capital there was much progress. There was an increase of Rs. 37.8 crores over the preceding year while the number declined by a margin of 69 companies. However, it is worth mentioning that the total number of new registrations in 1961-62 was the highest during the last decade except the year 1960-61 and their total authorised capital is also the largest over this period. So the small decline in the number does not indicate any slackening in the registration of new companies.

6.6. The State-wise distribution (1961-62) shows that the number of new companies is highest (392) in West Bengal. The State of Maharashtra closely followed with 318. The number of new companies started in Madras and Delhi were 284 and 254 respectively. All the States except a few exhibited rising trends in new registrations since 1956-57. In Kerala the number went up from 46 in 1960-61 to 51 in 1961-62.

6.7. In Kerala the total authorised capital increased from Rs. 371 lakhs in 1960-61 to Rs. 971 lakhs in 1961-62—an increase of 161% while the number increased only from 46 to 51. This is a clear manifestation of the tendency towards the formation of large sized companies.

6.8. Invariably in all the States the number of private companies registered is much larger than the public companies. But the average capital of private companies is much smaller than that for public companies (vide Table 6.4). While a Public Ltd. Company in Kerala had an average authorised capital of Rs. 43 lakhs a Private Ltd. Company enjoyed only an average of Rs. 17 lakhs in 1961-62. In the all India level a Private Ltd. Company had an average of Rs. 10 lakhs while a Public Ltd. Company had an average of Rs. 90 lakhs during the same period. The number of public companies floated in

TABLE—6.4

Average Authorised Capital of Companies Registered in India

Authorised Capital per Company (Rs. lakhs)

Sl. No.	States	1960-61					1961-62		
		Public	Private	All	Public	Private	All		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
1	Andhra	25.0	16.6	16.8	40.2	2.2	10.3		
2	Assam	5.0	2.9	3.2	125.0	21.8	35.6		
3	Bihar	25.0	14.2	14.7	26.0	11.3	14.6		
4	Gujarat	115.5	16.0	34.0	122.9	9.3	40.2		
5	Kerala	25.6	2.6	8.1	42.6	16.5	19.0		
6	Madhya Pradesh	100.0	7.4	11.2	100.0	14.1	21.0		
7	Madras	17.0	6.7	16.7	45.6	3.4	7.5		
8	Maharashtra	141.1	13.7	26.3	110.7	9.7	22.7		
9	Mysore	30.0	7.3	11.0	21.2	94.4	78.7		
10	Orissa	5.0	2.8	2.9	2525.0	12.5	431.3		
11	Punjab	33.0	3.3	6.2	3.8	3.4	3.4		
12	Rajasthan	70.0	3.4	11.1	53.0	6.5	14.3		
13	Uttar Pradesh	50.0	15.3	16.1	212.5	2.1	23.7		
14	West Bengal	97.5	4.8	13.9	25.0	11.8	13.8		
15	Delhi and other Union Territories	65.7	10.5	14.5	60.0	10.5	13.2		
	INDIA	102.9	8.5	17.1	90.0	10.3	20.1		

TABLE—6.5

Distribution of Giant Floatations (1961—1962)

Sl. No.	States	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	1.00	..	1.00	1.00	..	1.00
2	Assam	2	1	3	2.50	2.00	4.50	1.25	2.00	1.50
3	Bihar	..	..	..	..	..	..	..	..	..
4	Gujarat	10	1	11	22.25	1.00	23.25	2.23	1.00	2.20
5	Kerala	2	1	3	2.00	5.00	7.00	1.00	5.00	2.50
6	Madhya Pradesh	1	1	2	2.00	1.50	3.50	2.00	1.50	1.75
7	Madras	7	2	9	9.00	3.00	12.00	1.29	1.50	1.33
8	Maharashtra	15	4	19	38.50	7.00	45.50	2.57	1.75	2.39
9	Mysore	1	1	2	1.00	20.00	21.00	1.00	20.00	10.50
10	Orissa	1	1	2	50.00	1.00	51.00	50.00	1.00	25.50
11	Punjab	..	..	..	..	..	..	..	..	..
12	Rajasthan	2	..	2	2.00	..	2.00	1.00	..	1.00
13	Uttar Pradesh	1	..	1	7.00	..	7.00	7.00	..	7.00
14	West Bengal	7	3	10	8.00	28.00	36.00	1.14	9.33	3.60
15	Delhi	7	2	9	7.00	16.00	23.00	1.00	8.00	2.55
	INDIA	57	17	74	152.25	84.50	236.75	2.67	4.97	3.20

TABLE—6.6
Government Companies Registered during 1961-62

Sl. No.	States	No. of Companies			Authorised Capital (Rs.lakhs)		
		Public	Private	All	Public	Private	All
1	Delhi	..	1	1	..	1,500	1,500
2	Madhya Pradesh	..	3	3	..	220	220
3	Orissa	1	2	3	5,000	51	5,051
4	Rajasthan	..	1	1	..	25	25
5	Mysore	..	1	1	..	2,000	2,000
6	West Bengal	..	2	2	..	2,550	2,550
7	Kerala	..	3	3	..	600	600
8	Bihar	..	1	1	..	50	50
9	Assam	..	2	2	..	250	250
10	Punjab	..	1	1	..	25	25
Total		1	17	18	5,000	7,271	12,271

India during the year 1961-62 was higher by 46 as compared to the number registered in 1960-61 and was the highest during the last six years. But in Kerala, there was a decline in the number by 6.

6.9. During 1961-62, 74 giant sized companies were registered in India with an authorised capital of Rs. 1 crore and above as against 88 in 1960-61. The total authorised capital of all these companies (17 public and 57 private) constituted about 73% of the total authorised capital of all the companies registered in 1961-62. Out of these 74 giant floatations, only 3 (2 public and 1 private) were located in Kerala. The major share (58 companies) is accounted for by States like Maharashtra, West Bengal, Madras, Gujarat and Delhi. The previous year saw the formation of only one company in Kerala. Of the total 215 companies formed during the period 1958-61, Kerala's share was only 6. The 74 giant floatations in 1961-62 had a total authorised capital of Rs. 236.75 crores with an average of Rs. 3.20 crores per company while in 1960-61, 88 floatations had an authorised capital of Rs. 197.75 crores with an average of Rs. 2.25 crores per company. State-wise floatations are given in Table 6.5.

6.10. During the period 1961-62 out of the total 18 Government companies formed, 3 were in Kerala (vide Table 6.6). They are (1) Kerala State Industrial Development Corporation (Private) (July 1961)— Authorised capital Rs. 5 crores. (2) Kerala State Small Industries Corporation (Private) (September 1961) Authorised capital Rs. 0.5 crore. (3) Kerala Premo Pipe Factory (Private) (September 1961)— Authorised capital Rs. 0.5 crore. This share is not negligible compared to the position of other States and also in comparison with last year's level when no such company was started in the State. But with regard to the amount of authorised

capital Kerala's stand is not encouraging compared to the majority of other States. The only one company registered in Mysore has an authorised capital of Rs. 20 crores while Kerala's three companies together account for only Rs. 6 crores.

6.11. Kerala had 14 foreign owned companies which have established a place of business in this country but which are incorporated outside India. There were 569 such companies in India at the end of March 1961, as against 565 at the end of March 1960. About half of these were situated in West Bengal. Kerala has the sixth rank in the case of foreign companies. Table 6.7 shows the State-wise distribution of foreign companies. Out of the 14 companies in Kerala 12 have their origin in U.K. and 2 in U.S.A.

TABLE—6.7
Foreign Companies in India

Sl.No.	States	Number of Companies	
		March 1960	March 1961
1	Andhra Pradesh	4	3
2	Assam	28	27
3	Bihar	1	1
4	Bombay	165	174
5	Kerala	13	14
6	Madhya Pradesh	2	1
7	Madras	28	29
8	Mysore	5	4
9	Orissa	1	2
10	Punjab	1	2
11	Uttar Pradesh	1	1
12	West Bengal	287	284
13	Delhi	27	26
14	Tripura	1	1
	India	565	569

6.12. With regard to the company failures in Kerala there was a reduction in the number failed during 1961-62 (see Table 6.8). The number stood at 81 (29 public and 52 private) in 1960-61 while during 1961-62 the number was reduced to 59 (20 public and 39 private), that is, there is 27% fall compared to the previous year. There is a sharp increase in the total number of companies failed in India as a whole. This is mainly contributed by the State of West Bengal where there is a considerable increase in the number of failures. Kerala's share out of the total company failures is 2% whereas during last year it was 3.4%. The average size of companies failed in Kerala in terms of paid-up capital is Rs. 0.5 lakh in 1961-62 as against Rs. 0.7 lakh in 1960-61. This average in Kerala is slightly higher than that in India.

TABLE—6.8

Company failures in different States

Sl. No.	States	1961-62													
		1960-61							1961-62						
		No. of Companies		Paid up capital per Company (Rs. in lakhs)		No. of Companies			Paid up Capital per Company (Rs. in lakhs)						
1	2	3	4	5	6	7	8	9	10	11	12	13	14		
		Public	Private	All	Public	Private	All	Public	Private	All	Public	Private	All		
1	Andhra Pradesh	10	18	28	4.3	0.9	1.6	12	17	29	1.9	0.3	1.0		
2	Assam	1	5	6	0.3	0.2	0.2	1	3	4	0.1	2.2	1.7		
3	Bihar	18	28	46	0.3	0.3	0.3	17	16	33	0.5	0.4	0.5		
4	Gujarat	7	10	17	2.0	0.6	1.2	12	15	27	1.4	0.6	1.0		
5	Kerala	29	52	81	1.3	0.3	0.7	20	39	59	0.8	0.4	0.5		
6	Madhya Pradesh	4	20	24	1.2	0.2	0.4	5	11	16	2.1	0.5	1.0		
7	Madras	31	108	139	0.5	0.4	0.4	16	49	65	0.6	0.2	0.3		
8	Maharashtra	41	196	237	1.8	0.6	0.8	28	141	169	1.3	0.4	0.6		
9	Mysore	8	16	24	0.4	0.4	0.4	12	27	39	1.4	0.3	0.6		
10	Orissa	8	10	18	0.2	0.1	0.1	4	2	6	1.1	0.04	0.7		
11	Punjab	7	21	28	1.4	0.2	0.5	4	10	14	0.8	0.2	0.4		
12	Rajasthan	8	18	26	2.6	0.9	1.5	13	18	31	2.8	0.6	1.3		
13	Uttar Pradesh	25	89	114	0.5	0.3	0.3	9	48	57	0.2	0.3	0.3		
14	West Bengal	465	1049	1514	0.3	0.1	0.2	768	1536	2304	0.2	0.1	0.1		
15	Delhi & other Union Territories	16	83	99	1.3	6.2	5.2	9	49	58	0.6	0.6	0.6		
	INDIA	678	1723	2401	0.6	0.5	0.5	930	1981	2911	0.3	0.2	0.2		

CHAPTER VII

TRANSPORT

An efficient and well developed network of transport and communication is vital for the successful functioning of a plan of economic development. Since the advent of developmental planning the transport system is being increasingly oriented to satisfy the requirements of industrial growth. Kerala State has a fairly good transport system. The road transport in the State is comparable with that in any other State in India. The State has a network of navigation canals connecting Trivandrum in the South with Hosdurg in the North. Kerala has thirteen ports of which Cochin stands in the forefront. Cochin which is an all-weather port is second in importance only to Bombay among the ports in the West coast of India. The only major weak link in Kerala's transport system is her railways which have not been properly developed.

7.2. Kerala is a highly commercialised State. Production, distribution and consumption relations in the State are so brisk that they have an accelerating influence on the transportation system. The acute shortage of food render necessary movements of rice and other cereals by road as well as rail from neighbouring States like Madras and Andhra Pradesh. The ports of Kerala are always active with export—import activities. Besides serving the important aspects of production, distribution and consumption the transport media satisfy the needs of the heavy passenger traffic. There is heavy pressure of railway passenger traffic in Quilon, Ernakulam, Alwaye, Calicut and Trivandrum centres. The State Road Transport caters to the needs of about 70 million people annually. More than a thousand passengers embark and disembark at the Trivandrum and Cochin airports every month. About 30,000 passengers are borne every day in the passenger motor boats plying the inland waterways in the State.

Road Transport

7.3. The road system forms the vital arteries through which pulsates the life blood essential for economic progress. Industrial and agricultural development programmes envisaged in the five year plans depend to a great extent on reliable and cheap means of communication made available by a network of roads. Road transport facilities in Kerala compare favourably with those obtaining in other States in India. The average road mileage in Kerala is 72 per 100 square miles as against the all-India average of 25. The average road mileage per lakh of population, however, is only 66 while the same is 82 miles for India. A good road system is one which increases in mileage as population increases, for no roads are

necessary in a place where there is no habitation. Therefore the general notion that Kerala's road mileage is in excess of her requirements and that the road transport system is very elaborate is not based on sound knowledge.

7.4. There are also considerable disparities between the Travancore-Cochin and Malabar regions. The Northern half of the State thus lags behind the southern half in communication facilities. In the Southern half the presence of three independent and parallel arterial roads having high functional standards make possible an uninterrupted system of road transport throughout the year. There are also a network of cross roads interconnecting each other. The only main trunk route the northern half can claim is the National Highway connecting Ankamali and Palghat via Trichur, the Trichur-Calicut road and the Calicut-Cannanore road.

7.5. The total road mileage in Kerala is 10739 miles of which 6561 miles of roads are in Travancore Cochin and 4178 miles in Malabar. The total road mileage in the State is made up of 1432 miles of national and provincial highways, 3873 miles of district roads and 5434 miles of village roads. The district-wise break up of road mileage in the State is given in Table 7.1.

TABLE—7.1

<i>District.</i>	<i>Mileage.</i>	<i>Mileage per 100 sq. miles.</i>
Trivandrum	1038	123
Quilon	1203	61
Alleppey	1164	165
Kottayam	1429	72
Ernakulam	1090	61
Trichur	637	57
Palghat	1671	85
Calicut	927	36
Cannanore	1580	71
Kerala	10739	72

7.6. There are over 31460 mechanised road vehicles in Kerala as on 1961-62. The number of vehicles in 1957-58 was only 15,125. Thus there is more than hundred percent increase in motor vehicles over the period 1957-58 to 1961-62. The number of goods vehicles rose from 2714 to 7447 during this period. The number of goods vehicles form about 24% of the total number of vehicles. More than 24,000 vehicles are operated by the private sector in the State. They represent an investment of over Rs. 12 crores. The private sector vehicles carry about 250 million people annually and employ over 15,000 men. The State Transport Department possesses 883 vehicles and employs 5800 persons. Altogether 441 routes are

operated by the State Transport Department and these routes cover a distance of 8542 miles. Table 7.2 shows the route mileage covered by the State Transport Department for October 1961 and October 1962, centrewise. The marked improvement seen in the number of routes and mileage in 1962 over 1961 is partially due to the commencement of new routes in the Kozhikode area.

7.7. Tables 7.3 and 7.4 show the revenue receipts from ordinary bus service and express bus service in October 1961 and October 1962. There is an increase in 1962 in the passenger earnings, earnings per mile and average distance travelled per passenger in the case of ordinary bus service. The express bus service has gone down in prominence. This tendency is indicated by a decrease in the passenger earnings and earnings per mile in the case of express bus service in 1962 compared to 1961. The progress shown by the ordinary bus service is however a sign of encouragement. The introduction of the fast passenger service and the increasing prominence given to it is a notable feature of the State Transport Department in 1962.

7.8. The State Transport Department is a commercial enterprise running profitably. An insight into the expenditure-revenue statement of the Department for the period 1957-58 to 1961-62 shows that except for 1959-60, there was profit for the enterprise. (see Table 7.5).

7.9. The annual proceeds under the Motor Vehicle Tax for the last five years are shown in Table 7.6. There is an improvement to the extent of Rs. 15 lakhs in the collection in 1961-62 over 1960-61.

TABLE—7.2
Route mileage—October 1961 and October 1962.

<i>District</i>	<i>October 1961</i>		<i>October 1962</i>	
	<i>No. of Routes</i>	<i>Route Mileage</i>	<i>No. of Routes</i>	<i>Route Mileage</i>
Trivandrum Central	120	2739	134	3423
Trivandrum City	170	1069	168	1083
Quilon	23	824	25	857
Kottarakara	25	628	28	676
Kottayam	28	815	25	729
Alleppey	23	601	27	724
Ernakulam	21	924	21	1100
Alwaye	17	281	23	480
Trichur	18	1165	10	427
Kozhikode	..	..	10	1216
Total	417*	7232*	441*	8542*

* The difference in the total number of routes and route mileage is due to the overlapping of routes.

TABLE—7.3
Revenue analysis for October, 1961 and October, 1962.
 (ORDINARY BUS SERVICE)

Sl. No.	District	October, 1961			October, 1962		
		Passenger earnings (Rupees)	Earnings per mile in naye paise	Average distance travelled per passenger (miles)	Passenger earnings (Rupees)	Earnings per mile in naye paise	Average distance travelled per passenger (miles)
1	Trivandrum Central	6,64,656	112.8	8.1	7,76,783	111.4	8.8
2	Trivandrum City	2,96,529	98.4	2.8	3,14,869	101.3	2.8
3	Quilon	2,72,292	118.8	8.8	2,83,323	118.2	8.4
4	Kottayam	2,46,782	114.8	9.6	2,65,265	120.4	8.1
5	Kottarakara	2,15,578	118.4	8.4	2,07,070	116.4	7.9
6	Alleppey	2,83,203	115.2	7.5	3,11,888	117.7	7.8
7	Ernakulam	2,67,091	111.4	8.5	3,39,837	119.3	9.7
8	Alwaye	1,68,204	111.9	6.6	2,06,370	114.1	7.1
9	Trichur	1,21,219	105.6	9.6	1,50,572	109.9	9.6
10	Kozhikode	..	..	..	1,86,133	122.6	17.4
TOTAL		25,35,554	111.8	6.6	30,42,110	114.1	7.1

TABLE—7.4

Revenue analysis for October 1961 and October 1962.
(EXPRESS BUS SERVICE)

Sl. No.	District	October, 1961				October, 1962				
		Passenger earnings (Rupees)	Earnings per mile in naye paise	Average distance travelled per passenger (miles)	Passenger earnings (Rupees)	Earnings per mile in naye paise	Average distance travelled per passenger (miles)	Passenger earnings (Rupees)	Earnings per mile in naye paise	Average distance travelled per passenger (miles)
1	Trivandrum Central	33,238	102.8	46.0	15,899	85.5	81.9			
2	Quilon	11,071	N.A.	N.A.	58	N.A.	N.A.			
3	Kottayam	32,264	98.5	27.9	25,884	121.8	23.3			
4	Alleppey	12,091	82.7	42.5	16,333	70.4	32.2			
5	Ernakulam	44,479	84.8	26.9	5,814	88.7	25.0			
6	Alwaye	113	N.A.	N.A.	..	..	..
7	Trichur	115,640	93.4	23.6	3,298	102.3	25.3			
8	Kozhikode	..	..	..	50,467	87.9	33.4			
TOTAL		2,38,896	93.3	27.3	1,17,753	90.4	31.9			

TABLE—7.5

**Revenue-Expenditure statement of the Kerala State
Transport Department for the last five years**

	1957-58	1958-59	1959-60	1960-61	1961-62
Revenue	207.57	240.88	247.17	294.18	361.95
Expenditure	183.23	223.52	259.63	284.01	330.39
Profit	24.34	17.36	(—)12.46	10.17	31.56

TABLE—7.6

Collection under Motor Vehicle Tax

<i>Year.</i>	<i>(Rs. in lakhs) Collection.</i>
1957-58	124.34
1958-59	166.58
1959-60	164.99
1960-61	204.80
1961-62	217.87

Inland Navigation

7.10. Inland waterways in Kerala play an important role in the State's economic life. There are 1178 miles of waterways in the State which form about 20% of the total inland navigation system of India. Inland canals connect industrial and commercial centres, ports, etc., Besides for transport of passengers the inland canals are used for the transport of forest and agricultural produce, minerals, raw materials for industries etc. Though the slowest, water transport is the cheapest form of transport and the most convenient one for transporting heavy and bulky goods. There are at present about 30,000 country crafts and motor boats having a tonnage of more than 1.8 lakhs operating on the inland waterways of the State.

7.11. A number of problems confront the Water Transport Department of the State which at present is running at a loss. Table 7.7 shows that the loss incurred by the Department is increasing year by year. The waterways in the State need repairs, improvements and extension. Very low rates and freights are characteristics of the inland navigation system of Kerala. Increased expenditure is being incurred on the modernisation and rationalisation of the water transport system in the State.

TABLE—7.7

Statement of Revenue-Expenditure (Water Transport)
(Rs.)

	1957-58	1958-59	1959-60	1960-61	1961-62
Revenue	5,17,729	5,55,903	5,84,470	5,80,007	5,55,542
Expenditure	5,41,108	5,56,140	6,16,781	7,50,036	7,29,698
Profit	(—)23,379	(—)237	(—)32,311	(—)1,70,029	(—)1,94,156

Railway Transport

7.12. Railways form the principal means of transport in India. Kerala, however, does not possess a well developed railway system. This poor development in railway transport is a bottleneck in industrialisation of the State. There are at present only 552 miles of railway lines in Kerala.

7.13. Table 7.8 gives the route mileage of railways in Kerala.

TABLE—7.8

Railway route mileage in Kerala

<i>Division</i>	<i>Broad gauge</i>	<i>Meter gauge</i>	<i>Total</i>
Madurai	..	206.77	206.77
Olavakkode	343.78	1.37	345.15
STATE	343.78	208.14	551.92

7.14. The different sections in the State's railway system suffer from much imbalance. The traffic is much heavy in certain sections. With the increasing industrialisation of the State, the need for creation of additional lines to meet the potential passenger and goods traffic is imperative.

7.15. Though the major share of the plan expenditure for transport in India goes to railways, most of the Southern States, including Kerala, do not profit much by this expenditure. The cream of the resources go to the development of the railways in the Northern States which have already well developed railway transport systems. There may be enough justification in railway development in the North. For example, it is most important to lay down new railway tracks to link the steel plants and other major industrial units coming up in the North in the public sector. But the lukewarm attitude shown in the development of railway systems of States like Kerala certainly hampers industrial development in such States. Railways form the biggest nationalised undertaking in India. It can be hoped that in pursuance of the Report of the Neogy Committee on Transport Policy and Coordination, a national transport policy will be evolved which would cater to the railway transport needs of Kerala.

CHAPTER VIII

EXPORT-IMPORT TRADE

Kerala with its abundant cash crops is an important foreign exchange earner for the country. Her products like pepper, ginger, cardamom, lemongrass oil, coffee, tea, cashew and coir products are in great demand in the world market. For some of these products Kerala enjoys a near monopoly for all India, and in the case of coir and coir products she ranks first in the world itself in production as well as in export. With the development of the State's economy our foreign trade too has developed and today Kerala trades with almost all parts of the world and in a wide range of commodities.

8.2. By taking into consideration the export-import figures as basis, it could be inferred that Kerala has been enjoying a favourable balance of trade during the past few years. Exports followed an upward move except for a slight draw back during 1956-57. Imports were falling during 1957-58 and 1958-59, but the trend was reversed thereafter and recorded a sharp rise during 1960-61.

8.3. Kerala had surplus trade during 1960-61 also, but the situation was not so optimistic when compared to the previous year. During the year imports have gone up by 20% while exports registered an increase of only 5%. Again the increase in exports was lower by about 7% when compared to 1959-60. Moreover foreign exports have come down by about 5% during 1960-61, though coastal exports increased by more than 25%. During 1959-60, the increase in exports was mainly accounted for by pepper, the export value of which has gone up by 24.2% during the year. Exports during 1960-61 would have been much higher but for the marked depression in the price of this commodity. Dullness in foreign markets was the main contributory factor to this sharp fall. But it is found that the fall in the export of pepper has been partly compensated by increased exports of arecanut, cardamom, ginger, cashew, coir and coir products. Increase in import was seen mainly under cotton, building materials, metals, minerals and silk manufactures. The trend of prices and other details regarding each important product of Kerala are given below. Tables 1 to 4 show the summary position of Kerala's exports and imports during the past few years.

Pepper

8.4. Pepper which is one of the most important foreign exchange earners of the country and especially of Kerala is now facing competition in the world market. If 1961 had been a bad year for our Pepper, the situation has worsened in 1962 inspite of the sizeable increase in the quantity exported.

TABLE—8.1
Exports (foreign and coastal) from the Ports of Kerala

Sl. No.	Commodities	Unit	1955-56		1956-57		1957-58	
			Quantity (Rs. lakhs)	Value (Rs. lakhs)	Quantity (Rs. lakhs)	Value (Rs. lakhs)	Quantity (Rs. lakhs)	Value (Rs. lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Betelnuts	Tonnes	2886.70	83.06	2502.58	75.75	3603.07	134.81
2	Cardamom	"	276.16	57.71	265.19	58.51	297.14	61.73
3	Cashew Kernel	"	31031.18	1309.42	26348.21	1194.11	36239.46	1371.30
4	Cashew Shell Liquid	"	4764.00	34.81	5121.00	39.60	4378.00	35.85
5	Coconut	Lakhs	1423.00	244.53	1355.80	233.99	1098.30	225.90
6	Coconut oil	'000 Ltrs	7572.00	120.62	4285.00	73.63	5615.00	114.36
7	Coconut oil cake	Tonnes	3601.90	11.67	2443.60	8.52	2966.87	11.85
8	Copra	"	16009.90	191.32	10347.45	142.12	10362.69	174.95
9	Coffee	"	1552.12	102.99	3578.83	200.56	2883.50	144.91
10	Coir and Coir products	"	N.A.	985.93	93357.26	1033.88	86809.84	900.70
11	Fish and Meat	"	2176.89	31.94	4683.74	124.87	6018.47	149.46
12	Ginger	"	6824.35	170.34	12312.85	240.21	7407.11	76.97
13	Lemongrass oil	"	880.42	130.76	1213.23	147.19	1459.57	138.41
14	Pepper	'000 Ltrs.	17296.98	565.40	21308.60	484.57	16111.96	334.49
15	Rubber	Tonnes	21751.46	647.54	20663.56	696.38	21278.96	684.68
16	Tea	"	38192.31	2208.94	37366.48	2233.71	46069.83	2507.86
17	Wood and Timber	"		56.62		30.72		58.89
18	Sundries	"		1421.40		1285.68		1487.88
	TOTAL			8375.00		8304.00		8615.00

* Provisional.

TABLE—8.1—Contd.

Sl. No.	Commodities	Unit	1958-59		1959-60		1960-61 *	
			Quantity (Rs. lakhs)	Value (Rs. lakhs)	Quantity (Rs. lakhs)	Value (Rs. lakhs)	Quantity (Rs. lakhs)	Value (Rs. lakhs)
(1)	(2)	(3)	(10)	(11)	(12)	(13)	(14)	(15)
1	Betelnuts	Tonnes	5397.87	213.87	4555.65	229.02	8970.70	469.08
2	Cardamom	"	293.79	64.05	254.11	55.49	384.50	79.27
3	Cashew Kernel	"	37299.20	1432.42	36326.84	1572.35	35435.20	1695.22
4	Cashew Shell Liquid	"	3659.00	29.59	4313.89	35.29	5182.90	48.53
5	Coconut	Lakhs	998.80	223.37	1338.70	311.45	1097.27	261.16
6	Coconut oil	'000 Ltrs	9070.74	202.15	12701.05	293.01	12789.26	317.98
7	Coconut oil cake	Tonnes	3887.41	17.28	4752.07	19.42	3343.00	14.04
8	Copra	"	20627.85	343.38	17984.09	313.07	23746.00	433.58
9	Coffee	"	5691.40	260.48	6110.58	223.17	6336.80	205.64
10	Coir and Coir products	"	86938.83	911.50	N.A.	916.03	82834.20	999.21
11	Fish and Meat	"	4666.92	177.21	3614.44	122.20	5152.10	193.97
12	Ginger	"	5848.94	59.14	7486.51	113.91	11454.20	176.34
13	Lemongrass Oil	'000 Ltrs.	1348.60	92.75	1236.73	141.43	1144.67	200.76
14	Pepper	Tonnes	15729.17	333.21	26906.50	1137.99	22622.50	934.27
15	Rubber	"	20153.76	661.68	17583.77	592.99	21904.70	821.27
16	Tea	"	41039.15	2232.26	40543.85	2239.54	41462.18	1312.32
17	Wood and Timber	"		211.95		238.05		264.47
18	Sundries	"		1760.71		1733.59		1361.25
TOTAL			..	9227.00	..	10288.00	..	10788.36

* Provisional.

TABLE—8.2

Foreign exports from the Ports of Kerala

(Value in Rs. lakhs)

Sl. No.	Commodity	Unit	1955-56		1956-57		1957-58	
			Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Cardamom	Tonnes	231.20	50.17	247.87	54.84	253.45	55.90
2	Cashew Kernel	"	30983.00	1307.83	26331.95	1193.23	36145.98	1366.61
3	Cashew shell liquid	"	4764.00	34.81	5121.00	39.60	4368.00	35.81
4	Coffee	"	1300.18	93.69	3176.48	185.49	2728.65	138.22
5	Coir and Coir products	"	N.A.	856.86	80224.91	914.11	69068.95	719.02
6	Fish and Meat	"	2170.84	31.85	4678.35	124.72	6007.09	149.33
7	Ginger	"	2258.98	58.71	3945.32	61.40	2398.89	23.14
8	Lemongrass Oil	'000 Litres	N.A.	130.65	1212.86	147.00	1459.57	138.41
9	Pepper	Tonnes	11283.24	378.61	15362.12	348.81	11047.46	226.79
10	Tea	"	33946.79	1992.17	32599.15	1989.55	N.A.	2280.94
11	Sundries	"		1319.11		603.95		714.16
Total Value of Foreign Exports				6254.46		5662.70		5848.33

TABLE—8.2—Contd.

Sl. No.	Commodity	Unit	1958-59		1959-60		1960-61	
			Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(10)	(11)	(12)	(13)	(14)	(15)
1	Cardamom	Tonnes	263.77	58.40	225.82	51.37	371.00	76.58
2	Cashew Kernel	"	37268.71	1431.02	36249.62	1568.89	35340.50	1691.04
3	Cashw shell liquid	"	3659.00	29.59	4313.89	35.29	5182.00	48.52
4	Coffee	"	5545.75	255.17	N.A.	222.14	6020.90	197.47
5	Coir and Coir products	"	72261.88	759.93	N.A.	771.78	63765.20	805.86
6	Fish and Meat	"	N.A.	177.03	3588.23	121.00	5093.10	191.59
7	Ginger	"	2804.55	29.46	2222.91	36.21	5080.40	68.52
8	Lemongrass Oil	'000 Litres	1348.60	92.75	1236.73	141.43	1144.67	200.76
9	Pepper	Tonnes	10208.66	220.27	21268.21	911.78	15533.00	682.46
10	Tea	"	36714.86	2023.29	36207.45	2023.61	36578.95	2062.96
11	Sundries	"		1408.48		1186.96		714.89
● Total value of foreign exports				6485.39		7070.46		6740.65

* Provisional

TABLE—8.3

Coastal exports from the Ports of Kerala

(Value in Rs. lakhs)

Sl. No.	Commodity	Unit	1955-56		1956-57		1957-58	
			Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Cardamom	Tonnes	44.96	7.54	17.32	3.67	43.69	5.83
2	Cashew Kernel	"	48.18	1.59	16.26	0.88	93.48	4.69
3	Cashew shell liquid	"	251.94	9.30	402.35	15.07	10.00	0.04
4	Coffee	"	N.A.	129.07	13132.35	119.77	154.85	6.69
5	Coir and Coir products	"	6.05	0.09	5.39	0.15	17740.89	181.68
6	Fish	"	4565.37	111.63	8367.53	178.81	11.38	0.13
7	Ginger	"	N.A.	0.11	0.37	0.19	5008.22	53.83
8	Lemongrass Oil	'000 Litres	6013.74	186.79	5946.48	135.76	5064.50	107.70
9	Pepper	Tonnes	4245.52	216.77	4767.33	244.16	N.A.	226.92
10	Tea	"	2886.70	83.06	2502.58	76.75	3603.07	134.81
11	Betel nuts	"	1423.00	244.53	1355.80	233.99	1098.30	225.90
12	Coconut	Lakhs	7572.00	120.62	4285.00	73.63	5615.00	114.36
13	Coconut oil	'000 Litres	3601.90	11.67	2443.60	8.52	2966.87	11.85
14	Coconut oil cake	Tonnes	16009.90	191.32	10347.45	142.12	10362.69	174.95
15	Copra	"	21751.46	647.54	20663.56	696.38	21278.95	684.68
16	Rubber	"	N.A.	56.62	N.A.	30.72	N.A.	58.89
17	Wood and Timber	"		102.29		681.73		773.72
18	Sundries	"						
Total value of coastal exports				2120.54		2641.30		2766.67

TABLE—8.3—Contd.

(Value in Rs. lakhs)

Sl. No.	Commodity	Unit	1958-59		1959-60		1960-61 *	
			Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(10)	(11)	(12)	(13)	(14)	(15)
1	Cardamom	Tonnes	30.02	5.65	28.29	4.12	13.50	2.69
2	Cashew Kernel	"	30.49	1.40	77.22	3.46	94.70	4.18
3	Cashew shell liquid	"					0.90	0.01
4	Coffee	"	145.65	5.31	N.A.	1.03	315.90	8.17
5	Coir and Coir products	"	14676.95	151.57	N.A.	144.25	19069.00	193.35
6	Fish	"	N.A.	0.18	26.21	1.20	59.00	2.38
7	Ginger	"	3044.39	29.68	5263.60	77.70	6373.80	107.82
8	Lemongrass Oil	'000 Litres						
9	Pepper	Tonnes	5520.51	112.94	5638.29	226.21	7089.50	251.81
10	Tea	"	4324.29	208.97	4336.40	215.93	4883.23	249.36
11	Betel nuts	"	5397.87	213.87	4555.65	229.02	8970.70	469.08
12	Coconut	Lakhs	998.80	223.37	1338.70	311.45	1097.27	261.16
13	Coconut oil	'000 Litres	9070.74	202.15	12701.05	293.01	12789.26	317.98
14	Coconut oil cake	Tonnes	3887.41	17.28	4752.07	19.42	3343.00	14.04
15	Copra	"	20627.85	343.38	17984.09	313.07	23746.00	433.58
16	Rubber	"	20153.76	661.68	17583.77	592.99	21904.70	821.27
17	Wood and Timber	"	N.A.	211.95	N.A.	238.05	N.A.	264.47
18	Sundries	"		352.23		546.63		646.36
	Total value of coastal exports			2741.61		3217.54		4047.71

* Provisional

TABLE—8.4

Valuation of imports through the Ports of Kerala

(Value in Rs. lakhs)

Sl. No.	Commodity	Unit	1955-56		1956-57		1957-58	
			Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	(a) Cotton	Tonnes	15872.00	518.50	18215.00	597.38	16275.00	660.50
	(b) Cotton piece goods			425.84		319.19		288.44
2	Building, Engineering and Manufacturing materials			114.77		66.13		76.32
3	Copra and Coconut	Tonnes	25769.00	219.36	45045.00	255.77	46210.00	218.44
4	Fruits and Vegetables	"	66849.78	518.07	63034.98	464.78	97519.66	633.78
5	Grains, Pulses etc.	"	78221.00	367.43	109322.00	543.49	55635.00	285.55
6	Soap	"	1326.00	78.39	3683.00	100.38	3022.00	76.04
7	Sugar	"	46807.00	397.23	14344.00	130.21	14493.00	168.67
8	Drugs and Medicines			36.48		25.00		25.48
9	Manures	"	20182.70	39.50	50108.00	112.93	26219.00	53.86
10	Metals, Minerals and Ores	"	32076.00	368.64	29568.00	457.71	27491.00	446.75

TABLE—8.4—Contd.

Sl. No.	Commodity	Unit	1958-59		1959-60		1960-61*	
			Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(10)	(11)	(12)	(13)	(14)	(15)
1	(a) Cotton	Tonnes	16300.00	552.79	23357.00	727.31	30034.00	1025.44
	(b) Cotton piece goods			289.84		249.03		247.58
2	Building, Engineering and Manufacturing materials	..		89.13		97.49		126.34
3	Copra and Coconut	Tonnes	36260.00	324.67	N.A.	326.19	N.A.	210.62
4	Fruits and Vegetables	"	99116.80	616.18	N.A.	764.10	N.A.	773.59
5	Grains, Pulses etc.	"	24347.00	126.59	89687.00	460.80	36879.00	212.95
6	Soap	"	2831.00	62.65	2733.00	62.03	3200.00	72.11
7	Sugar	"	28128.00	330.25	N.A.	19.22	N.A.	0.61
8	Drugs and Medicines			20.70		13.87		17.90
9	Manures	"	44445.00	63.27	48983.00	71.19	N.A.	94.84
10	Metals, Minerals and Ores	"	57911.20	415.46	31607.00	420.96	50788.00	638.79

* Provisional

TABLE—8.4—Contd.

Sl. No.	Commodity	Unit	(Value in Rs. lakhs)					
			1955-56		1956-57		1957-58	
			Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
11	Mineral Oil	Lakh Litres	1716.83	322.76	2511.95	440.42	2505.36	450.19
12	Vegetable Oil	'000 Litres	1940.53	11.17	2937.47	41.01	2709.01	37.35
13	Beedi Leaves	Tonnes	218.00	2.51	41.00	0.56	248.00	2.88
14	Chemicals and Chemical Preparations			110.40		117.90		121.47
15	Coal, Coke and Pitch	'000 tonnes	281.20	194.44	249.57	172.72	312.84	231.71
16	Liquor	'000 Litres	331.15	10.77	286.06	12.08	N.A.	5.06
17	Paper and Paste Board	Tonnes	4738.00	49.09	3943.00	46.54	4068.00	52.96
18	Silk Manufactures			65.10		60.36		32.29
19	Sulphur	Tonnes	18790.00	49.23	12506.00	36.94	11485.00	21.78
20	Tobacco—Unmanufactured	"	2460.00	97.53	2840.00	108.29	1878.00	67.88
21	Wood Pulp	"	3416.00	47.36	3257.00	35.12	3131.00	33.24
22	Sundries			1892.43		1895.09		1777.36
Total				5937.00		6040.00		5768.00

TABLE—8.4—Contd.

(Value in Rs. lakhs)

Sl. No.	Commodity	Unit	1958-59		1959-60		1960-61 *	
			Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(10)	(11)	(12)	(13)	(14)	(15)
11	Mineral Oil	Lakh Litres	2033.50	340.81	2672.99	543.43	3796.86	696.29
12	Vegetable Oil	'000 Litres	2841.65	32.00	4476.57	54.47	4951.73	64.42
13	Beedi Leaves	Tonnes	19.00	0.27	163.00	3.05	1455.00	30.43
14	Chemicals and Chemical Preparations			95.30		110.57		125.73
15	Coal, Coke and Pitch	'000 tonnes	266.33	213.00	308.93	237.12	385.10	373.17
16	Liquor	'000 Litres	N.A.	5.02	N.A.	6.10	185.23	20.16
17	Paper and Paste Board	Tonnes	6370.00	64.99	N.A.	64.41	6414.00	60.96
18	Silk Manufactures	..	..	0.12	..	0.09	..	59.19
19	Sulphur	Tonnes	14835.00	24.88	28230.00	42.33	38332.00	55.51
20	Tobacco—Unmanufactured	..	2324.00	86.38	3398.00	142.28	3851.00	131.79
21	Wood Pulp	..	4481.00	44.44	4784.00	46.51	8211.00	78.87
22	Sundries			1715.26		1465.45		1977.66
	Total			5514.00		5928.00		7095.00

* Provisional

Prices recorded a severe fall during the year. The dullness in the Pepper market after the boom that followed the Korean War was mainly due to reduced off-take by the traditional buyers like U.K. and the U.S.A. Unbridled speculative activities have caused sharp rise in prices during 1959-60 and 1960-61. But this has resulted in a fall in prices during 1961-62.

8.5. With regard to production as well as exports, the season ended October 1962 was a bright one for Indian Pepper. Exports reached a record figure of well over 23 thousand tonnes as against 19.61 thousand tonnes during the previous season, the rate of increase in exports being considerably higher than the rate of increase in production.

TABLE—8.5
Production and Export of Pepper (India)

<i>Year</i>	<i>Production</i> (‘000 tonnes)	<i>Export</i> (‘000 tonnes)
1959-60	28.45	19.30
1960-61	N.A.	19.61
1961-62	27.43	23.23

The increase in exports was mainly due to the larger off-take by the principal consuming countries such as the U.S.A. and partly due to the absence of Indonesia in the World market for quite a few months on account of the political disturbances there. The uncommitted balance from last year’s crop is negligible. It is reported that exports to the U.S. almost doubled while those to Russia declined sharply. The demand from East European countries has increased considerably.

8.6. It is noticed that a recession has set in our Pepper trade from the later part of 1961. The fall in prices towards the end of 1962 is so deep that it cannot be attributed to seasonal factors alone. Inactive foreign demand and the pressure of arrivals are mentioned as reasons for the price depression. Table 8.6 shows the trend of Kerala’s Production and export of Pepper during the last few years.

TABLE—8.6
Production and Export of Pepper (Kerala)

<i>Year</i>	<i>Production</i> (Tonnes)	<i>Export</i> †		<i>Average price</i> (Rs. per tonne)
		<i>Quantity</i> (Tonnes)	<i>Value</i> (Rs. lakhs)	
1958-59	25432	15729	333	2118
1959-60	25279	26907	1138	4229
1960-61 *	27027	22623	934	4130

* Provisional

† Coastal and foreign exports.

Kerala's Pepper exports during 1960-61 were rather discouraging when compared to the all-India trend. While the all-India export rose by 18% those of Kerala dropped by about 16% during the one year period. Prices as well showed a falling trend the acuteness of the price slump being noticed towards the end of 1962. Prices shot up during 1959-60, but came down during 1960-61 and reached a very low level during the last season.

Ginger.

8.7. India is the largest producer of ginger in the world, Kerala being the most important of ginger growing regions within India. Production of ginger in India during the 1961-62 season approximates to the previous season's high outturn. Exports last season were nearly 18% higher than the average of 5908 tonnes during the preceding five years. Exports of dry ginger during the 1961-62 season recorded a rise of 12% over the previous season (See Table 8.7).

TABLE—8.7
Export of Ginger (India)

<i>Year</i>	<i>Quantity (in tonnes)</i>
1960-61	6196
1961-62	6957

This increase in export is mainly due to larger purchases made by the traditional buyers, particularly Aden followed by America and Saudi Arabia. Out of the total exports, Cochin accounted for the largest share. The U. S. offtake had nearly doubled. The price factor also was favourable in the case of ginger.

8.8. Table 8.8 shows the trend of Kerala's production and export of ginger during the last few years.

TABLE—8.8
Production and Export of Ginger (Kerala)

<i>Year</i>	<i>Production (Tonnes)</i>	<i>Export †</i>		<i>Average price (Rs. per tonne)</i>
		<i>Quantity (Tonnes)</i>	<i>Value (Rs. lakhs)</i>	
1958-59	7785	5849	59	1011
1959-60	9977	7487	114	1521
1960-61 *	11262	11454	176	1540

* Provisional.

† Coastal and foreign.

Production and exports maintained their forward march, the increase in exports reaching a record figure in 1960-61. While production rose by 13% exports shot up by 53% during the year.

Lemongrass Oil.

8.9. Among the essential oils exported from India, lemongrass oil occupies the first place in aggregate quantity exported and the second place in respect of foreign exchange earned. The exports of lemongrass oil have been showing a steady increase in recent years though the value realised from exports suffered a fall during the period 1957-59. In 1959-60 the value realised from lemongrass oil exports was Rs. 1.5 crores. Besides India, the other countries where lemongrass oil is produced are Gautemala, Malaya, Java, West Indies and Ceylon. But the monopoly in the production of this oil is shared by India and Gautemala.

8.10. Kerala is the main producer of lemongrass oil in the World. She has been the pioneer State in exploiting this material on a commercial scale. According to the statistics of production for 1955 more than 75% of this commodity was produced in Kerala. The share of lemongrass oil in the aggregate value of agricultural output of the State comes to about 0.4%. Kerala's near monopoly in the production as well as export of this commodity is still maintained. A major part of the oil produced in this State is exported in the raw form to Europe and to the United States of America.

8.11. Production has been progressively increasing during the last few years, but the rising trend in exports was reversed from 1958-59 onwards. However, phenomenal increases were noticed in export prices. Table 8.9 reveals this fact.

TABLE—8.9

Kerala's Production and Export of Lemongrass oil.

Year	Production (^{'000} litres)	Export †		Average Price (Rs. per ^{'000} litres)
		Quantity (^{'000} litres)	Value (Rs. lakhs)	
1958-59	1351	1349	93	6846
1959-60	1693	1237	141	11431
1960-61*	1734	1145	201	17534

* Provisional.

† Foreign only.

Production remained higher in 1960-61, but exports came down by 7.4%. U.S.A. is still the biggest customer. Other important buyers are the U.K., France, Switzerland, Germany and Australia.

Cardamom.

8.12. Kerala is the main producer of cardamom in India and within Kerala itself about 90% of its production is concentrated in Kottayam. Cultivation of this crop in India has made steady progress because of the high prices which ruled for many years after the II World War. The export of cardamom has steadily increased from 622 tons in 1950-51 to 2326 tons in 1961-62. But the industry is in the midst of a crisis, prices having fallen to uneconomic levels. It is found that a period of depression has set in from 1960 onwards and prices have fallen heavily. Prices declined from an average of Rs. 10.93 per pound in 1956-57 to Rs. 6.56 per pound in 1961-62. Some grades had to be sold at as low as Rs. 3 per pound to Rs. 4 per pound last season. The present annual export of cardamom is around 2000 tons. Fall in export demand due to poor quality of Indian cardamom and increasing competition from Gautemala and Ceylon are important factors contributing to the dullness in the cardamom market. Table 8.10 shows Kerala's production and export of cardamom during the last few years.

TABLE—8.10

Production and Export of Cardamom (Kerala)

<i>Year</i>	<i>Production (Tonnes)</i>	<i>Export †</i>		<i>Average price (Rs. per tonne)</i>
		<i>Quantity (Tonnes)</i>	<i>Value (Rs. lakhs)</i>	
1958-59	1337	294	64	21801
1959-60	1280	254	55	21050
1960-61 *	1283	385	79	20617

* Provisional.

† Coastal and foreign.

Even though production in 1960-61 did not show any significant variation from the previous year's output, exports have considerably increased while price realisations, however, showed a discouraging trend. Saudi Arabia, Sweden and Russia maintained a higher level of imports. Cardamom suffered a sharp reverse mainly owing to lower prices and earnings declined by about Rs. 20 lakhs during the year under review.

8.13. The cardamom industry is beset with many problems. Cardamom growers in India are passing through a period of poor yields and low prices. Plants are affected by diseases on a wide scale. Cardamom marketing is disorganised and there are too many middlemen between the grower and the shipper. Credit facilities are poor and growers are largely unorganised. The price has also been declining owing to these factors, production of this commodity in Kerala has been decreasing over the last few years.

Coffee.

8.14. India's coffee output reached an all-time peak of 68340 tonnes during 1961. More than half of this became surplus to domestic requirement. During the year the country was confronted with a problem of marketing about 37740 tonnes of coffee in a world market afflicted with a price depression. During the 1960-61 season, India's coffee output reached 67587 tonnes which was 37% higher than in the previous season (See Table 8.11).

TABLE—8.11

Coffee Receipts into the Pool

<i>Crop season</i>	<i>Plantation</i>	<i>Arabica</i>	<i>Robusta</i>	<i>Total</i>
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	67,587
1961-62	22,482	6,620	16,551	45,653

Compared to the bumper crop of 1960-61, the coffee output of the current season has fallen short of expectations, the main reason for this being the unfavourable climatic conditions during 1961-62. This year's crop is 22% lower than that of 1960-61 season.

8.15. Exports too were the highest on record during the 1960-61 season. But in 1961-62 exports have come down by almost the same rate (30%) of the fall in production. It is reported that the smaller crop accounted for the sharp fall in exports. The total export of 18,600 tonnes for the year 1961-62 (See table 8.12) consisted of 11,249 tonnes of plantation variety, 3022 tonnes of Arabica and 4329 tonnes of Robusta. A very important change in the method of export sales during the year was the conduct of open auctions for exports. An event of great importance during the year in connection with exports of coffee was the Government decision to join the International Coffee Agreement which has assured for four years of an annual export of 21000 tonnes to countries who were members of the Agreement.

TABLE—8.12

Coffee Exports from India

<i>Crop season</i>	<i>Export (tonnes)</i>
1958-59	16,400
1959-60	18,542
1960-61	26,658
1961-62	18,600

8.16. The trend of the internal releases of coffee during the last few years is given in table 8.13.

TABLE—8.13
Internal Releases

<i>Year</i>	<i>Plantation</i>	<i>Arabica</i>	<i>Robusta</i>	(<i>In Tonnes</i>) <i>Total</i>
1959-60	10,873	3,918	12,530	27,321
1960-61	11,386	4,353	15,474	31,213
1961-62	11,235	3,756	16,463	31,454

The average prices realised in the pool sales as well as export sales during 1962 were generally better than those realised in 1961. Though the price for certain grades tended to rise in the pool sales in recent months, the internal releases brought down the price to a reasonable level. The considerable increase in the internal offtake of coffee during 1960-61 was followed by a more or less static position during the current season, the slight increase in total offtake being reflected in the consumption of the Robusta variety which is a welcome feature as far as our coffee prospects are concerned. The efforts of the coffee Board to augment the internal consumption in general and of Robusta in particular have resulted in a good demand for Robusta in the internal market. Boosting up of the internal consumption of the Robusta coffee is essential, as this variety having the least quality is at a low foreign demand.

8.17. Production of coffee in Kerala is having an uptrend from 1958-59 onwards (See table 8.14).

TABLE—8.14
Kerala's Production and Export of Coffee

<i>Year</i>	<i>Production</i> (<i>Tonnes</i>)	<i>Export</i> †		<i>Average price</i> (<i>Rs. per tonne</i>)
		<i>Quantity</i> (<i>Tonnes</i>)	<i>Value</i> (<i>Rs. lakhs</i>)	
1958-59	7072	5691	260	4577
1959-60	7409	6111	223	3652
1960-61 *	7409	5337	206	3245

* Provisional.

† Coastal and foreign.

Coffee production in Kerala which was higher by about 4.8% during 1959-60 remained almost static during 1960-61. Exports rose by 3.7% during 1960-61, but the rate of increase was lower than in the previous year. Though the quantity exported

increased, prices showed a steadily falling trend. During 1960-61 coastal exports formed only about 5% of the total.

Tea.

8.18. If 1960 was an year of lower production and remunerative prices for Indian tea, 1961 was just the reverse. The total Indian production was 68 million lbs. more than that of 1960. But the second half of 1961 was a difficult period for the marginal units in India. It was in 1954 that they found themselves in a similar situation, when it was a time of world slump in tea. World production in 1961 was higher than the previous year's output by well over a million lbs. But the current year witnessed a set back in the world production of tea. While South India, Ceylon and some of the African countries have recorded an increase, North East India and Pakistan have recorded a decrease and Indonesia has kept level with 1961. The following figures released by the International Tea Committee bear out this fact (See table 8.15).

TABLE—8.15
World Tea Production

Country	<i>(In million lbs.)</i>	
	1961 <i>(January-October)</i>	1962 <i>(January-October)</i>
North-East India	535.7	510.6
Ceylon (January-September)	341.0	439.0
South India	143.5	150.0
Indonesia (January-July)	58.1	58.4
Pakistan (January-September)	42.0	34.9
Nyasaland	25.9	24.4
Kenya	21.3	29.2
Mozambique	18.3	16.7
Uganda	9.1	11.4
Tanganyika	7.5	7.8
Total	1202.4	1192.4

8.19. So far as export is concerned, the position was discouraging during 1961. Despite better availability, some of our traditional buyers like Britain did not take as much tea as they did in the previous year. In spite of our best efforts, Indian tea has been steadily yielding ground to her rivals. Our share of the world market declined from 41% in 1958 to 39.8% in 1959 and 36% in 1960. There has been progressive reduction in the export earnings as well. But in 1962 the position has improved. The tea market, however, gave a good performance during the year. The demand was generally strong with prices

of almost all descriptions maintaining the upward trend and touching the highest levels in November due to disruption and delay in the movement of the commodity from Assam. Towards the close of the year, there was a slight reaction following the improvement in supplies. A significant feature of the market was the absence of any indication of a glut of tea in the various consuming countries despite an unprecedented increase in world supplies. Table 8.16 shows the export of tea from India during the last two years.

TABLE—8.16
Exports of Tea from India

Year	Export
1961 (January—September)	283.5 million lbs.
1962 (do.)	300.0 „

Exports increased by about 6% during the nine months period ending September 1962. It is generally believed that the improvement in our export performance this year has been largely due to the substantial reduction in the export duty, announced early during the year.

8.20. Average prices realised for Indian tea so far in London and Calcutta and Cochin auctions have been generally below last year's prices. The following figures show the average export prices in recent years for the North Indian tea.

TABLE—8.17
Export Price of Tea

Year	Price per K.G. (Rs.)
1952-53 (bad year)	3.11
1953-54	4.39
1954-55 (Boom year)	6.81
1955-56	4.45
1956-57	5.22
1957-58	4.63
1958-59	4.74
1959-60	5.05
1960-61	5.34
1961.62	4.66 (end season)

8.21. As far as South Indian tea crop is concerned substantial progress has been achieved in the field of production as well as export. Much of it is due to the sustained advance made by planters in disease control, agricultural practices and the management of properties. In 1960-61 South India produced 172 million lbs. of tea, over 45% of which was exported. According to latest figures this year's production is running ahead of last year's by 5 million lbs. If this trend is maintained the 1962 crop will touch a new. Exports too show an upward trend. Prices in 1962 were easier than in the previous year.

8.21 (a) India's main competitors in the production of tea are Ceylon and East Africa. The Comparative figures in India and in these countries are given in table 8.18.

TABLE—8.18
Production and Export of Tea

Country	Production		Export (Million lbs.)	
	1951	1961	1951	1961
India	629.20	776.67	451.02	455.54
Ceylon	326.28	455.24	305.17	425.72
East Africa	37.67	77.81	30.15	70.17

Table 8.19 shows the trend of production and export of tea from Kerala during the last three years.

TABLE—8.19
Kerala's Production and Export of Tea

Year	Production (Tonnes)	Export †		Average price. (Rs. per tonne)
		Quantity (Tonnes)	Value (Rs. lakhs)	
1958-59	40375	41039	2232	5439
1959-60	40375	40544	2240	5524
1960-61*	40375	41462	2312	5577

* Provisional.

† Coastal and foreign.

Tea output in Kerala remained almost static from 1958-59 to 1960-61. During 1958-59 production was higher by a little more than 16% over the previous two years. Though the quantity exported showed a fall during 1959-60, prices were gradually improving during the years. Exports increased by a little more than 2% in 1960-61 compared to the previous year.

Rubber

8.22. The rubber industry is the youngest plantation industry in South India. It is needless to emphasise the place that rubber holds in the national economy and more particularly of the important role it plays in Kerala. The industry is largely concentrated in the State of Kerala, providing employment to about 1.3 lakh workers. More than 90% of the production of raw rubber is from this part of the country, the major part of the remaining 10% being accounted for by Madras and Mysore. In the economy of Kerala, natural rubber enjoys a unique position. Unlike most other commercial crops of the State, this is a crop which has been enjoying an internal market and a fair and a stable price. It is this fact which gives natural rubber pride of place in the economy of Kerala.

8.23. Table 8.20 give the state-wise production of rubber during the last few years, and Table 8.21 gives the quantity of consumption of rubber in India for the years from 1958 to 1961.

TABLE—8.20
Production of Rubber

State	(In tonnes)			
	1958	1959	1960	1961
Kerala	22513	21603	22680	24490
Madras	1752	1704	2030	2076
Mysore	437	437	447	400
Andamans	15	28	35	26
Total	24717	23772	25192	26992

TABLE—8.21
Consumption of Rubber in India

Year	(Tonnes)		
	Natural	Synthetic	Total
1958	35312	3304	38616
1959	39282	4410	43692
1960	45941	6561	52502
1961	48319	9600	57919

Production of natural rubber has been progressively going up during the years except for a slight set back in 1959 but it is not in keeping with the increasing demand. The gap between production and consumption of natural rubber in India is getting widened day by day, with consumption making rapid strides. It has widened from 2,040 tons in 1950 to 22,327 tonnes in 1961. This necessitates the import of a large quantity of rubber into the country every year. Imports are mainly from Malaya, Indonesia, Burma, Indochina and Ceylon. In spite of

the increase in the production of natural rubber, the percentage share of the consumption of synthetic rubber is also increasing year by year. It has risen from 12.5% in 1960 to 16.5% in 1961. While the consumption of natural rubber rose by 5% in 1961 over 1960, that of synthetic rubber has shown an increase of 46% during the same period, making an overall increase in consumption of 10% during the one year period.

8.24. Table 8.22 shows the trend of rubber imports into India during the last four years.

TABLE—8.22

Import of Rubber into India

<i>Year</i>	<i>Natural</i>	<i>Synthetic</i>	<i>(In tonnes) Total</i>
1958	12068	3579	15647
1959	14718	4748	19466
1960	22949	8466	31415
1961	21693	8992	30685

It is found that imports went up by 61% in 1960 over the previous year, but came down by 2% during the year under review.

Cashewnut

8.25. During 1951-56, much progress has been achieved in the development of the cashew industry. Kerala still maintains its near monopoly position in the world production and sale of cashew kernel. But domestic production of raw nuts is not sufficient to feed the existing cashewnut processing factories and hence the commodity is being imported from foreign countries especially from East Africa. The following table shows the trend of our imports of raw nuts during the last few years.

TABLE—8.23

Import of Rawnuts into India

<i>Year (January-September)</i>	<i>Quantity (Tonnes)</i>	<i>Value (Rs. Crores)</i>	<i>Average price (Rs. per tonne)</i>
1958	95858	5.96	621
1959	60280	3.96	656
1960	68461	5.49	803
1961	98981	7.78	786
1962	88619	5.18	585

Imports reached a record level of 98,981 tonnes in 1961, but came down to 88,619 tonnes in 1962, recording a 10% fall during the one year period. A downward trend was noticed in import prices during the last two years, the fall being more striking during 1962.

8.26. For many years India has been enjoying a virtual monopoly in the sale of cashew in the United States. There is, however, evidence that in the coming years there would be competition from East Africa and South America. At present India has no real hold on the U.S. cashew market. Other edible nuts are becoming popular in America through large scale advertising and public relations campaigns.

8.27. Tables 8.24 and 8.25 show the trend of exports of cashew kernal and cashew shell liquid from India during the last three years.

TABLE—8.24

Export of Cashew Kernel from India

<i>Year</i> (January-September)	<i>Quantity</i> (Tonnes)	<i>Value</i> (Rs. Crores)	<i>Average price</i> (Rs. per tonne)
1960	30614	14.17	4629
1961	32428	15.08	4651
1962	34449	13.69	3973

TABLE—8.25

Export of Cashew shell liquid from India

<i>Year</i> (January-September)	<i>Quantity</i> (’000 K. G.)	<i>Value</i> (Rs. Lakhs)	<i>Average price</i> (Rs. per Kilo-gram)
1960	4041	34.56	0.85
1961	4825	45.40	0.96
1962	4249	42.67	1.00

Export of cashew kernal maintained its forward march while the price has shown a drastic fall during the year under review. Export to the U.S., the main market for cashew kernel showed a slight fall while Russia imported a large quantity. U. S. imports of cashewnuts from India has come down from 590.85 lakh lbs in 1960 to 536.82 lakh lbs in 1961. But this forms more than 90% of their total imports of cashewnuts. Russia has become the second biggest importer of cashew kernel from India with East Germany following as the third. Exports to communist bloc countries showed a remarkable rise while Great Britain imported significantly less than last year. During January-September 1962, export of cashew kernels to East European countries amounted to about 8,058 tonnes as against 4794 tonnes exported during the corresponding period of 1961.

8.28. Exports of cashew shell liquid rose by about 20% during 1961, but recorded a fall of 12% during the year under review. On an aggregate, the value obtained from the export of cashew kernel and cashew shell liquid dropped from Rs. 15.54

crores in 1961 (January—September) to Rs. 14.12 crores in 1962 (January—September), recording a fall of 0.91% during the course of the one year period. In the six years 1956-61 cashew exports earned for India as much as 142.87 million dollars which came to about 11% of the total Indian exports to the U.S.A.

TABLE—8.26
Export Earnings from Cashew

<i>Year</i>	<i>Rs. Crores</i>
<i>(January—September)</i>	
1961	15.00
1962	13.50

8.29. Kerala's production of cashew kernal has been steadily going up during the last few years. But the progressively rising trend in exports during 1957-58 and 1958-59 was reversed thereafter. It is, however, encouraging to note that in spite of the fall in exports, the earnings from them have steadily gone up during the year. Average export price per tonne rose by 13% during the period 1958-59 to 1960-61.

TABLE—8.27

Kerala's Production and Export of Cashew Kernel

<i>Year</i>	<i>Production (Tonnes)</i>	<i>Exports †</i>		<i>Average price (Rs. per tonne)</i>
		<i>Quantity (tonnes)</i>	<i>Value (Rs. lakhs)</i>	
1958-59	72513	37299	1432	3840
1959-60	81678	36327	1572	4328
1960-61 *	84634	35435	1695	4784

* Provisional.

† Coastal and foreign.

TABLE—8.28

Export of Cashew shell liquid from Kerala

<i>Year</i>	<i>Export †</i>		<i>Average price (Rs. per tonne)</i>
	<i>Quantity (Tonnes)</i>	<i>Value (Rs. lakhs)</i>	
1958-59	3659	29.59	809
1959-60	4314	35.29	818
1960-61 *	5183	48.53	936

* Provisional.

† Coastal and foreign.

Unlike in the case of cashew kernel, exports of cashew shell liquid steadily increased during the years, a corresponding rise being reflected in export earnings as well. Average export price rose by Rs. 127 per tonne during the period 1958-59 to 1960-61.

Coconut and Coconut products:

8.30. India stands second only to Philippines in area as well as production of coconuts and among the Indian States, Kerala ranks first in coconut production, having about 70% of the coconut cultivation in the country. Kerala has over 10 lakhs of acres of land under coconut cultivation and about 300 crores of coconuts are annually produced in the State. Coconut is considered as the life-line of the Kerala economy. On an average, the coconut brings an overall coastal export earnings amounting to more than Rs. 18 crores every year through the export of coconuts and other by-products. An estimate of the export value of the various products of coconuts for the years 1958-59 and 1959-60 is furnished in table 8.29.

TABLE—8.29

Export (coastal) earnings from coconuts

	1958-59	(Rs. Crores) 1959-60
Coconuts	2.56	3.09
Copra	3.78	3.17
Coconut oil	2.03	2.56
Coconut oil cake	0.27	0.22
Coir and Coir products	9.40	9.61
Total	18.04	18.65

8.31. Area under coconut cultivation increased in 1960-61 while production showed a drop from the previous year's output.

TABLE—8.30

Area and Production of coconuts in Kerala

Year	Area ('000 acres)	Production (Million nuts)
1958-59	1,175	3,200
1959-60	1,217	3,365
1960-61	1,237	3,220

Exports of coconut and coconut products during the last few years are given in the tables 8.31, 8.32, 8.33 and 8.34.

TABLE—8.31

Export (Coastal) of coconut from Kerala

<i>Year</i>	<i>Quantity</i> (Nos. lakhs)	<i>Value</i> (Rs. lakhs)	<i>Average price</i> (Rs. per lakh Nos.)
1958-59	999	223	22,363
1959-60	1,339	311	23,260
1960-61 *	1,097	261	23,807

TABLE 8.32

Export (coastal) of coconut oil

<i>Year</i>	<i>Quantity</i> (’000 Litres)	<i>Value</i> (Rs. lakhs)	<i>Average price</i> (Rs. per ’000 litres)
1958-59	9071	202	2,229
1959-60	12,701	293	2,307
1960-61 *	12,789	318	2,486

TABLE—8.33

Export (Coastal) of Copra

<i>Year</i>	<i>Quantity</i> (’000 tonnes)	<i>Value</i> (Rs. lakhs)	<i>Average price</i> (Rs. per tonne)
1958-59	206	343	1,664
1959-60	180	313	1,741
1960-61	237	434	1,826

TABLE—8.34

Export (Coastal) of Coconut oil cake

<i>Year</i>	<i>Quantity</i> (’000 tonnes)	<i>Value</i> (Rs. lakhs)	<i>Average price</i> (Rs. per tonne)
1958-59	3,887	17	445
1959-60	4,752	19	409
1960-61	3,343	14	420

8.32. After years of depression coconut exports (coastal) from Kerala increased considerably during 1959-60 only to follow a downward trend thereafter. The forward march in the export of coconut oil noticed from 1957-58 continued in 1960-61 also. Copra exports almost doubled in 1958-59 compared to the previous two years. Exports declined during 1959-60 but again shot up in the succeeding year. The pronounced rise in the exports of oilcake during 1959-60 was followed by a sharp fall during 1960-61. Export prices of

coconut, coconut oil and copra maintained their forward move, while those of copra were not so encouraging. But it is important to note that these commodities are having only inter-state movements and are not exported to places outside India.

8.33 It is, however, paradoxical enough to state that India has still to import copra worth thousands of rupees every year, in spite of her large acreage and high production.

TABLE—8.35
Import of Copra and Coconut oil into India

Year (January-August)	Copra	(tonnes)
		Coconut oil
1961	50,746	
1962	58,523	957

Copra imports rose by a little more than 15% during January—August, 1962 compared to the corresponding period in 1961. A small quantity of coconut oil was also imported during the year 1962.

Coir and Coir Products.

8.34. Kerala enjoys a unique position in respect of these products. This has mainly been made possible by virtue of the availability of the coconut husks and the facilities for retting. About 95% of the coir and coir products in India are produced in Kerala. The coir and coir products form a major source of income to the State not only in its internal economy, but also as a potential source of foreign exchange. On a modest estimate, coir and coir goods alone account for 9 crores worth of income to the manufacturing and business communities. The world output of coir during 1960 is shown in table 8.36.

TABLE—8.36
World output of Coir in 1960

Country	Coir output (in tonnes)
India	1,52,400
Ceylon	88,392
Pakistan	6,096
Zanzibar	4,064
Philippines	2,032
Sierra Leone	406
Mexico	406
Others	377
Total	2,54,173

India comes foremost in the list having secured about 60% of the total world production in 1960. Next comes Ceylon followed by Pakistan.

8.35. India still has a virtual monopoly in the supply of coir yarn to the world markets. Till 1948-49 United Kingdom was our largest buyer of coir yarn. From 1950-51 to 1959-60 Netherlands ranked first as the largest importer of coir yarn from India except in 1952-53, 1957-58, and 1958-59 during which period West Germany topped the list. In the year 1960 there was a steep decline in the exports of coir and coir goods from India compared to the previous three years. But in 1961 exports showed an upward move, the increase being reflected in yarn exports. Table 8.37 shows the trend of exports during the last few years.

TABLE—8.37
Exports of Coir and Coir goods from India

	1958	1959	(Tonnes) 1960	1961
Coir yarn	53,333	54,324	50,097	54,683
Coir fibre	942	1,006	1,372	1,369
Coir goods	20,941	22,148	20,229	18,094
Total	75,216	77,478	71,698	74,146

The fall in the exports of coir and coir goods from India during 1960 got corrected in 1961. Total exports rose by 3.4% during 1961 compared to the previous year, the rise being accounted for by the appreciable increase in yarn exports.

8.36. The internal consumption of coir goods in the country is increasing year by year (see table 8.38).

TABLE—8.38
Coir and Coir goods consumed by Indian States other than Kerala

Year	Quantity (Tonnes)
1958	36,418
1959	36,740
1960	38,672

8.37. Exports of Coir and Coir goods from Kerala remained, however, discouraging during 1960-61.

TABLE—8.39

Exports of Coir and Coir Goods from Kerala

<i>Year</i>	<i>Quantity (tonnes)</i>	<i>Value (Rs. lakhs)</i>	<i>Average price† (Rs. per tonne)</i>
1858-59	86,939	912	1,048
1959-60	N.A.	916	N.A.
1960-61*	82,834	999	1,206

(*) Provisional

(†) Coastal and foreign.

Though the quantity exported came down, prices followed an upward move. Exports were mainly to foreign countries. While the combined exports of the twin sector-mats and mattings of the coir industry indicated a fall of more than 40% during 1961-62, it was more than compensated by increased exports of coir yarn. The coir matting sector alone had suffered a decline of more than 80% and was, therefore, actually facing a crisis. The export of coir and coir products to Russia has declined progressively year after year since 1958-59. The offtake of coir goods by Russia which stood at 2430 tonnes in 1958-59 fell to a mere 377 tonnes in 1961-62 representing a fall of about 85%. It is reported that a total of 79051 tonnes of coir yarn, coir mats, mattings, rugs and carpets was shipped from Alleppey and Cochin ports during July 1961 to June 1962.

TABLE—8.40

Exports of Coir and Coir Products from the Ports of Kerala—(quintals)

	1961 (<i>January-August</i>)			1962 (<i>January-August</i>)		
	<i>Foreign</i>	<i>Coastal</i>	<i>Total</i>	<i>Foreign</i>	<i>Coastal</i>	<i>Total</i>
Coir yarn	2,86,707	1,09,671	3,96,378	3,23,778	1,10,142	4,33,920
Coir fibre	8,850	737	9,567	10,349	721	11,070
Coir rope	2,067	16,043	18,110	3,657	12,619	16,276
Coir Products	92,390	44	92,434	93,429	30	93,459
Total	3,90,014	1,26,495	5,16,509	4,31,213	1,23,512	5,54,725

Exports during January—August 1962 rose by a little more than 7% when compared to the corresponding period in 1961, the rise being reflected mainly in the exports of yarn. The foreign exports have gone up significantly while coastal exports dropped during the year under review. 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.

8.38. Table 8.41 shows the price trends of coir in the Cochin market during the last few years.

TABLE—8.41

**Annual average prices of Coir in the Cochin market
(Rs. per quintal)**

	1958	1959	1960	1961	1962
Coir yarn	79	81	85	88*	117*
Coir fibre	64	66	72	N.A.	N.A.

(*) Price relates to Mangadan variety only.

It is noticed that prices of coir yarn followed a steadily rising trend, a phenomenal rise being noticed during the year under review.

Arecanut.

8.39. India ranks first in the world both in the acreage and production of arecanut. The annual acreage is calculated to be 2.99 lakhs acres and production in terms of betel nut is placed at 27.17 lakh maunds. Nearly three million people are estimated to be engaged in its cultivation and trade. The chief growing areas are in Kerala, Mysore and Assam, which account for 94.7% of the annual arecanut crop. 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.

8.40. The overall average per capita consumption of betel-nut in India was estimated at 0.74 lb. Among the producing States, the highest per capita consumption was in Assam with 6.17 lbs. In Kerala it was 1.46 lbs. and in Mysore 1.44 lbs.

8.41. Despite the large acreage under arecanut, India still continues to be a net importer of the product. Imports were mainly from Singapore, Malaya and Ceylon. Since 1947, efforts have been made to augment local supplies and reduce the country's dependence on foreign imports. The important programme with regard to arecanut in the Second Five Year Plan was curtailment of import through increased indigenous production. Annual imports have been on the decline since the

beginning of the Second Plan. The average annual imports during the four years ending 1959-60 were around 5 lakh Cwts.

8.42. Table 8.42 shows that import of arecanut into India is steadily falling year by year.

TABLE—8.42
Import of Arecanut

<i>Year</i>	<i>Quantity (Quintals)</i>	<i>Value (Rs. lakhs)</i>	<i>Average price (Rs. per quintal)</i>
1959-60	141740	84	59
1960-61	111527	72	65
1961-62 (July—May)	96379	42	44

Imports declined by 13.5% in 1961-62 compared to the previous year. The import price of arecanut which showed a rising trend in 1960-61 came down during the succeeding year.

8.43. In table 8.43 are given the arrival and disposal of arecanut in the important South Indian markets.

TABLE—8.43
Arrival and Disposal of Arecanut—(in quintals)

<i>Year</i>	<i>Arrival</i>			<i>Disposal</i>		
	<i>Mangalore</i>	<i>Shimoga</i>	<i>Kozhikode</i>	<i>Mangalore</i>	<i>Shimoga</i>	<i>Kozhikode</i>
1960(January— September)	96656	42321	9187	94358	46148	7747
1961 „	115246	49202	16819	110434	40705	18889
1962 (January— August)	121473	45445	14915	120998	83075	13045

Arecanut trade in the Kozhikode market has been steadily increasing during the last few years and it has more than doubled during 1961 when compared to the previous year. But the trend was reversed in 1962, showing a shortfall of about 30% during the one year period. This may partly be attributed to limited arrivals of the commodity in the market. In the other two markets of Mangalore and Shimoga a progressively rising trend was noticed.

CHAPTER IX

PRICES AND COST OF LIVING

The behaviour of prices and cost of living in our country, especially in Kerala, during the past few years has been rather disquieting though not alarming. The Second Plan was generally characterised by an allround rise in prices. This feature in the economy may to some extent be explained by increased investment not accompanied by adequate production. Increased money incomes resulting from plan investments and the long gestation period of large sized projects pushed up the price spiral. Shortage of industrial raw materials is another important factor contributing to the price rise. The growth of population, rise in the income of consumers and increase in the cost of production and transporting charges have also contributed to rise in prices of commodities.

9.2. The year 1962 succeeded in reversing the steadily rising tendency. The all-India wholesale price index which rose from 118.7 in 1959-60 to 127.5 in 1960-61 came down to 122.9 in 1961-62 (base: 1952-53=100) recording a fall of 3.6% over the previous year. Prices of industrial raw materials, having increased by 20.5% in 1960-61 over the previous year, fell by 15.1% in 1961-62. Food articles did not show any marked variation from the previous year's level. The price trend in our country is, in no way, more disquieting than in some foreign countries like Canada and Japan where the wholesale price indices actually recorded a rise during 1961-62. In the United States of America the index remained the same as in 1960-61.

9.3. As regards Kerala, the rising trend observed during the last few years continued in 1962 also, though with less intensity. Table 9.1 shows that cost of living indices in most of the towns in Kerala followed a steadily rising trend from 1959 onwards.

TABLE—9.1

Working Class Cost of Living Index Numbers in Kerala

Sl. No.	Centre	1959	1960	1961	1962
1	Trivandrum	433	456	474	487
2	Quilon	455	455	493	507
3	Punalur	469	458	473	503
4	Alleppey	426	439	461	466
5	Changanacherry	446	447	468	472
6	Kottayam	433	443	470	485
7	Alwaye	482	462	479	488
8	Ernakulam	450	463	493	489
9	Trichur	463	464	484	491
10	Chalakyudy	475	475	489	489
11	Munnar	463	463	477	463
12	Kozhikode	476	471	501	512

Base: for Kozhikode—Year ended June 1936=100

Base: for all other centres—August 1939=100

During 1962 the indices remained higher in almost all the centres except in Ernakulam and Munnar, where the indices remained lower by 4 and 14 points respectively when compared to 1961. In Chalakudy it did not show any variation from the previous year's level. The maximum increase was in Punalur (30 points) followed by Kottayam (15 points), Quilon (14 points) and Trivandrum (13 points).

9.4. For a clearer understanding of the State's position the cost of living indices in Kerala may be compared with those of India as a whole (vide diagrams 1 and 2). In Table 9.2 are given the all India consumer price indices and those for selected cities during certain months in 1961 and 1962. All India indices which remained steady during the first quarter of 1962 followed an upward move since April, except for a fall during September. The indices for all India reached the maximum in October (134) having recorded a rise of 5.51% which is higher than that in the previous year (4.07%). Unlike in Kerala, in all the cities the maximum rise was obtained during the period July—October. As in 1961 Calcutta recorded the highest rise (11.40%) in India. Next comes Hyderabad (8.03%), Bombay (4.23%) following close as the third. Delhi, Kanpur and Nagpur registered an increase of 3.88%, 3.74% and 3.05% respectively. In Bangalore and Madras there was an increase of only 1.99% and 1.34% respectively. On the whole, the indices showed a general upward move, though less sharply than in 1961 in most of the centres.

TABLE 9.2
Consumer Price Index Numbers—Working Class—for Selected Cities in India.

Sl. No.	Centres	1961								1962	
		January (3)	June (4)	August (5)	October (6)	January (7)	June (8)	August (9)	October (10)		
1	All India	123	125	128	128	127	130	133*	134*		
2	Bangalore	148	150	151	151	151	153	154	154		
3	Bombay	136	141	143	141	142	146	148	145		
4	Calcutta	110	111	118	119	114	119	123	127		142
5	Delhi	122	127	130	127	129	130	134	131		
6	Madras city	146	148	149	149	149	150	151	151		
7	Nagpur	131	132	133	N.A.	131	132	135	136		
8	Kanpur	100	99	103	104	107	106	111	109		
9	Hyderabad city	134	138	139	140	137	141	N.A.	148		
10	Trichur	134	135	138	134	138	N.A.	N.A.	N.A.		

* Provisional
N. A. —Not available.

Base : 1949=100

TABLE 9.2
Consumer Price Index Numbers—Working Class—for Selected Cities in India.

Sl. No.	Centres	1961					1962				
		January (3)	June (4)	August (5)	October (6)	January (7)	June (8)	August (9)	October (10)		
1	All India	123	125	128	128	127	130	133*	134*		
2	Bangalore	148	150	151	151	151	153	154	154		
3	Bombay	136	141	143	141	142	146	148	145		
4	Calcutta	110	111	118	119	114	119	123	127		
5	Delhi	122	127	130	127	129	130	134	131		
6	Madras city	146	148	149	149	149	150	151	151		
7	Nagpur	131	132	133	N.A.	131	132	135	136		
8	Kanpur	100	99	103	104	107	106	111	109		
9	Hyderabad city	134	138	139	140	137	141	N.A.	148		
10	Trichur	134	135	138	134	138	N.A.	N.A.	N.A.		

* Provisional
N. A. —Not available.

Base : 1949=100

DIAGRAM: - 1

WORKING CLASS COST OF LIVING INDEX NUMBERS:

KERALA

BASE : 1939 : 100

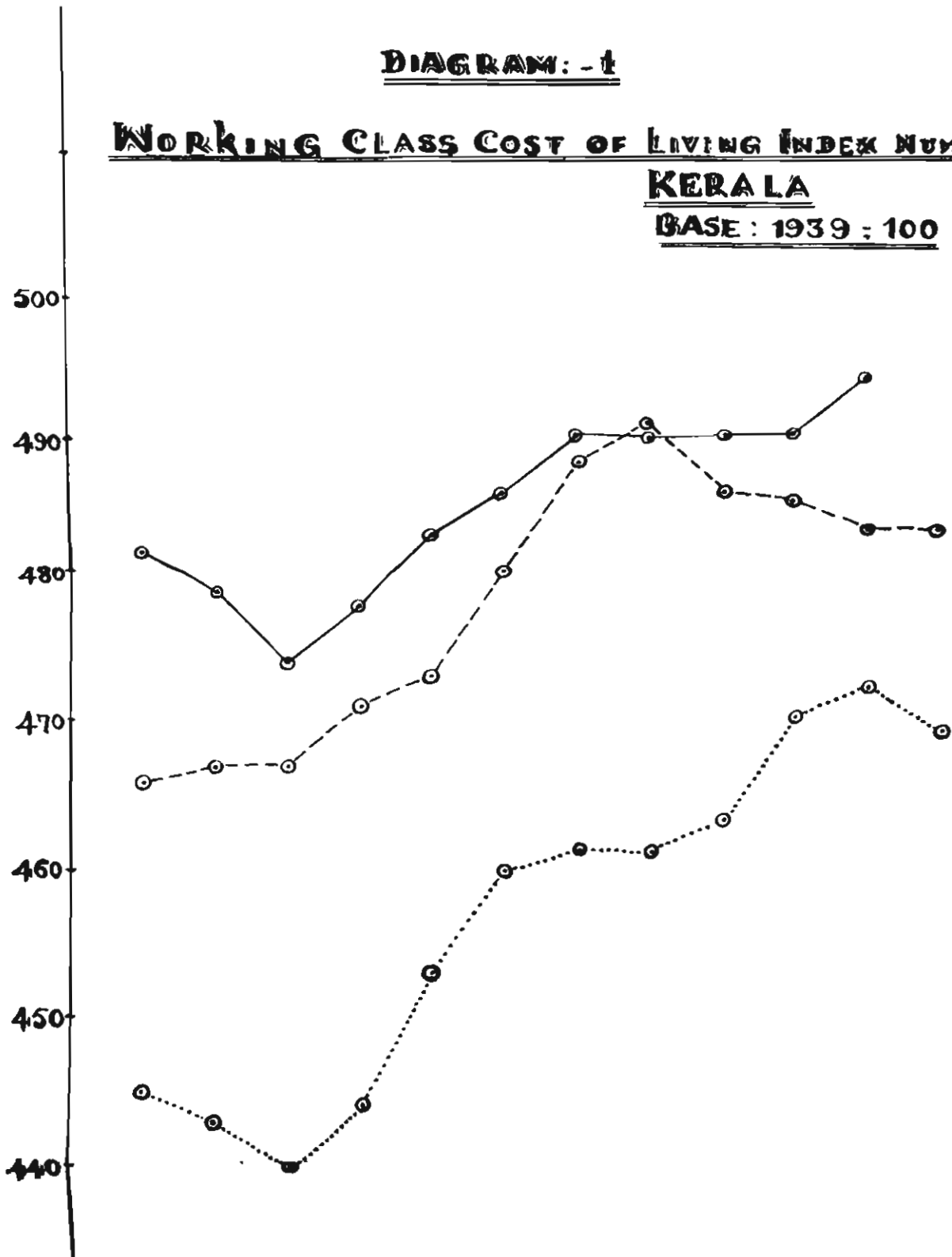
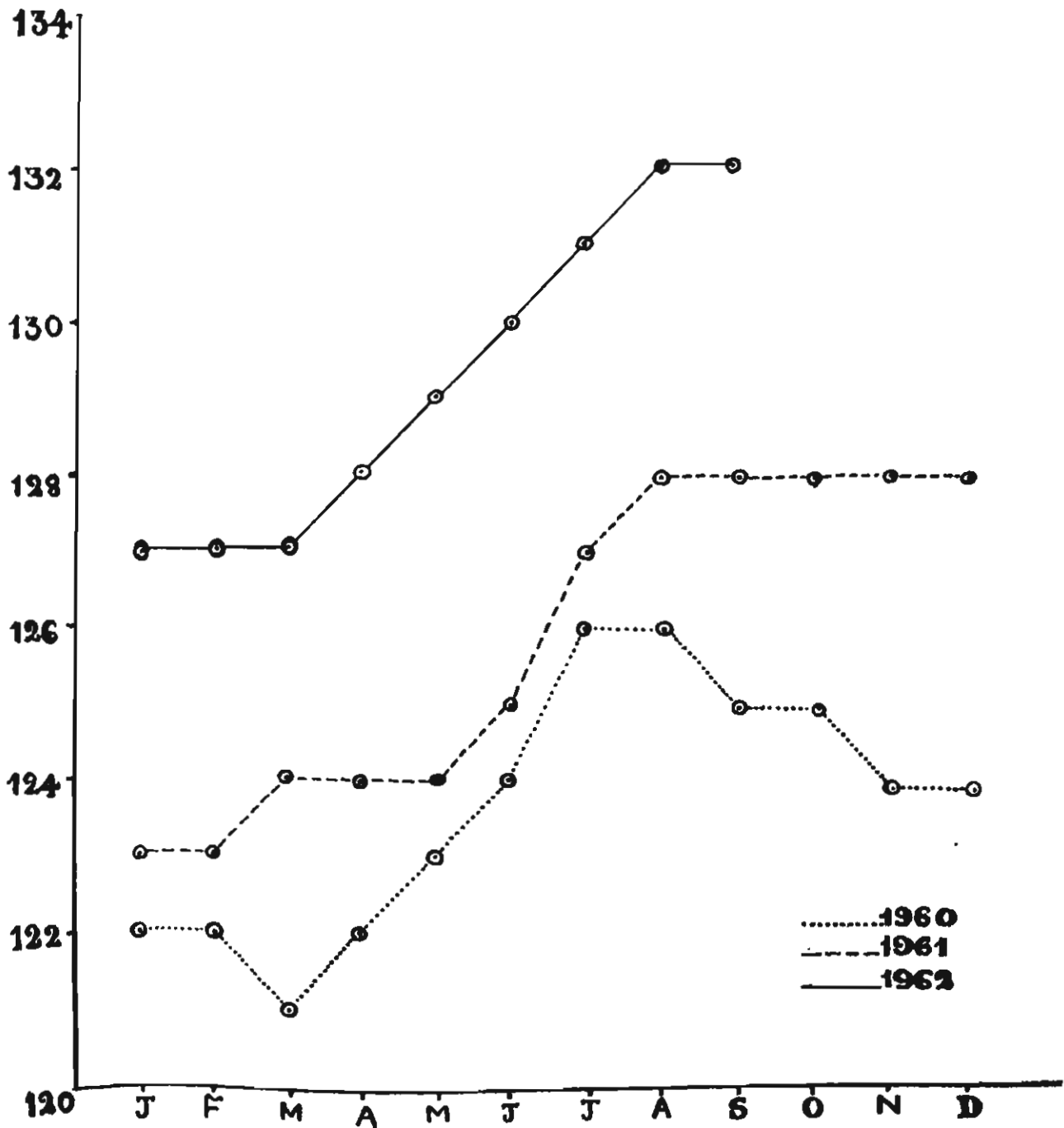


DIAGRAM: 2

WORKING CLASS COST OF LIVING INDEX NUMBERS. INDIA

BASE: 1949 = 100



9.5. The cost of living index numbers in India and some foreign countries are furnished in Table 9.3.

TABLE—9.3

Working Class Cost of Living Index Numbers

<i>Year</i>	<i>India</i>	<i>U.S.A.</i>	<i>Canada</i>	<i>U.K</i>
1958 ..	109	108	108	119
1959 ..	114	109	110	120
1960	117	111	111	121
1961	118	112	112	125
1962 (January)	120	112	112	129

(Base : 1953—100)

From the above table it is evident that the movement of the indices is sharper in India than in other countries.

9.6. Table 9.4 gives the cost of living index numbers in selected towns in Kerala during certain months of 1961 and 1962. When the year 1962 began, the indices had reached a level higher than in the corresponding period in 1961, except in the case of Munnar. On the whole the cost of living indices followed an upward move in 1962 with irregular ups and downs during certain months. Unlike in the previous year, the indices went up towards the end of the year, the maximum increase being observed in November in most centres. Punalur followed by Trivandrum, witnessed the highest rise during the year.

TABLE 9.4

Working Class Cost of Living Indices for Selected Towns in Kerala.

Sl. No.	Centres	1962											
		Jan.	Aug.	Oct.	Nov.	Dec.	Jan.	Aug.	Oct.	Nov.	Dec.		
1	KERALA *	466	491	485	483	483	482	490	490	494	491	494	491
2	Trivandrum	473	480	476	475	478	478	490	489	497	500	497	500
3	Quilon	462	511	513	511	511	510	506	507	512	504	512	504
4	Punalur	460	491	488	484	485	490	514	511	513	506	513	506
5	Alleppey	438	478	469	467	463	471	471	471	471	471	471	471
6	Changanassery	459	474	476	475	474	471	468	473	480	479	480	479
7	Kottayam	453	487	488	485	485	479	473	490	492	481	492	481
8	Alwaye	461	488	483	486	490	483	493	498	502	487	502	487
9	Ernakulam	479	510	503	495	497	490	493	497	505	491	505	491
10	Trichur	480	494	480	485	491	493	498	496	501	496	501	496
11	Chalakudy	479	497	489	490	488	489	491	492	502	495	502	495
12	Munnar	482	491	472	463	457	459	468	462	463	463	463	463
13	Kozhikode	471	519	505	506	510	509	522	514	527	514	527	514

Base for Kozhikode—year ended June, 1936=100

Base for all other centres—August, 1939=100

*Average of the centres excluding Kozhikode.

DIAGRAM: - 3 WORKING CLASS COST OF LIVING INDEX -

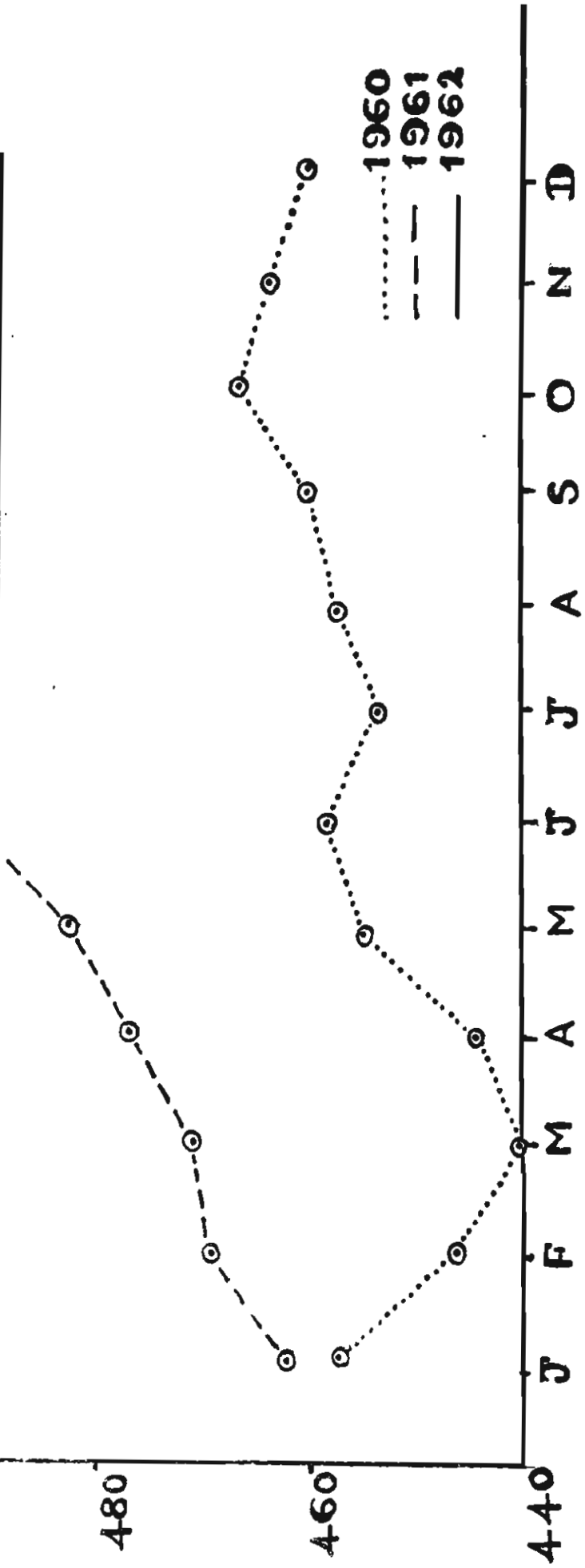


TABLE 9.4

Working Class Cost of Living Indices for Selected Towns in Kerala.

Sl. No.	Centres	1961					1962				
		Jan.	Aug.	Oct.	Nov.	Dec.	Jan.	Aug.	Oct.	Nov.	Dec.
1	KERALA *	466	491	485	483	483	482	490	490	494	491
2	Trivandrum	473	480	476	475	478	478	490	489	497	500
3	Quilon	462	511	513	511	511	510	506	507	512	504
4	Punalur	460	491	488	484	485	490	514	511	513	506
5	Alleppey	438	478	469	467	463	471	471	471	471	471
6	Changanassery	459	474	476	475	474	471	468	473	480	479
7	Kottayam	453	487	488	485	485	479	473	490	492	481
8	Alwaye	461	488	483	486	490	483	493	498	502	487
9	Ernakulam	479	510	503	495	497	490	493	497	505	491
10	Trichur	480	494	480	485	491	493	498	496	501	496
11	Chalakudy	479	497	489	490	488	489	491	492	502	495
12	Munnar	482	491	472	463	457	459	468	462	463	463
13	Kozhikode	471	519	505	506	510	509	522	514	527	514

Base for Kozhikode—year ended June, 1936=100
 Base for all other centres—August, 1939=100

*Average of the centres excluding Kozhikode.

DIAGRAM: - 3 WORKING CLASS COST OF LIVING INDEX -

NUMBERS: TRIVANDRUM

BASE: 1939 = 100

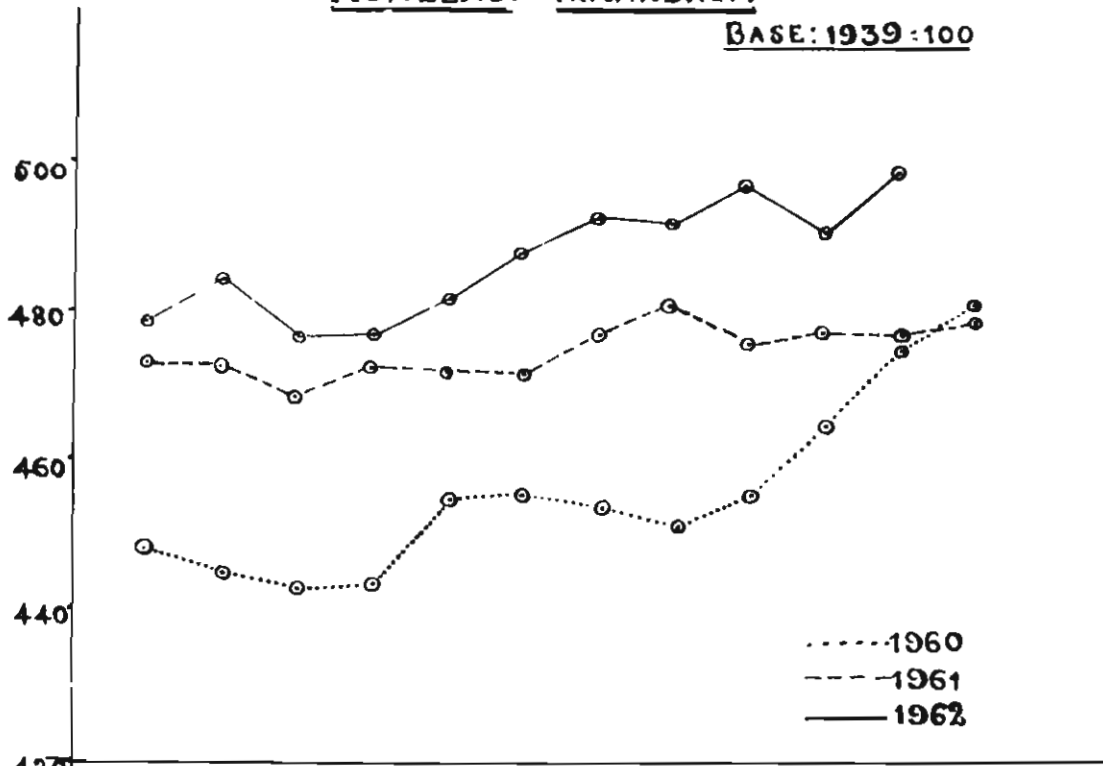


DIAGRAM: 4 WORKING CLASS COST OF LIVING INDEX NUMBER
QUILON.

BASE : 1939 = 100

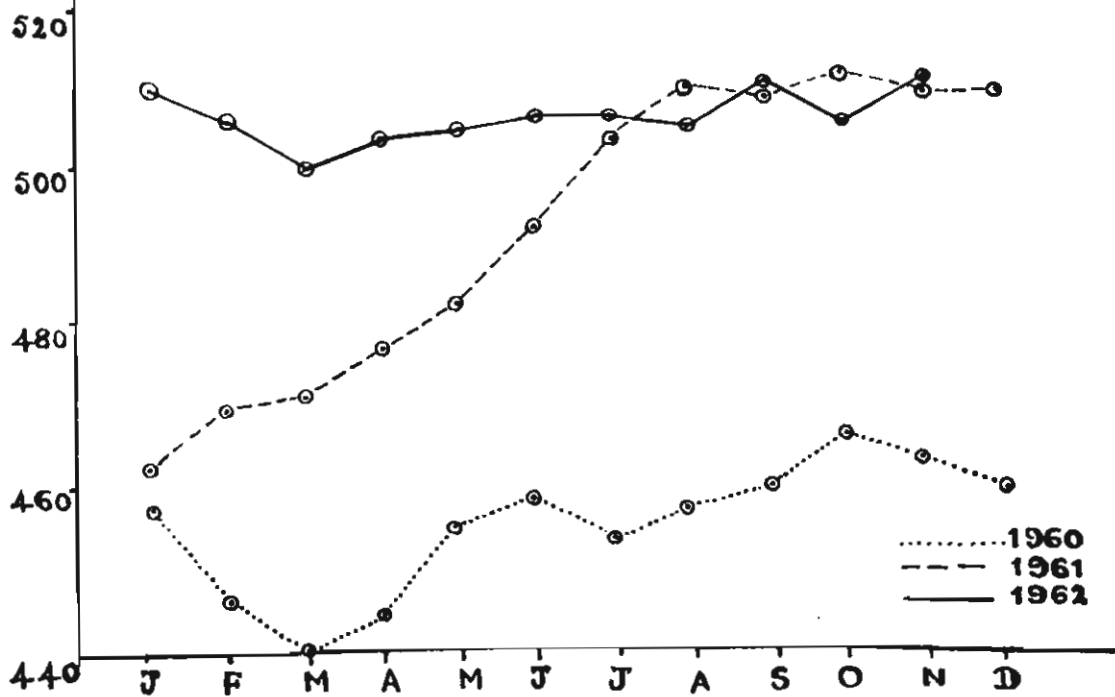


DIAGRAM: - 5
WORKING CLASS COST OF LIVING INDEX NUMBERS:-
KOTTAYAM:- BASE:-1939=100

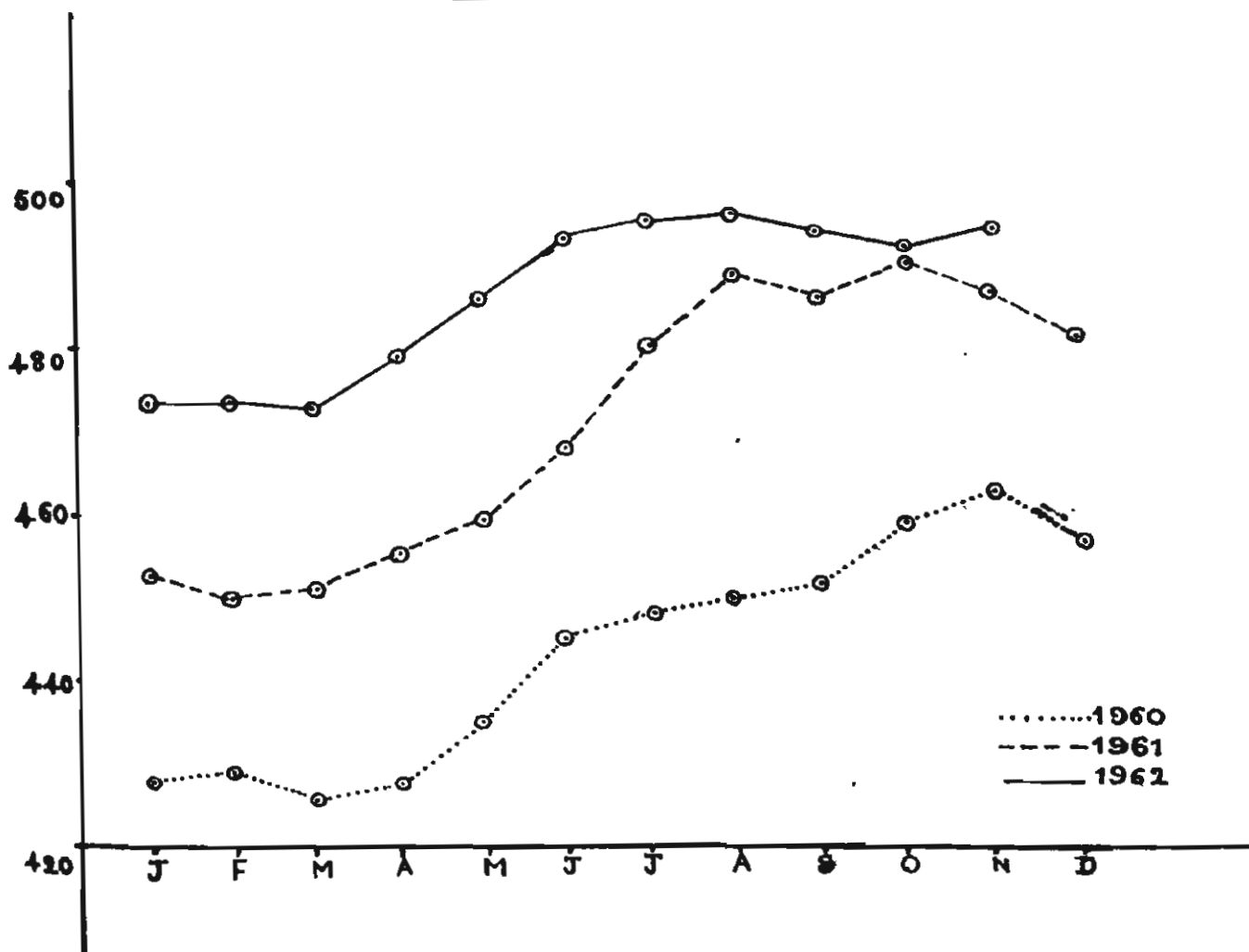


DIAGRAM:- 6 WORKING CLASS COST OF LIVING INDEX -

NUMBERS:- ERNAKULAM.

BASE:- 1939 = 100

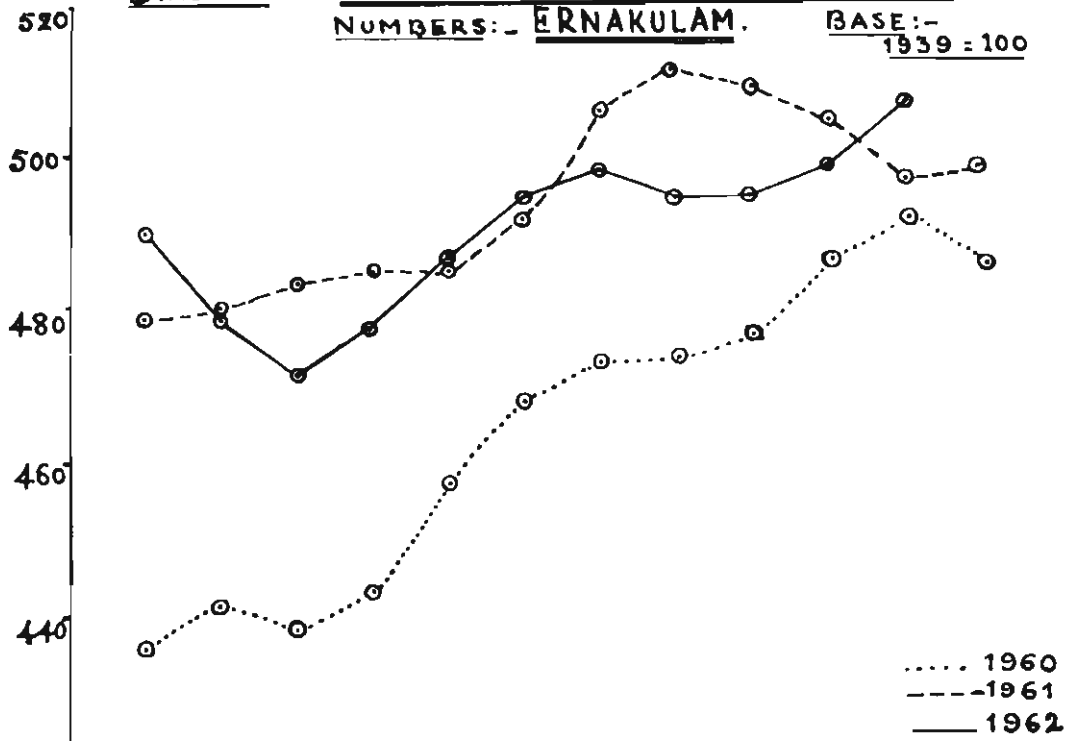
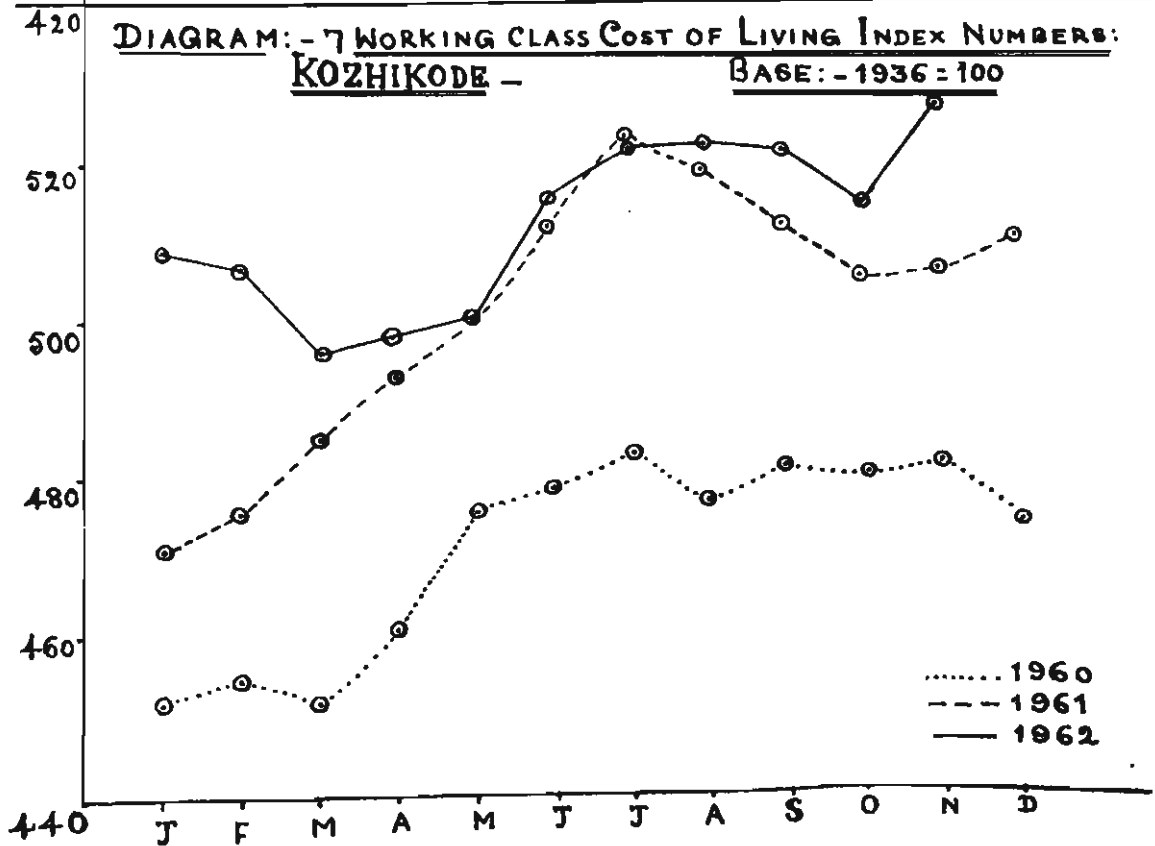


DIAGRAM:- 7 WORKING CLASS COST OF LIVING INDEX NUMBERS:

KOZHIKODE -

BASE:- 1936 = 100



9.7. The time points at which the indices reached their maximum and the rate of increase show wide variation among the different centres. The rate of increase in the different centres during 1961 and 1962 is furnished in Table 9.5.

TABLE—9.5
Trends of Working Class Cost of Living Index Numbers in Kerala

Sl. No.	Centre	Maximum rise reached from the beginning of the year	
		1961(%)	1962 (%)
1	Trivandrum	1.48	4.60
2	Quilon	11.04	0.39
3	Punalur	6.74	5.71
4	Alleppey	9.13	1.73
5	Kottayam	7.73	4.44
6	Ernakulam	6.47	3.06
7	Trichur	2.92	1.62
8	Kozhikode	11.04	3.54

While in Trivandrum, it took a full year for the index numbers to reach their maximum, in Kottayam the highest rise of 4.4% was obtained early in July. In Alleppey and Munnar the indices rose by 1.73% and 1.96% respectively in August. In Quilon and Punalur, September witnessed the maximum point. In all other centres the indices reached the highest point in November. December saw a mild easing of the situation, but indices remained in the majority of cases much higher than those during the corresponding period in 1961 (vide diagrams 3 to 7).

9.8. Unlike in 1961 the price situation in Kerala during the year under review showed a softening tendency when compared to the all India level as is evident from table 9.6.

TABLE 9.6
Trend of Working Class Cost of Living in India and Kerala

Year	Maximum rise reached	
	Kerala (%)	India (%)
1961	5.36	4.07
1962	2.47	5.51

While the rise in the cost of living indices in India went up from 4.07% in 1961 to 5.51% in 1962, the same in Kerala has decreased from 5.36% to 2.47%. Again the percentage increases in the different towns of Kerala within the year remained much lower than those in 1961. Not a single town in Kerala except Punalur (5.71%) has outstripped the all India increase (5.51%). In some cities like Calcutta and Hyderabad, the percentage rise was much higher than that in Kerala.

TABLE—9.7
Wholesale Price of Rice in Selected Centres in Kerala. * (Rs. Per quintal)

Sl. No.	Centres	1962											
		Jan.	April	July	Oct.	Nov.	Dec.	Jan.	April	July	Oct.	Nov.	Dec.
1	Trivandrum	58.44	61.09	61.76	61.75	64.64	64.00	64.67	61.67	64.38	60.33	61.12	60.42
2	Quilon	63.00	63.02	65.48	68.91	67.53	70.99	66.47	63.86	65.52	62.25	63.66	61.60
3	Alleppey	61.92	63.96	68.05	70.08	68.04	69.40	68.38	62.70	65.49	62.75	65.03	61.22
4	Changanassery	58.23	62.70	67.53	67.53	66.84	68.00	66.67	66.15	67.36	62.02	64.21	62.02
5	Cochin	55.12	62.88	66.80	68.04	67.02	66.68	64.34	62.09	64.39	62.01	63.96	62.16
6	Palghat	53.08	58.52	63.28	59.25	60.63	59.94	58.73	58.57	60.54	51.04	55.93	54.60
7	Kozhikode	61.24	68.05	63.96	65.32	61.58	60.56	57.50	61.22	63.93	58.77	58.74	54.95

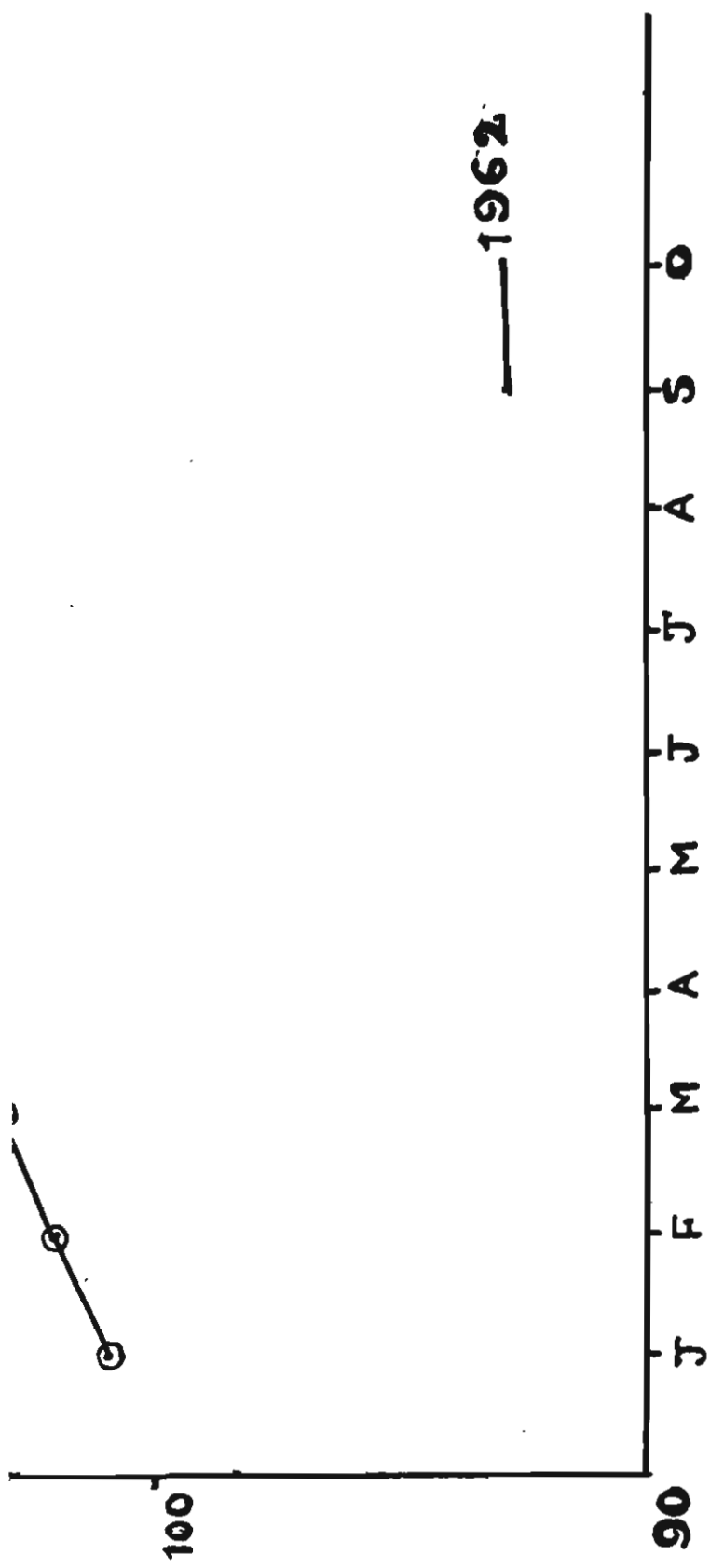
* Prices relate to the third week in each month.

TABLE 9.8
Wholesale Price Index of Rice in Kerala.

Year	Yearly average	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1960	122	111	113	113	117	123	124	124	124	128	128	128	129
1961	131	124	124	124	126	128	133	135	135	137	138	135	135
1962	128	133	129	127	126	128	130	131	129	129	126	123	N.A.

Base : 1952-53=100

N.A.—Not available.



—1962

DIAGRAM: - 8.

WHOLE SALE PRICE INDICES OF RICE: KERALA -
& INDIA: - BASE: - 1952-53=100

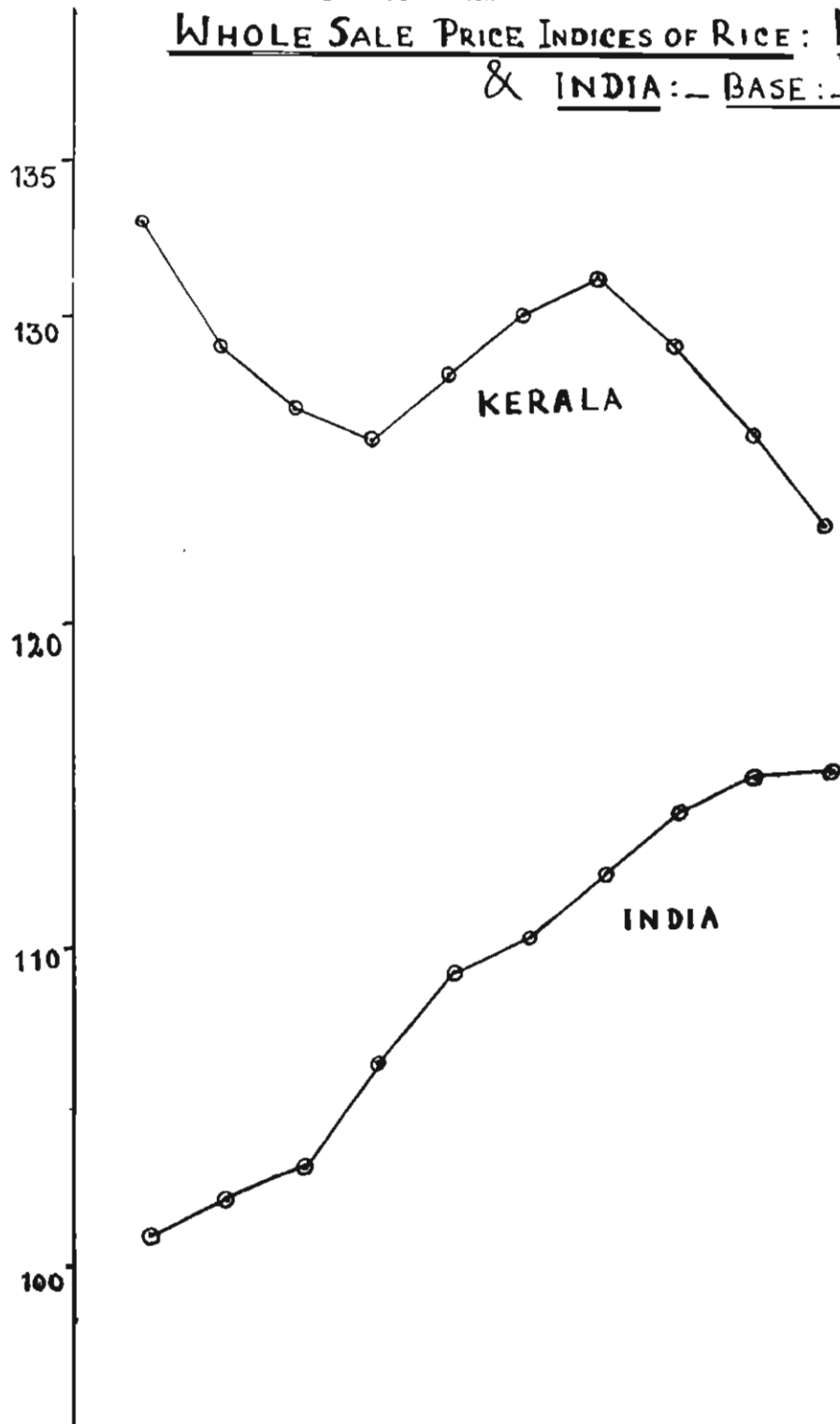


DIAGRAM:- 9

WHOLE SALE PRICES OF RICE:- TRIVANDRUM

Unit - Quintal

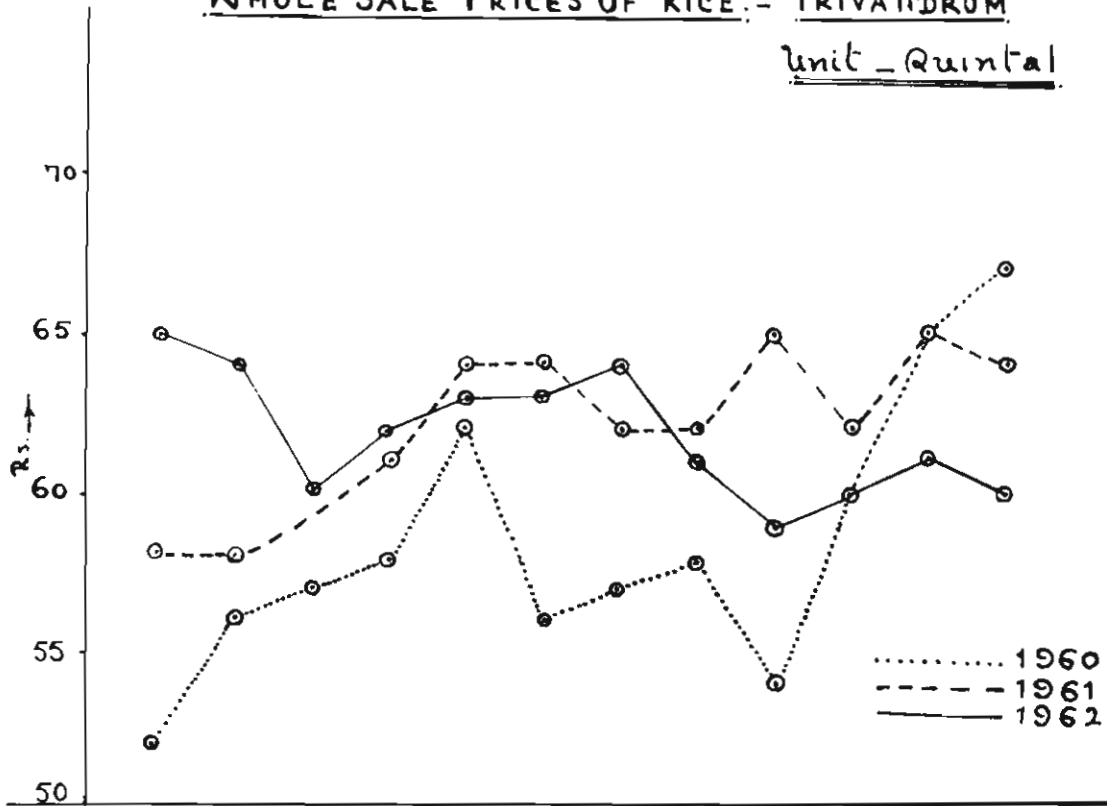


DIAGRAM-10

WHOLE SALE PRICES OF RICE:- QUILON

Unit - Quintal

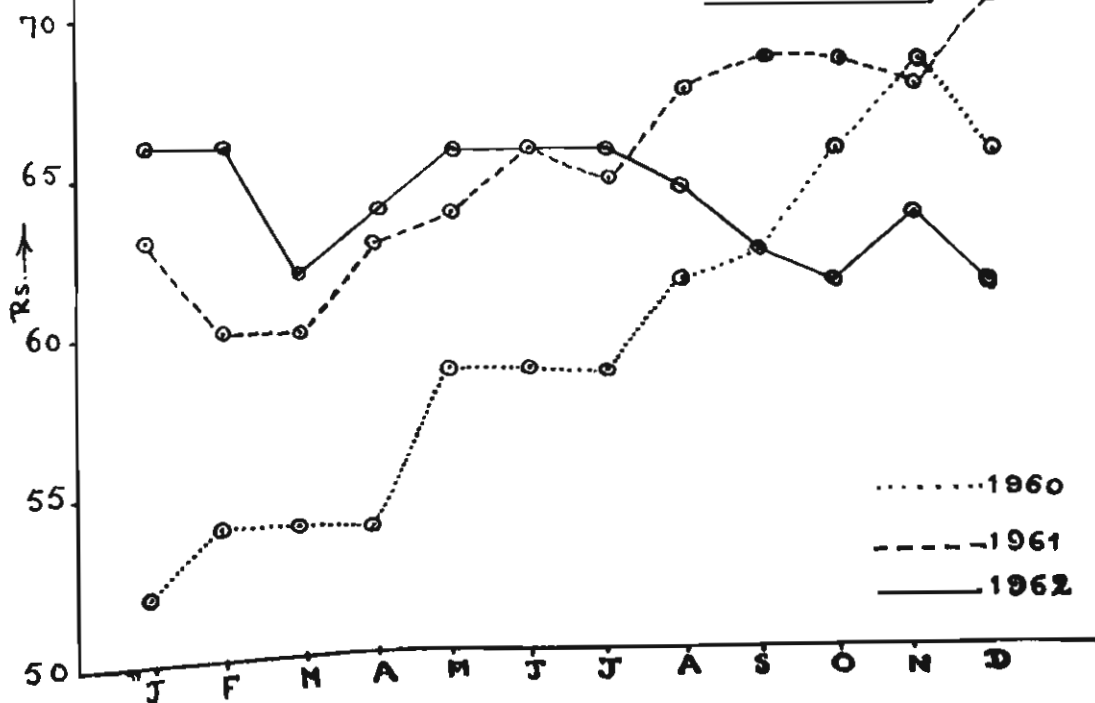
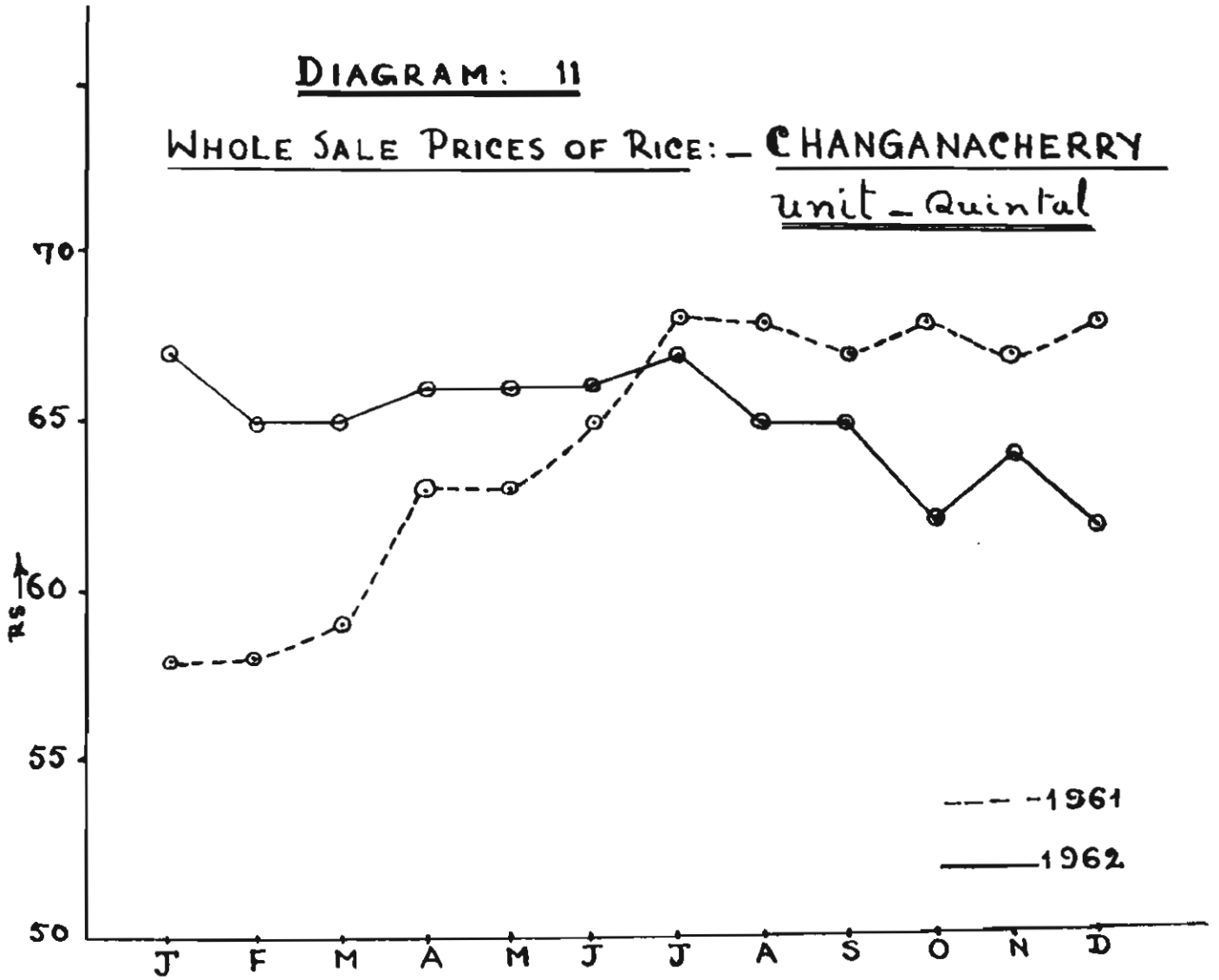


DIAGRAM: 11

WHOLE SALE PRICES OF RICE: - CHANGANACHERRY
unit - Quintal



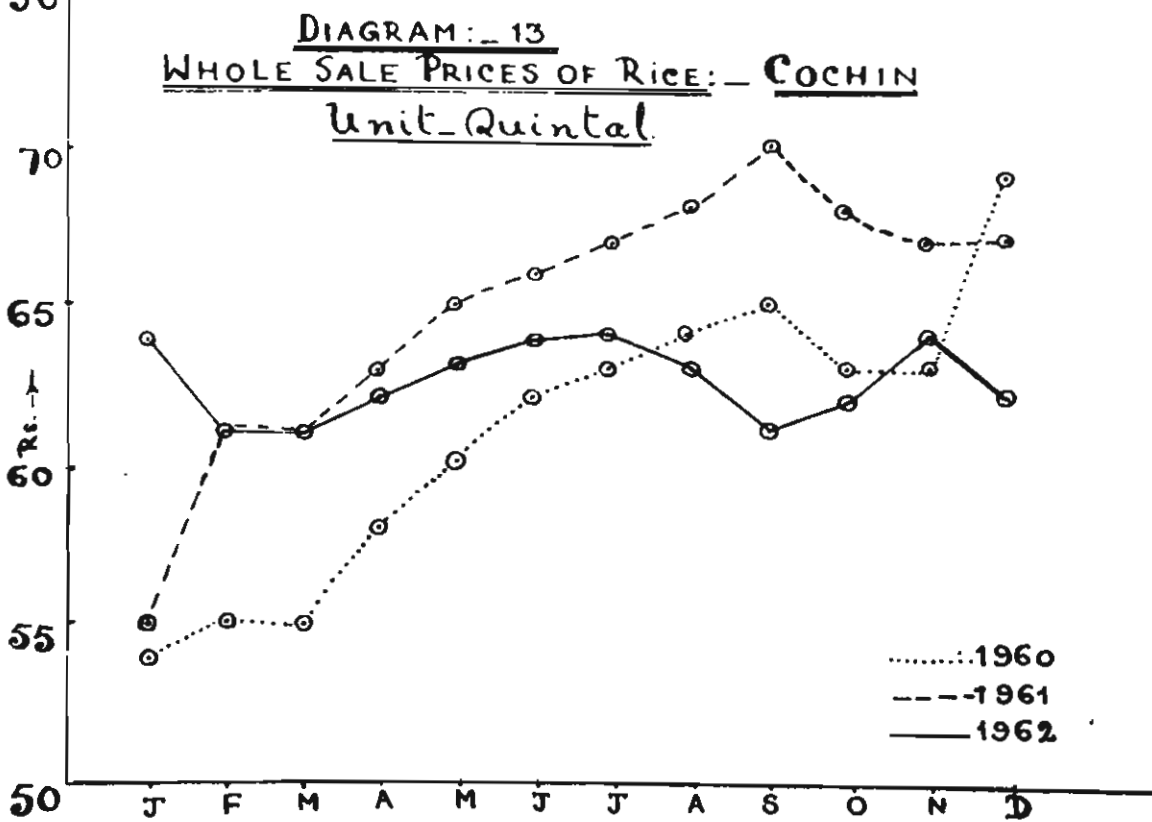
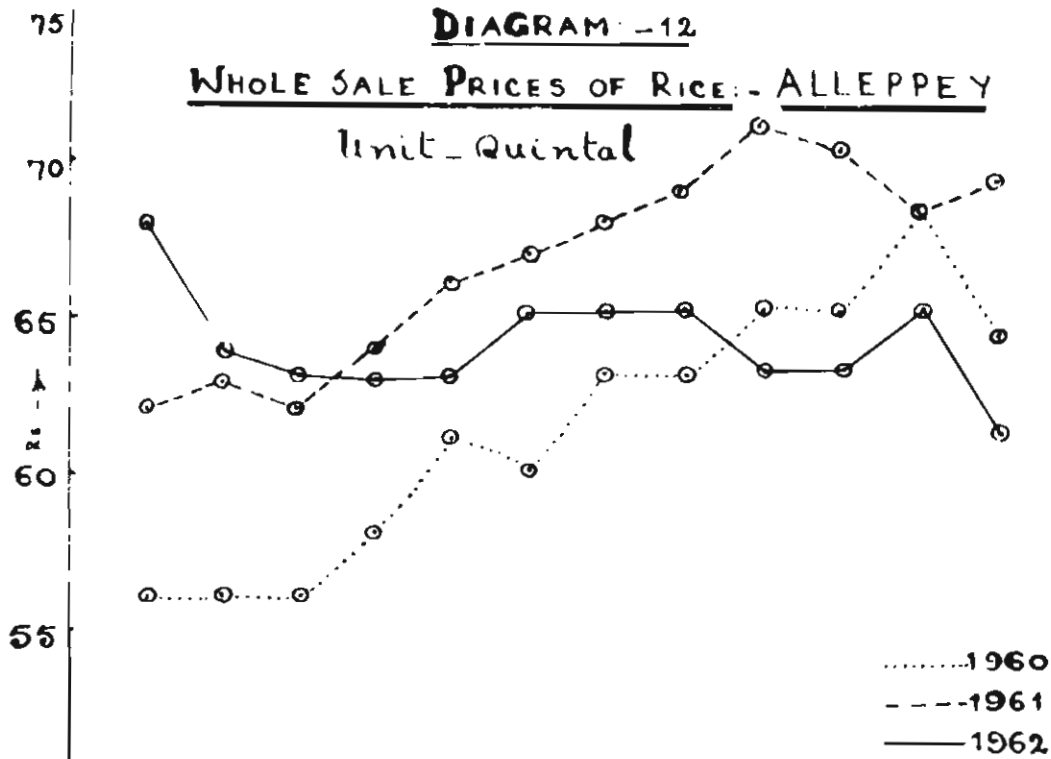


DIAGRAM. - 14

WHOLE SALE PRICES OF RICE - PALGHAT

Unit - Quintal

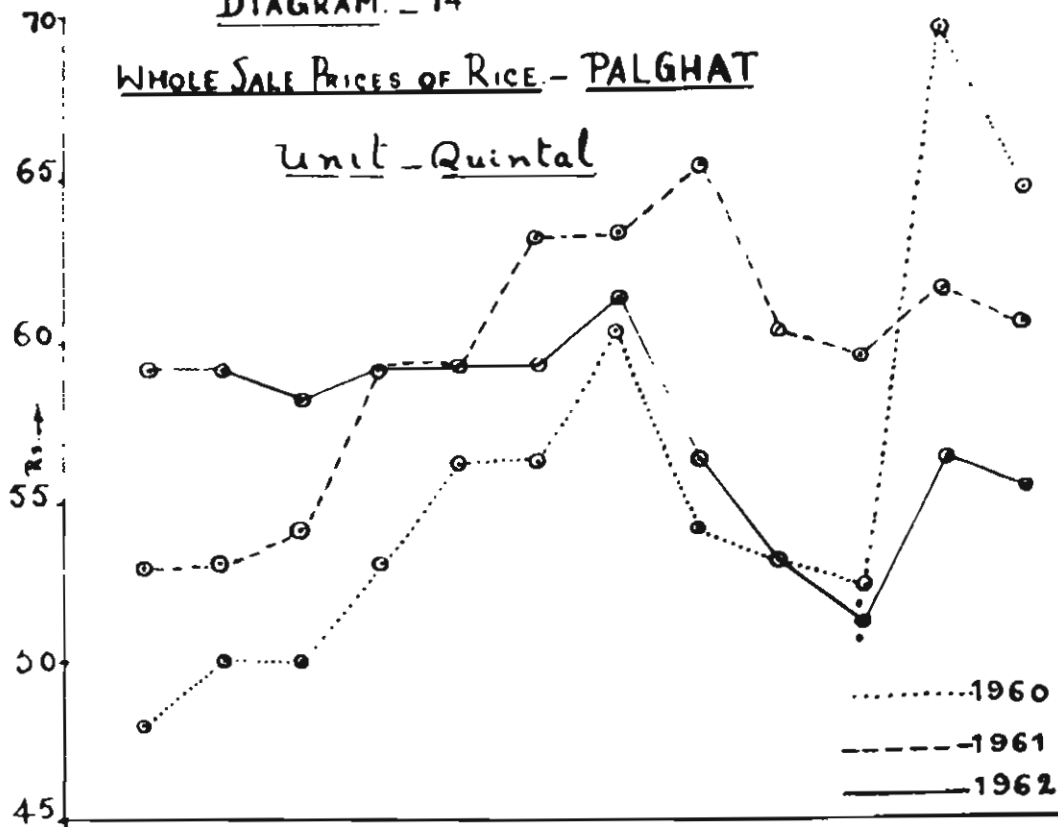
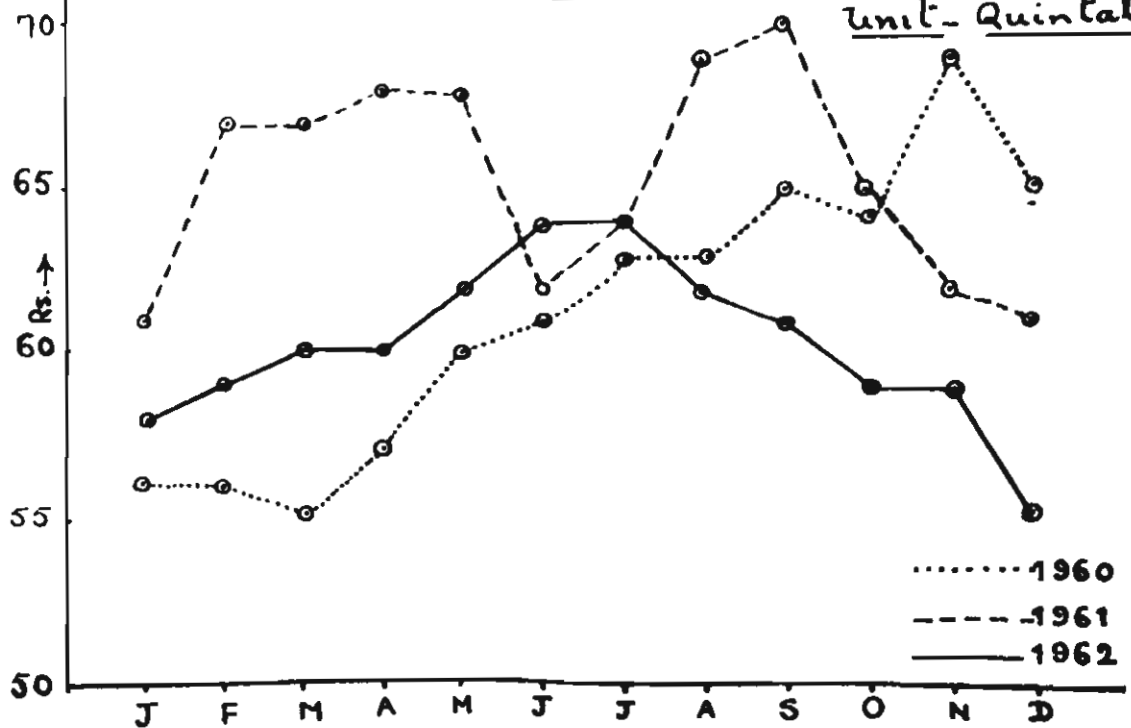


DIAGRAM: - 15

WHOLE SALE PRICES OF RICE: - KOZHIKODE

Unit - Quintal



9.9. Apart from the general price level as measured by the indices of cost of living, the price situation in the State can well be explained by taking into consideration the price trends of specific commodities like rice, tapioca, sugar, etc. Rice being the most important food crop in the State, its price deserves special attention (vide diagram 8). In 1961 rice prices in Kerala reached a record high. But the rising trend showed a gentle downward move from the beginning of 1962 with ups and downs during certain months.

9.10. Table 9.7 shows the wholesale price of rice in selected centres in Kerala during 1961 and 1962. At the beginning of the year prices remained higher in all the centres, when compared to those in January 1961; but lower than those in December 1961 in most of the centres. In all the centres, prices followed a general downward move with irregular ups and downs during certain months of the year. Towards the end of 1962 prices ruled much lower than those during the corresponding period in 1961 and also when compared to the prices at the beginning of 1962 (vide diagrams 9 to 15).

9.11. The price situation of rice can also be explained in terms of wholesale price indices. Table 9.8 shows the trend of wholesale price indices of rice in Kerala during the last three years. The index rose from 122 in 1960 to 131 in 1961 but dropped to 128 in 1962, recording a fall of 2.3%. From 133 at the beginning of the year 1962, the index came down to 127 in November 1962. The upward trend noticed during the middle of the year slowed down from August onwards.

9.12. This situation in Kerala has to be compared with the all India level (vide diagram 8 and table 9.9). In table 9.9 are given the wholesale price indices of rice in India during the last few years. The index in Kerala which was running far ahead of the all India level showed a drawback during the year under review. In contrast to what was observed in Kerala, the all-India indices went up by 4 points in 1962 as against a fall of 5 points during the previous year. While the last quarter of 1961 witnessed a draw-back in prices the reverse was the case during the corresponding period in 1962. While Kerala witnessed a downward trend (except during the period April—July) in 1962, just the opposite was the case in India as a whole (Vide diagram 8). In Kerala the index was the highest in January while the all India indices reached the maximum late in November. Unlike in the previous year rice prices in Kerala ruled lower in 1962. The fall in the price of rice took place in spite of the withdrawal in 1962 of the subsidy by the State Government on the sale of rice through fair price shops.

9.13. The price situation of rice in the State 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. Table 9.10 furnishes the wholesale prices of rice in these

TABLE—9.9
All India Price Index for Rice

Year	Yearly average	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1960	110	104	105	106	110	114	114	115	115	114	111	106	102
1961	105	99	100	101	101	103	106	108	110	110	108	106	102
1962	109	101	102	103	106	109	110	112	114	115	115	116	N.A.

Base : 1952-53=100

N.A.—Not available.

TABLE 9.10
Wholesale Price of Rice at Vijayavada & Kumbakonam

(Rs. Per quintal)

Centres	Yearly average	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Vijayavada	57.95	50.95	52.30	54.70	56.03	57.94	59.10	60.75	61.61	62.05	61.53	61.34	57.29
(Andhra Pradesh)	57.36	53.56	53.88	57.60	58.12	58.38	57.50	57.94	58.50	58.38	58.14	57.91	58.46
Kumbakonam	61.20	55.35	57.62	58.05	59.08	60.24	61.83	63.50	65.31	65.69	64.48	62.10	63.18
(Madras)	58.36	62.96	62.96	57.20	56.60	58.94	60.01	59.61	59.61	58.29	54.82	55.10	54.20

two markets during 1961 and 1962. In Madras phenomenal fall was noticed in prices whereas in Andhra the fall was not significant. Except during the first two months of 1962, monthly prices remained lower than those in 1961 in Andhra. In Madras also prices ruled lower from June onwards when compared to the corresponding prices in 1961.

9.14. Sugar is another essential article the price of which deserves special attention. The 1961-62 sugar season has been an eventful one in our country. While the season commenced under the shadow of a grave crisis caused by excessive stocks with the mills, it had ended with less stocks due to a marked improvement in internal offtake and exports.

9.15. Table 9.11 shows the trend of production, consumption and stocks during the years from 1958-59 to 1961-62.

TABLE—9.11

**Production, Consumption, Export and Stock of sugar
(India)**

<i>Year</i>	<i>Production</i>	<i>Consumption</i>	<i>Export</i>	<i>(In lakh tons) closing stocks as on 31st October</i>
1958-59	19.08	20.66	N.A.	1.74
1959-60	24.45	20.24	N.A.	5.95
1960-61	29.85	20.92	2.68	11.90
1961-62	26.60	24.75	N.A.	10.50

Production spurted from 19.08 lakh tons in 1958-59 to the record level of 29.85 lakh tons in 1960-61, thereby registering an increase of over 56% during the two years. In comparison, however, internal consumption showed a tendency to lag behind showing an increase of only 1.3% during the same period. This inevitably led to the accumulation of unmanageable stocks during 1960-61 which represented over 50% of India's annual consumption.

9.16. Production of sugar in Kerala during 1959-60 and 1960-61 is given in table 9.12.

TABLE 9.12

Production of Sugar in Kerala

<i>Year (November to October)</i>	<i>Production (in tonnes)</i>
1959-60	12645
1960-61	10398

Unlike in India as a whole sugar production in Kerala declined by 9% during 1960-61 as against a rise of 14% in 1959-60.

9.17. Realising the difficulties faced by the industry the Government intervened to bring about parity between the divergent forces of supply and demand. Through the promulgation of the Sugar (Regulation of Production) Ordinance on

3rd October 1961, sugar production by factories was cut to the extent of 10% compared to the previous year's output. This brought about a reduction in the production of sugar in the country to 26.60 lakh tons in 1961-62, representing a fall of 10.9% over the previous year. Against the fall in production, offtake reached a record figure in 1961-62 having secured a rise of 18.3% during the one year period. The fall in production and high consumption have led to the reduction of stocks by about 12%. The imbalance between production and consumption has only been partially rectified due to the restraint on production and expanding consumption. Stocks with the industry would have been larger, but for the success achieved in the sphere of exports. The basis for the recent removal of the restrictions on sugar production by the Government is probably the current appraisal of a smaller production in the 1962-63 season.

9.18. The surfeit of sugar supply during the season under review exerted a downward pressure on prices. Sugar prices did not fall steeply despite the abundance of supply because of controlled releases of sugar to the market in order to prevent unhealthy inter-mill competition and of the rigid cost structure of mills.

9.19. Retail prices of essential commodities like tapioca, coconut oil, firewood, cloth etc., were higher in 1962 when compared to the previous year (vide table 9.13). Phenomenal rise was noticed in coconut oil prices towards the end of the year. Fish prices ruled higher in some centres. Prices of coriander however, sagged while those of chillies followed an upward move and remained higher towards the end of 1962. Blackgram quoted higher, but green gram did not show any significant variation from the previous year's level. The declining trend noticed in sugar prices during 1961 continued in 1962 also and in all the centres prices remained lower than those during 1961. Arecanut realised high prices during the year under review though a sluggish tendency was noticed towards the end of 1962. Prices reached the climax during the period May—July when they have more than doubled in some centres.

9.20. Agricultural commodities in general, showed an upward trend during the year under review. The wholesale price indices of some agricultural commodities in Kerala is furnished in Table 9.14. Rice price indices followed a downward move but for a rise during April—July. Food crops in general showed a falling tendency towards the end of the year while non-food crops followed the opposite trend. The spices and condiments group shot up during the second quarter of 1962 only to follow a downward trend thereafter. The maximum rise was obtained in May when the indices rose by about 143% when compared to those in January. Wholesale price indices of molasses remained higher during the later part of 1962, though a sluggish tendency was noticed

TABLE—9.13

Retail Prices of some Important Commodities of Kerala in Selected Centres during 1961 and '62
(Rs.)

Sl. No.	Commodity	Unit	Trivandrum		Quilon		Kottayam		Ernakulam		Trichur		Kozhikode	
			1961	1962	1961	1962	1961	1962	1961	1962	1961	1962	1961	1962
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1	Tapioca	K.g.	0.11	0.14	0.14	0.15	0.14	0.15	0.12	0.16	0.12	0.12	0.14	0.17
2	Sugar	"	1.21	1.23	1.24	1.23	1.22	1.18	1.26	1.18	1.23	1.21	1.26	1.18
3	Coconut oil	Litre	2.68	2.46	2.31	2.57	2.28	2.37	2.25	2.43	2.36	2.84	2.22	2.57
4	Fish	K.g.	1.09	0.72	0.49	0.59	0.89	0.53	0.55	0.30	0.36	0.40	0.63	0.72
5	Areca nut	100 Nos.	3.31	4.15	3.47	3.62	3.44	4.89	3.05	3.60	3.49	4.97	2.68	3.68
6	Firewood	Quintal	4.95	5.30	4.92	5.33	2.93	3.20	5.76	5.56	4.59	5.14	4.47	4.60
7	Mundu	No.	2.97	3.20	3.12	3.19	3.13	3.19	2.91	3.07	2.84	2.99	2.80	2.90
8	Black gram	K.g.	0.78	0.89	0.72	0.92	0.69	0.87	0.71	0.87	0.70	0.82	0.75	0.84
9	Green gram	"	0.85	0.80	0.81	0.83	0.79	0.79	0.80	0.84	0.95	0.93	0.82	0.63
10	Jaggery	"	0.76	0.72	0.84	0.78	0.75	0.95	0.66	0.69	0.63	0.69	0.76	0.67
11	Coriander	"	1.68	1.48	1.48	1.26	1.26	0.96	1.27	0.94	1.63	1.42	1.45	1.12
12	Chillies	"	2.67	2.84	2.53	2.73	2.54	2.48	2.48	2.71	2.82	2.90	2.33	2.51

TABLE—9.14

Index Numbers of Wholesale Prices of Agricultural Commodities during 1962.

Sl. No.	Commodity	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Octo.	Nov.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Rice	133	129	127	126	128	130	131	129	126	123	127
2	Molasses	76	78	84	85	91	99	97	119	116	114	111
3	Condiments and spices	119	109	147	195	289	250	193	138	122	113	103
4	Fruits and Vegetables	92	91	97	99	98	99	99	91	89	88	87
5	Food crops	122	118	124	131	148	143	135	124	118	115	116
6	Oil seeds	141	144	149	146	152	151	150	148	165	162	170
7	Plantation crops	106	107	103	100	98	92	91	93	102	103	106
8	Non food crops	130	133	135	132	136	133	132	131	139	144	151
	All commodities	125	123	128	131	144	139	134	127	126	126	129

Base : 1952-53=100.

towards the end of the year. Oil seeds, however, followed an upward move throughout the year. Prices of plantation crops slightly improved towards the end of 1962, despite the drawback noticed during the middle of the year.

9.21. This situation in Kerala may be compared with the all India level. Unlike in Kerala, the all India wholesale price indices of agricultural commodities showed a drawback in 1961-62 as is shown in Table 9.15. This is in contrast to the uptrend obtaining during the last few years.

TABLE 9.15

Wholesale Price Indices 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
1961-62	129	123

Base: 1952-53=100.

9.22. In 1956-57 the Kerala indices remained much lower than all India, but having secured a higher rate of growth, it outpaced the all India level from 1959-60 onwards. While the all India indices came down from 124 to 123 in 1961-62 those of Kerala rose by 4 points, though the rate of increase is lower when compared to 1960-61. The percentage increase in 1961-62 over the previous year was only 3.2% against 5.3% in 1960-61.

9.23. The price situation from the farmer's view-point can, to some extent, be explained by examining the trend of parity indices (vide table 9.16). The parity index indicates the ratio between the prices received by the farmer for his products and those paid by him which constitute farm cultivation cost and domestic expenditure. From 1955-56 to 1960-61 the parity indices showed a forward move, but for a drawback during 1957-58. But in 1961-62 the same has declined by 4 points over the previous year which is deeper when compared to the fall of 1.5 points in 1957-58. This may be attributed to the higher rate of increase in farm cultivation cost as well as domestic expenditure and the consequent rise in the index of prices paid which is not accompanied by a simultaneous rise in farm prices. From the table it is evident that while the index of prices paid rose by 6.78% that of prices received increased only by 2.78% during 1961-62. This situation is brought about by the higher rate of increase in farm cultivation cost during the year.

TABLE—9.16

Index Numbers of Parity between Prices Received and Prices Paid by Farmers in Kerala

Year	Index of Prices received	Index of farm-culti- vation cost	Index of domestic expenditure	Index of Prices paid	Parity index
(1)	(2)	(3)	(4)	(5)	(6)
1955-1956	73.9	88.9	91.1	89.8	82.4
1956-1957	82.4	96.7	102.1	98.8	83.4
1957-1958	82.5	98.6	103.2	100.7	81.9
1958-1959	87.7	100.7	110.7	104.8	83.0
1959-1960	104.1	108.6	116.2	112.1	92.7
1960-1961	108.0	117.0	119.0	118.0	92.0
1961-1962*	111.0	128.0	123.0	126.0	88.0

* Provisional

Base : 1952-53=100.

TABLE—9.17
Wholesale Prices of some Selected Commodities of Kerala

Sl. No.	Commodity	Unit	Centre	1962						
				Average 1961	Average 1962	January	February	March	April	May
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Pepper	Quintal	Cochin	377.25	296.09	303.96	299.34	312.30	305.37	307.47
2	Ginger (dry)	"	"	132.58	183.35	123.17	123.65	127.62	163.04	231.21
3	Turmeric	"	Kozhikode	115.13	144.08	127.50	133.35	140.50	140.50	153.75
4	Cardamom	1 K. G.	"	12.27	8.08	11.50	11.50	6.54	N.A.	N.A.
5	Arecanut	Quintal	"	419.29	399.08	382.13	375.00	375.00	411.86	514.00
6	Coffee	50 K. G.	"	167.79	168.88	166.50	165.00	165.00	165.00	162.50
7	Tea	1 K. G.	Cochin	4.98	5.02	4.98	5.03	5.31	4.83	4.35
8	Rubber	1 K. G.	Kottayam	3.21	3.09	3.15	3.16	3.15	3.07	3.09
9	Lemongrass Oil	10 K. G.	Cochin	223.33	231.24	299.50	336.54	348.38	275.83	278.33
10	Coir Yarn:—									
	(1) Anjengo	3 Quintals	Alleppey	*377.40	392.80	356.33	380.38	403.63	382.00	386.88
	(2) Mangadan	"	Cochin	*265.00	350.48	365.00	349.63	372.87	361.04	343.96
	(3) Beypore	"	Kozhikode	*265.13	241.80	264.75	258.67	260.75	261.25	252.99
11	Coconut (with husk)	1000 Nos.	Cochin	234.22	246.01	242.35	243.71	248.13	240.67	260.33
12	Coconut (without husk)	"	"	209.47	223.89	217.34	219.98	223.63	217.67	238.85
13	Copra	Quintal	"	150.53	169.47	146.16	148.93	148.79	154.77	162.38
14	Coconut oil	"	"	234.83	259.85	224.14	225.49	227.54	238.40	252.74
15	Coconut oil cake	"	"	41.07	49.80	46.51	51.48	47.96	45.17	41.79
16	Cashew (Raw)	"	Quilon	79.83	62.09	N.A.	N.A.	57.52	N.A.	69.54
17	Rice:—									
	(1) Tanjore	"	Cochin	65.24	62.85	65.24	62.31	60.93	61.81	63.42
	(2) Palghat	"	"	63.20	60.95	63.20	60.55	58.93	59.79	61.59
18	Tapioca	"	Kozhikode	19.88	27.72	22.70	23.40	27.31	35.96	35.00

* Price per candy.

N. A. Not available.

TABLE—9.17—Contd.

Sl. No.	Commodity	Unit	Centre	1962											
				June	July	August	September	October	November	December					
(1)	(2)	(3)	(4)	(12)	(13)	(14)	(15)	(16)	(17)	(18)					
1	Pepper	Quintal	Cochin	306.71	284.50	286.73	306.68	302.23	281.00	256.96					
2	Ginger (dry)	"	"	217.63	221.25	216.48	217.71	208.00	186.12	164.43					
3	Turmeric	"	Kozhikode	178.90	177.50	178.75	123.25	125.00	125.00	125.00					
4	Cardamom	1 K. G.	"	7.88	7.88	7.80	8.00	6.70	6.50	6.56					
5	Areca nut	Quintal	"	459.60	477.50	480.33	358.33	350.00	320.00	285.21					
6	Coffee	50 K. G.	"	167.07	170.00	171.25	186.66	250.00	250.00	250.00					
7	Tea	1 K. G.	Cochin	3.68	3.15	3.85	6.36	6.17	6.37	6.23					
8	Rubber	1 K. G.	Kottayam	3.13	3.13	3.06	3.08	3.10	3.06	3.01					
9	Lemongrass Oil	10 K. G.	Cochin	252.95	201.18	160.69	136.56	145.17	168.88	170.89					
10	Coir Yarn:—														
(1)	Anjengo	3 Quintals	Alleppey	396.00	394.00	382.88	395.00	404.07	405.00	397.53					
(2)	Mangadan	"	Cochin	339.60	323.00	349.20	353.75	362.00	357.38	328.42					
(3)	Bey pore	"	Kozhikode	233.33	220.00	226.60	220.00	227.33	240.00	235.94					
11	Coconut (with husk)	1000 Nos.	Cochin	252.57	250.70	241.00	246.25	250.68	243.58	234.18					
12	Coconut (without husk)	"	"	225.57	226.00	216.33	221.67	228.03	227.91	224.43					
13	Copra	Quintal	"	164.86	169.63	177.04	182.64	191.02	199.62	187.85					
14	Coconut Oil	"	"	258.24	264.09	273.46	278.33	286.75	300.72	287.33					
15	Coconut oilcake	"	"	39.83	42.28	50.40	54.15	59.08	62.41	56.60					
16	Cashew (Raw)	"	Quilon	72.67	64.21	56.43	52.16	N.A.	N.A.	N.A.					
17	Rice:—														
(1)	Tanjore	"	Cochin	63.76	64.37	62.95	61.35	61.89	63.96	62.29					
(2)	Palghat	"	"	61.91	62.29	61.70	59.08	59.96	61.98	60.43					
18	Tapioca	"	Kozhikode	32.00	31.50	31.33	26.00	23.75	25.00	18.75					

N. A. Not available.

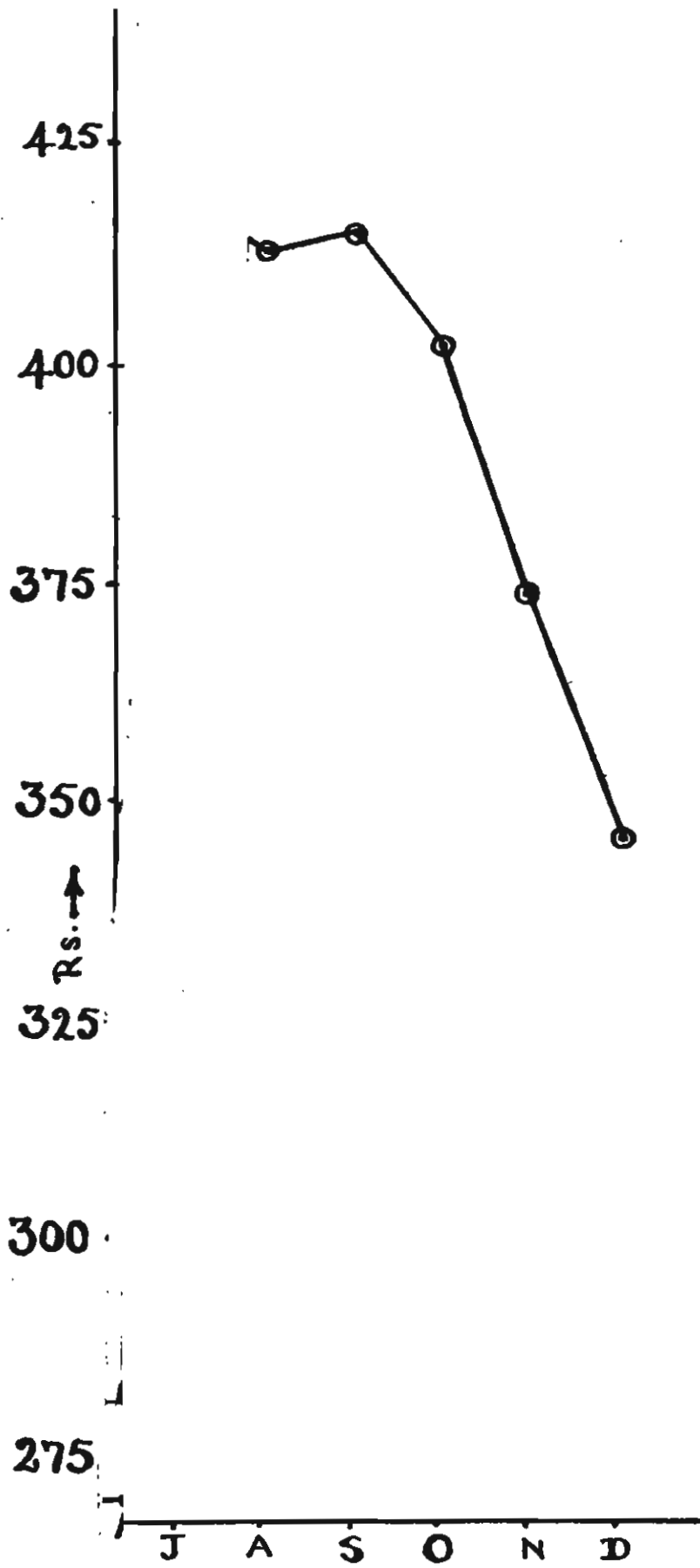


Diagram: - 16 Average Prices of Pepper
Unit - Quintal

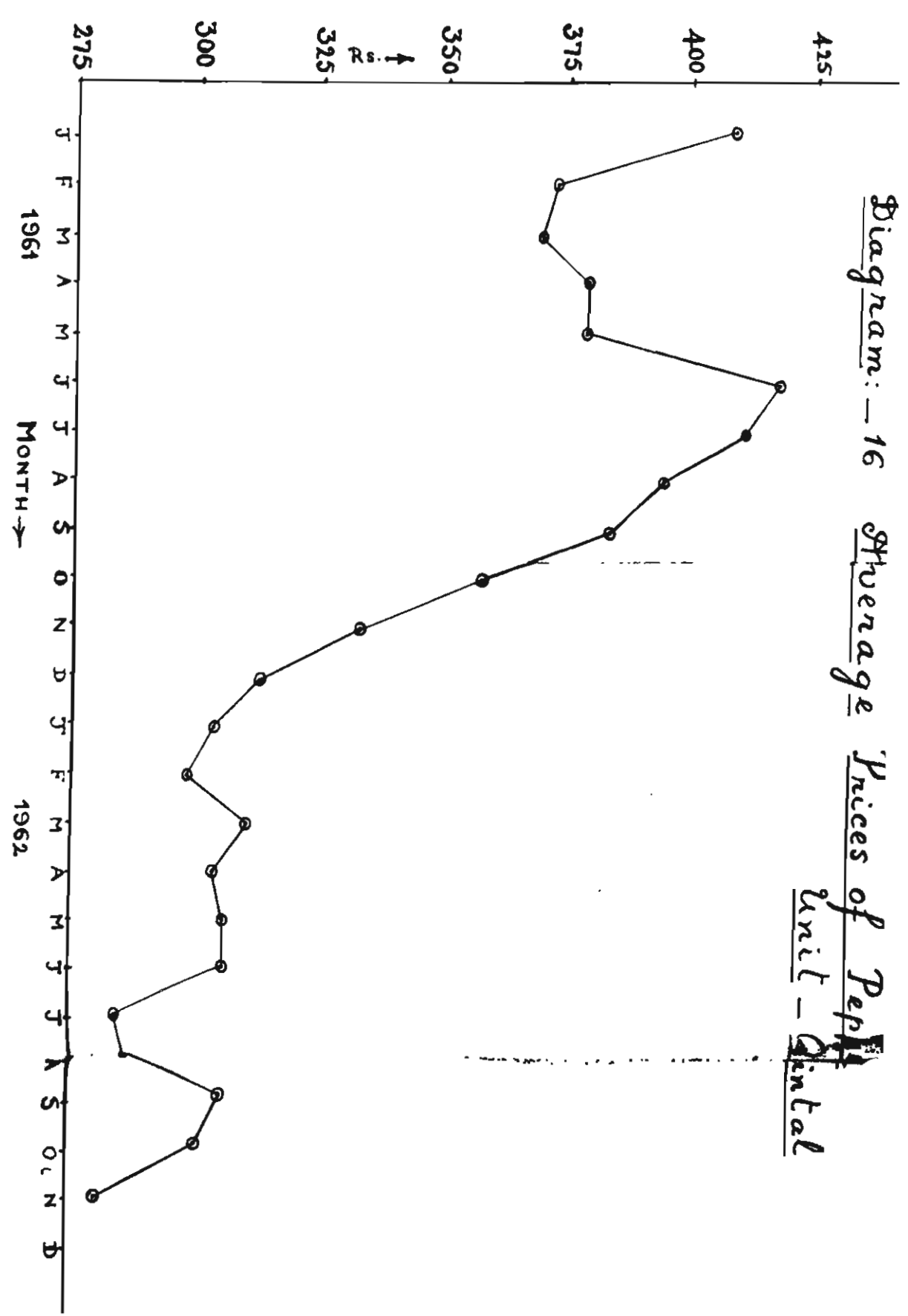


DIAGRAM: - 17 AVERAGE PRICES OF GINGER

UNIT - QUINTAL

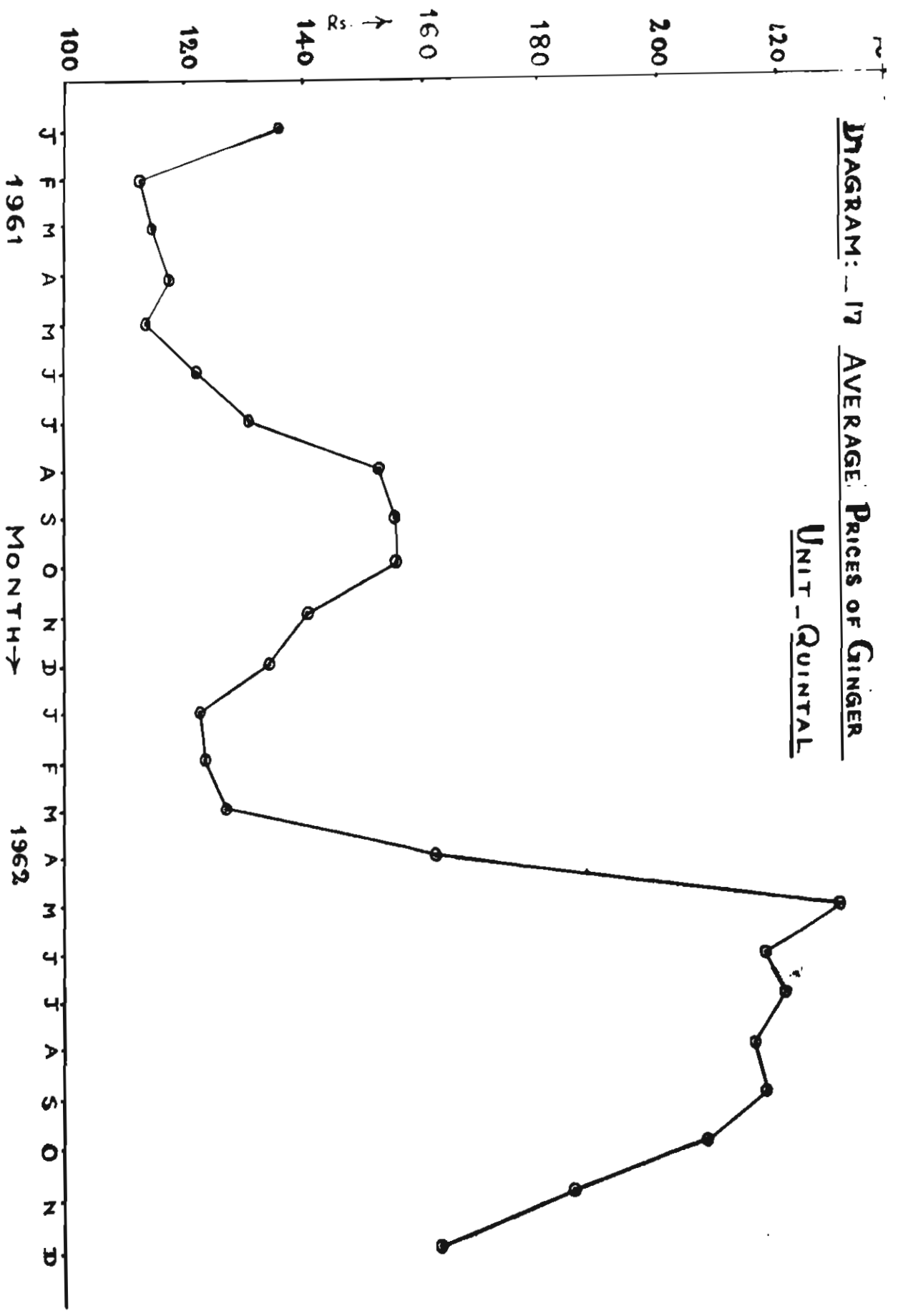


DIAGRAM: - 18 AVERAGE PRICES OF I.
AVERAGE PRICES OF COCOANUT OIL.
Unit - Quintal

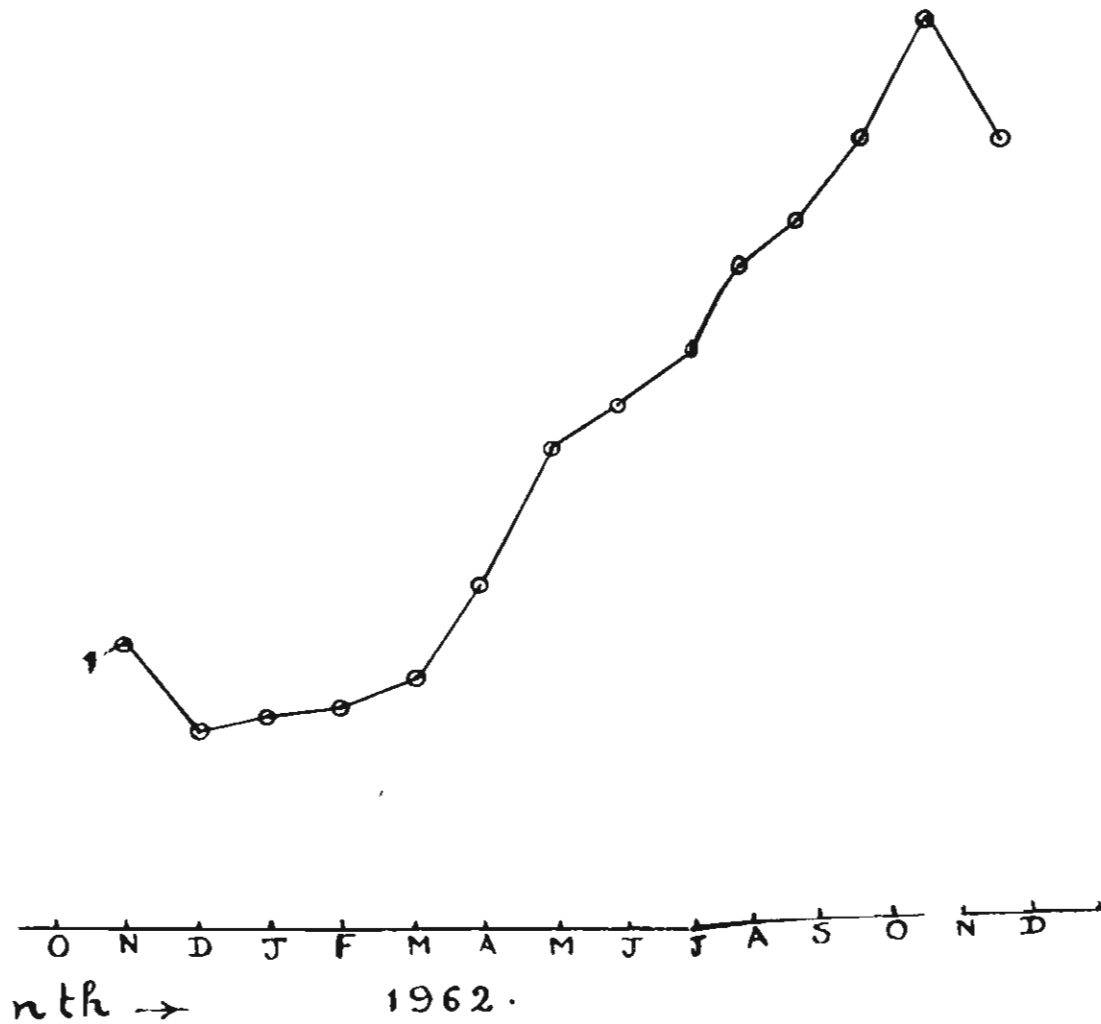


DIAGRAM: -18 AVERAGE PRICES OF LEMON GRASS OIL

UNIT: -10 KGS.

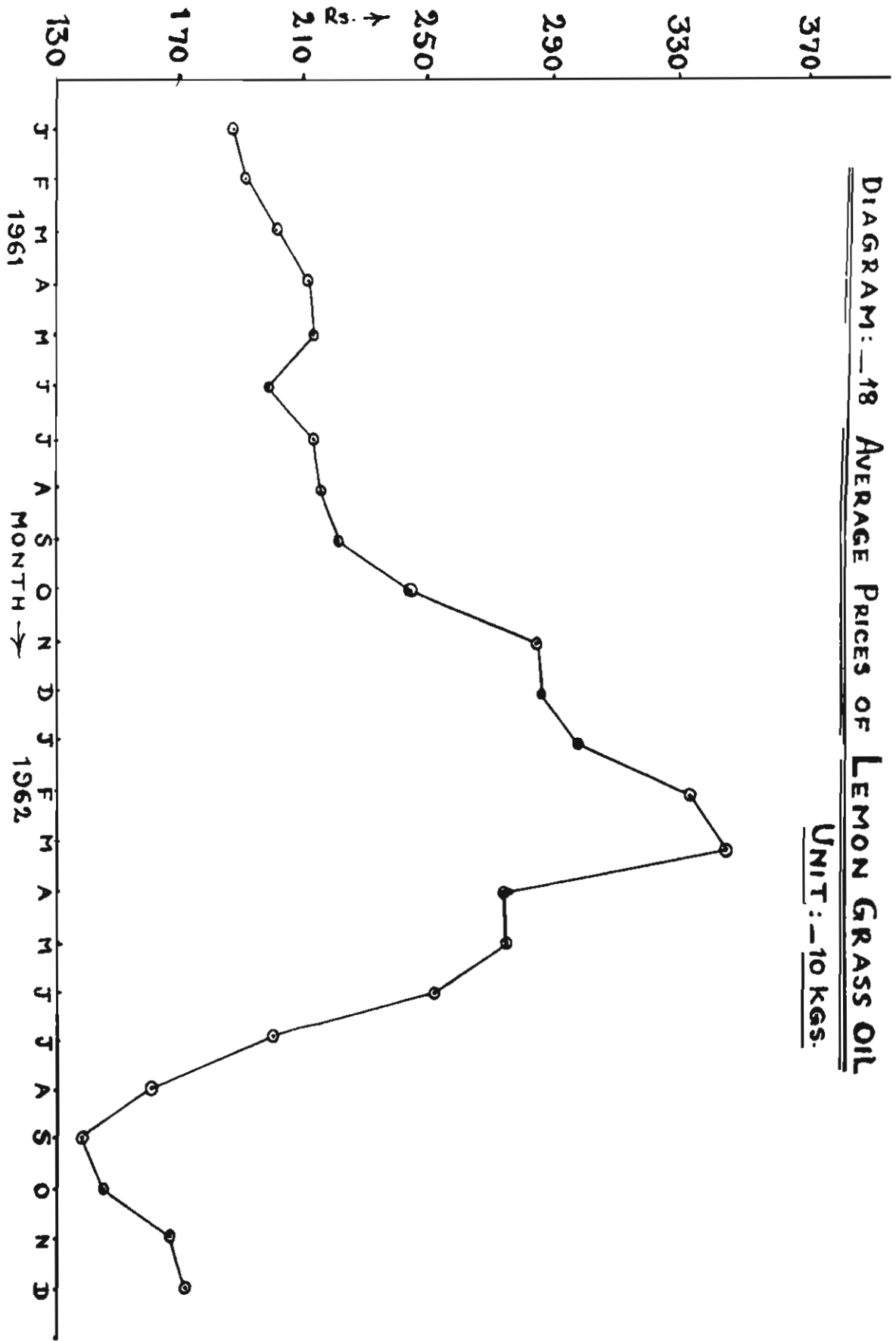


DIAGRAM: -19 AVERAGE PRICES OF ARECA. NUT

UNIT - QUINTAL

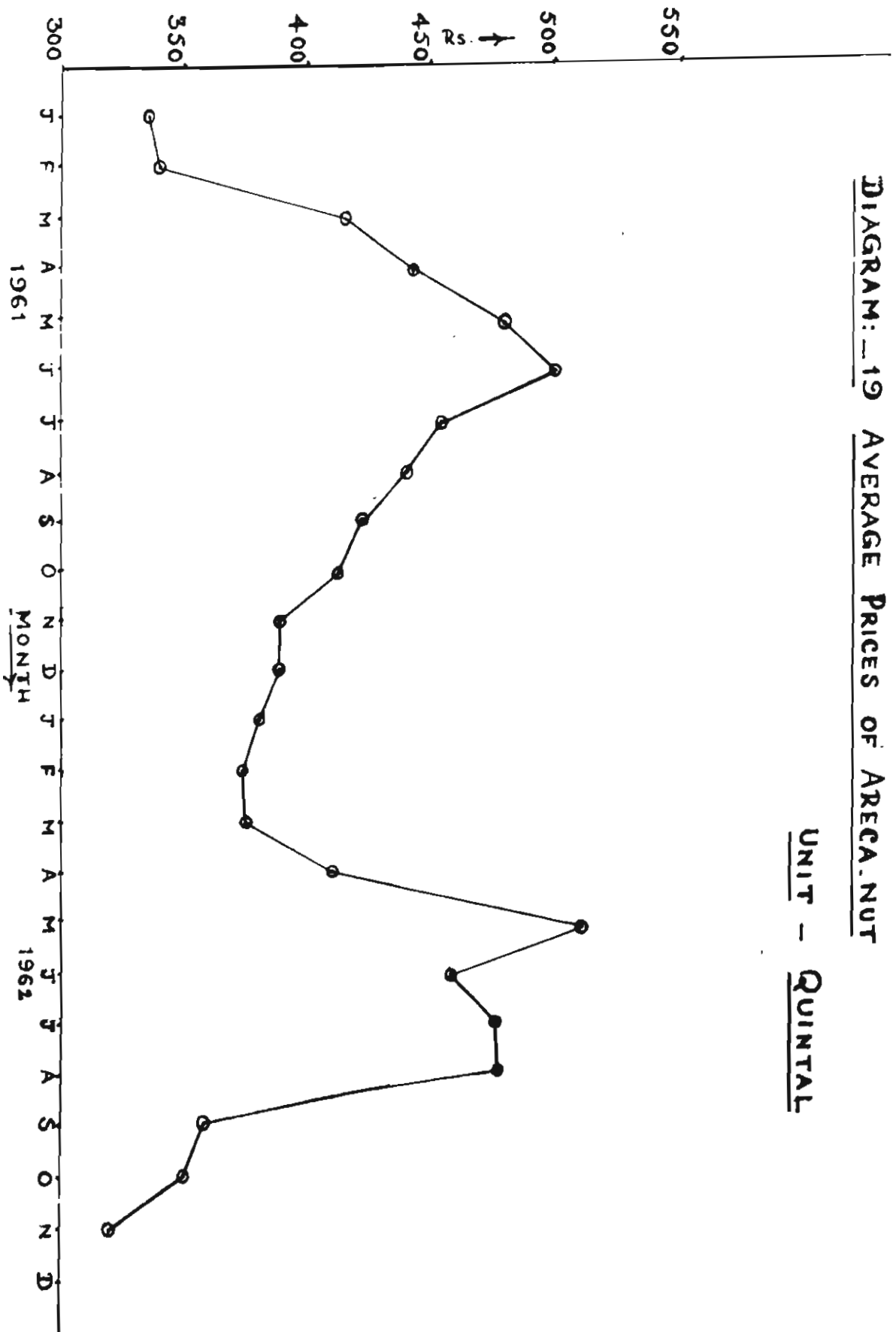


DIAGRAM : - 20. AVERAGE PRICES OF COCONUT (WITH HUSK)

UNIT : - 1000 Nos.

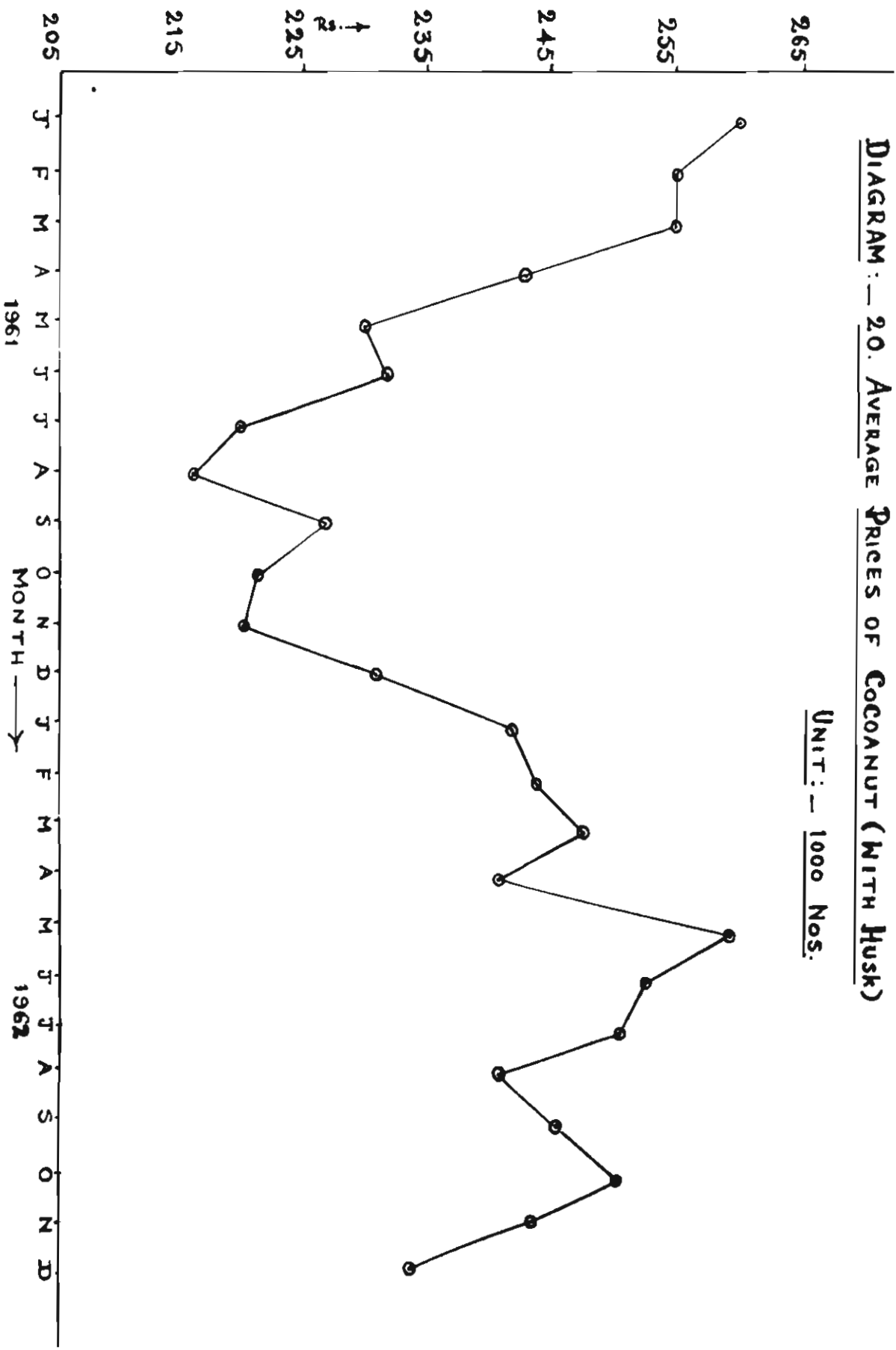
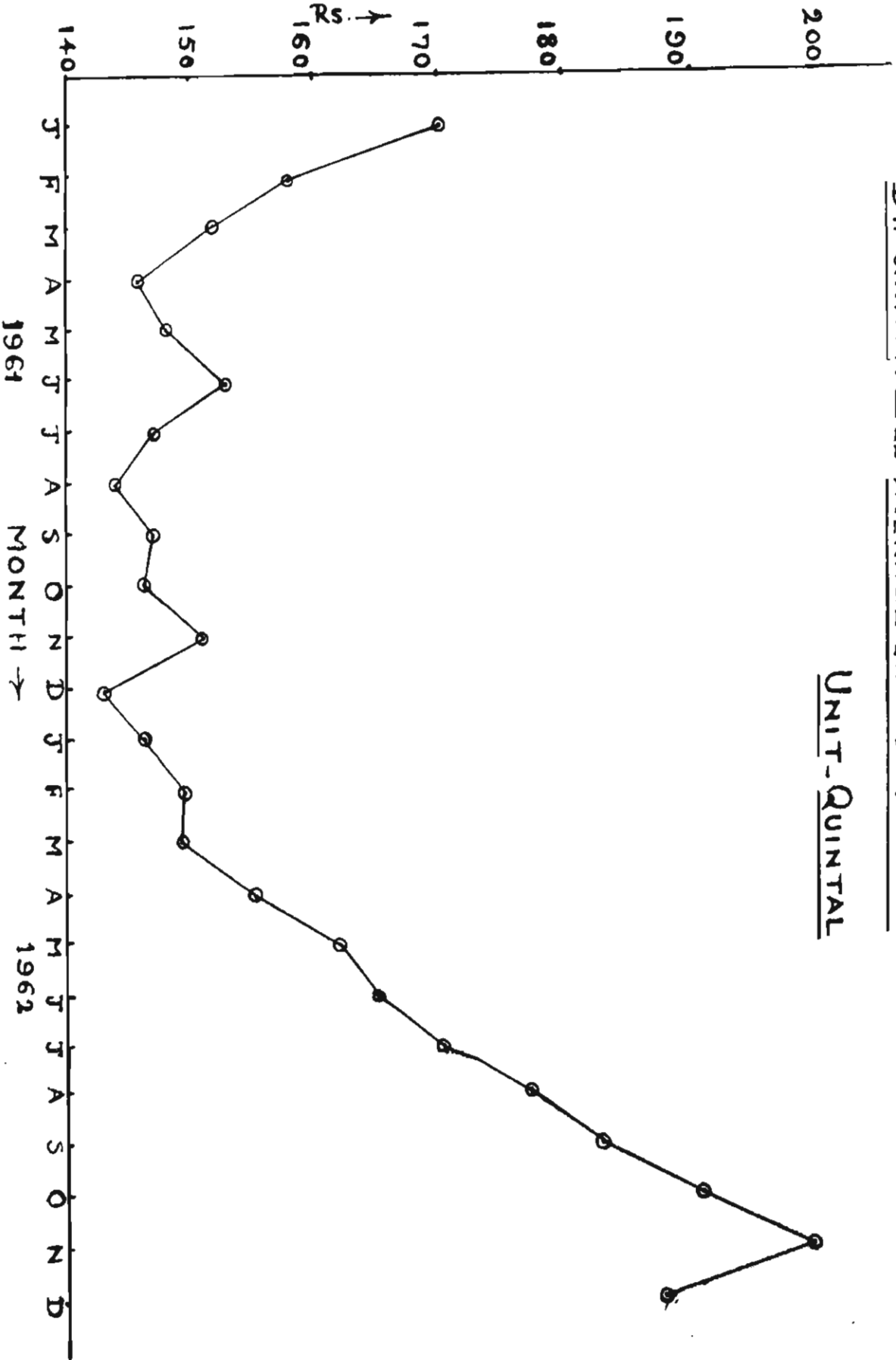


DIAGRAM: — 22 AVERAGE PRICES OF CORN

UNIT-QUINTAL



9.24. Table 9.17 gives the price trends of some selected commodities of Kerala, many of which are important foreign exchange earners of the country. Prices followed their upward trend in 1962 also, except in the case of pepper, cardamom, arecanut, cashewnut (raw) and rice. The downward move in pepper prices started late in 1961 continued in 1962 with irregular ups and downs and came down to a very low level towards the end of the year (vide diagram 16). Inactive foreign demand was the main factor contributing to the dullness in our pepper market. Price of pepper in the Cochin market which was Rs. 408 per quintal in January 1961 came down to Rs. 304 in January 1962 and to Rs. 257 in December 1962. Cardamom prices which ruled higher in 1961 came down drastically from March 1962 onwards. The ginger market remained active during 1962, the most favourable trend being obtained during the third quarter of the year (vide diagram 17). The steady increase in turmeric prices met with a deep fall during September and thereafter ruled lower than the initial quotations in 1962. Almost the same trend was followed by arecanut also with ups and downs during certain months of the year. Prices were steadily declining during the last quarter of 1962 (see diagram 19). Plantation products in general did not show any significant variation from last year's level. Coffee prices were gradually moving up from June onwards while tea showed sudden improvement since the month of August. Average price of lemongrass oil was higher than that in 1961. Prices ruled lower during the third quarter of 1962 only to follow a forward move thereafter (vide diagram 18). Of the three varieties of coir yarn—Anjengo, Mangadan and Beypore—prices ruled encouraging in the case of the first two varieties. Monthly average prices of the three varieties moved irregularly during the year under review. Prices of coconut and all the allied products remained higher during 1962. Monthly quotations of coconut and oil cake followed an irregular trend while those of copra and coconut oil were steadily going up (vide diagrams 20 to 22). It is reported that coconut oil met with an unprecedented rise in prices during the year, the highest point being obtained during November. Cashew prices remained lower during the year under review. The continued strike of the workers in cashew factories during August-September has contributed to the dullness in its trade.

Tapioca, one of the most important food crops in the State showed phenomenal increases during the year. Prices reached the climax during April-May, but came down gradually. Prices of both the varieties of rice—Tanjore and Palghat—ruled comparatively lower in 1962.

9.25. From the available data it can be concluded that the price situation in Kerala was a little better when compared to the previous year. In spite of a rather gloomy picture of rice production in the country as a whole, an easing tendency was noticed in rice prices in the State. The fall in the production of rice in India adversely affected the price problem which would have gone out of control but for continued imports mainly from United States under P.L. 480 and also the improvement in the distributive machinery. The rather optimistic price situation may to some extent be considered as a reflection of the various Governmental measures to counteract abnormal price movements.

CHAPTER X

SOCIAL SERVICES

Mere accumulation of physical capital will not manifest itself in a higher level of output unless the more important form of wealth, the social capital is conserved and developed. It is through the efficient application of human energy that social capital is developed. If healthy opportunities and incentives for the individual to develop are afforded, it will enable the recipient not only to tackle the problems of life he is facing, but also to improve his quality by helping him to strive for higher levels of fulfilment. It will also enhance his effectiveness in economic and social activities. Therefore, an all-round programme to improve the inherent human abilities should be the basis of all economic and social planning. Such a programme for the development of human resources and welfare is concerned with the content of the health and educational systems, the prevailing levels of living and the pattern of industrial development.

10.2. Of topical interest to Kerala in the context of the enlargement of social services is the fact that a low content of technical education is definitely a limiting factor to industrialisation. However much a State can accumulate capital, it cannot result in physical capital formation unless it is also combined with technical knowledge. The technical progress function which is the basis of economic growth is an integration of productivity of capital and the productivity of new technical ideas. Technical know-how should constantly be increased in order to hold in check any tendency of a fall in output-capital ratio with progressive increase in capital formation. Investment in technical education can never be overdone, because the contribution of education to human capital formation will, however, depend to a great extent upon its technical content, its suitability for life in different stages of economic development.

10.3. The following paragraphs review the salient developments in the fields of education and health.

10.4. In the spheres of education, health and other social amenities of life, Kerala is much ahead of many other States in India. In the Five Year Plans of the State top priority has been assigned to social service schemes. Expenditure on this account worked out to 10% of the total plan expenditure of the First Five Year Plan. In the Second Plan the share has risen to 23% of the Plan outlay and in the Third Plan it accounts for 22% of the total outlay. The per capita expenditure on social services in Kerala in 1961-62 worked out to be Rs. 15.9 and compared favourably with that in the neighbouring States as could be seen from the following table.

TABLE—10.1

Per Capita Expenditure on Social Services 1961-62

<i>State</i>		<i>Education</i>	<i>Health</i>	<i>Others</i>	<i>Total</i>
Kerala	..	10.7	3.4	1.8	15.9
Mysore	..	7.0	2.6	0.5	10.1
Madras	..	6.1	2.3	1.3	9.7
Andhra Pradesh	..	4.8	2.0	1.1	7.9

Education

10.5. Emphasis on education in general and on provision of free and compulsory education at the elementary stage in particular is an integral part of the national policy. Training of human beings in all fields of endeavour is essential if a break through is to be effected from a state of chronic backwardness, and if the country is to move rapidly forward towards the attainment of the desired social and economic goals. In the present context of planning in the State, great importance is attached to technical and vocational education, and to specialised training in the most essential activities.

10.6. In Kerala the level of education is higher than in any other State. Literacy which was 40.7% in 1951 has reached 46.8% in 1961. Literacy ratios in 1951 and 1961, statewise are given in table 10.2. It shows that 46.8% of the population is literate. The corresponding figure for all India is only 24.0%. The ratio between literate men and women is also fairly high in Kerala compared to other States in India. Among the districts, Alleppey leads the others in respect of literacy with 56.9%. Next in order comes Kottayam followed by Ernakulam and Quilon Districts. Literacy is the lowest in Palghat District with only 34.1%.

TABLE—10.2

Percentage of Literacy—Statewise (According to 1961 census)

States	1951			1961		
	Males	Females	All	Males	Females	All
Andhra Pradesh	19.7	6.5	13.1	30.2	12.0	21.2
Assam	27.4	7.9	18.3	37.3	16.0	27.4
Bihar	20.5	3.8	12.2	29.8	6.9	18.4
Gujarat	32.3	13.5	23.1	41.1	19.1	30.5
Kerala	50.2	31.5	40.7	55.0	38.9	46.8
Madhya Pradesh	16.2	3.2	9.8	27.0	6.7	17.1
Madras	31.7	10.0	20.8	44.5	18.2	31.4
Maharashtra	31.4	9.7	20.9	42.0	16.8	29.8
Mysore	29.1	9.2	19.3	36.1	14.2	25.4
Orissa	27.3	4.5	15.8	34.7	8.6	21.7
Punjab	21.0	8.5	15.2	33.0	14.1	24.2
Rajasthan	14.4	3.0	8.9	23.7	5.8	15.2
Uttar Pradesh	17.4	3.6	10.8	27.3	7.0	17.6
West Bengal	34.2	12.2	24.0	40.1	77.0	29.3
India	24.9	7.9	16.6	34.4	12.9	24.0

10.7. The per capita expenditure on education in Kerala compares favourably with that for all India. But compared to some advanced countries in the World it is very low (vide Table 10.3).

TABLE—10.3

Per Capita Expenditure on Education

<i>Country</i>	<i>Reference Year</i>	<i>Per Capita Expenditure</i>
		(Rs.)
France	1956	124.33
West Germany	1955	130.28
Italy	1854-55	42.70
U. K.	1953-54	111.96
U. S. S. R.	1957	470.05
U. S. A.	1957-58	437.92
India	1958-59	5.71
Kerala	1961-62	10.72

10.8. The number of secondary schools in the State increased from 877 in 1959-60 to 888 in 1960-61, upper primary schools from 1789 to 1917 and lower primary schools from 6282 to 6672. In 1960-61 there were 78 Basic Training Schools and 123 Special Schools.

10.9. Table 10.4 shows the district-wise distribution of schools in 1960-61. The district-wise distribution of schools in relation to the population of the respective districts, is made on an equitable basis. The location of new schools is so fixed that almost every child can go to a school within easy walking distance from home.

10.10: During the academic year 1962-63 the estimated additional enrolment in the primary classes worked out to 2.32 lakhs. During the year under review the 'CARE' school feeding programme benefited 16 lakhs of children in the primary classes.

TABLE—10.4

District-wise distribution of Schools (1960-61)

Type of School	Trivandrum			Quilon			Alleppey			Kottayam			Ernakulam		
	Govt.	Private	Total	Govt.	Private	Total	Govt.	Private	Total	Govt.	Private	Total	Govt.	Private	Total
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
High School	27	53	80	20	81	101	24	101	125	19	95	114	21	105	126
U. P. S.	55	61	116	51	140	191	62	116	178	44	121	165	41	110	151
L. P. S.	347	146	493	361	270	631	258	340	598	216	324	540	236	290	526
Post Basic	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Senior Basic	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Junior Basic	5	..	5	..	..	..	27	1	28	7	..	7	33	1	34
B. T. S.	3	6	9	2	8	10	4	12	16	3	8	11	4	6	10
Special Schools	3	3	6	1	15	16	4	8	12	2	2	2	5	8	13
Total	440	269	709	435	514	949	379	578	957	289	550	839	340	520	860

U. P. S. Upper Primary School.

L. P. S. Lower Primary School.

B. T. S. Basic Training School.

TABLE—10.4—Contd.

Type of School	Trichur		Palghat		Kozhikode		Cannanore		Total					
	Govt.	Private	Govt.	Private	Govt.	Private	Govt.	Private	Govt.	Private				
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
High School	33	77	110	32	46	78	38	47	85	30	36	66	244	641
U. P. S.	14	134	148	46	142	188	97	248	345	82	270	352	492	1342
L. P. S.	101	386	487	211	434	654	470	825	1295	284	756	1040	2484	3771
Post Basic	..	..	..	..	2	2	..	1	1	..	..	..	..	9
Senior Basic	..	..	..	12	31	43	4	21	25	7	8	15	23	60
Junior Basic	11	3	14	51	87	138	44	98	142	23	26	49	201	216
B. T. S.	2	3	5	3	3	6	5	2	7	4	..	4	30	48
Special Schools	13	7	20	7	4	11	11	4	15	15	13	28	59	64
Total	174	610	784	362	749	1111	669	1246	1915	445	1109	1554	3533	6145

U. P. S. Upper Primary School.
L. P. S. Lower Primary School.
B. T. S. Basic Training School.

10.11. There was a considerable increase in the number of candidates who appeared for and passed in the S.S.L.C. Examinations in 1962. The number appeared for the examinations increased from 1,26,212 in 1961 to 1,48,522 in 1962. In 1962, however there was a little improvement in the percentage of passes (vide Table 10.5).

TABLE—10.5
Number of S. S. L. C. Students appeared for and passed in 1961 and 1962

<i>Year</i>		<i>Appeared</i>	<i>Passed</i>	<i>Percentage passed</i>
March 1961	..	86623	30703	35.4
September 1961	..	39589	16562	41.8
March 1962	..	96181	35424	36.8
September 1962	..	52341	21920	41.9

10.12. In the field of university education Kerala has achieved much headway. During the year 1961-62 there were 59 Arts and Science colleges, 19 Training colleges, 6 Engineering colleges and 2 Medical colleges. The total strength of the arts and science colleges and colleges for oriental studies was 42,159, of oriental titles institution was 364 and of professional colleges, 7467. Table 10.6 gives the faculty-wise distribution of students.

TABLE—10.6
Faculty-wise Distribution of Students

<i>Sl. No.</i>	<i>Number of Students</i>		<i>Percentage change in 1961-62 over 1960-61</i>
	1960-61	1961-62	
1 Arts, Science and Oriental Studies	36,466	40,428	10.87
2 Fine Arts	28	29	3.57
3 Law	480	385	(—)19.77
4 Education	2037	2141	5.11
5 Engineering	1548	2674	72.74
6 Commerce	1944	2199	13.12
7 Medicine	1182	1479	25.13
8 Ayurveda	166	109	(—)34.34
9 Agriculture	215	218	1.40
10 Veterinary Science	359	328	(—)8.63
Total	44,425	49,990	12.53

10.13. Among the four southern States of Madras, Kerala, Mysore and Andhra Pradesh, Kerala is at the top both in respect of the total number of science students and the ratio between science and arts students. In March 1962 the number of students both in B. Sc. and M. Sc. classes was 15451 in

Kerala, 13609 in Madras, 13042 in Andhra Pradesh and 10134 in Mysore. The ratio between science and arts students was 3 to 1 in Kerala, whereas in the three other Southern States it was roughly 3 to 2. In all other States in India students in humanities far out-numbered those in the science group. In the field of specialisation at the doctorate level, Kerala's position is not at all enviable. There were only 32 students for the doctorate course in Kerala. The corresponding figures for Andhra Pradesh, Mysore and Madras were 366, 85 and 77 respectively.

1.14. Table 10.7 shows the pattern of distribution of the general educational institutions in Kerala.

10.15. The most discouraging feature of the educational system in Kerala is its lopsided growth. In 1961-62, while there were 42,523 students attending the various general educational institutions, the number in the professional colleges was only 7467. This ratio indicates a very unhealthy feature which accounts for the existence of the widespread educated unemployment in the State. The country is short of scientists, engineers, doctors, economists and other trained men and in spite of the best of efforts there still exists a wide gap between the need for them and their availability. A reorientation in the system of education so as to meet the future requirements of trained manpower is called for. Emphasis on technical education is related to the need for better productivity through higher efficiency. Inadequacy in the number of institutions and short supply of men of calibre to teach are major problems of technical education in the State.

10.16. There are 6 engineering colleges and 14 diploma institutions in Kerala. The engineering colleges, three of which are in the public sector, which offer instruction in degree courses, have a total strength of 875 seats. The annual intake in the diploma institutions, 8 in the Public Sector and 6 in the Private Sector, is 1778.

10.17. In the State there are three medical colleges in the public sector. Sanction has been accorded for the setting up of a new one in the private sector. The annual intake in the three public sector colleges is 350 for the M.B.B.S. Course. In the Ayurveda college at Trivandrum there were 40 students in the final D.A.M. and 20 students in the 5th year B.A.M. in 1961-62. There were only 4 students in the first year of the B.A.M. during the year under review. In the only Agricultural college of the State there were 79 students in the final degree class and 22 students in the M. Sc. degree class in the year 1961-62. The Veterinary college at Trichur offers instruction for degree in Veterinary Science. There were 19 Training Colleges and two Law Colleges in the State.

10.18. Table 10.8 illustrates the districtwise distribution of professional colleges. As can be seen from the table the

TABLE—10.7

**Statement Showing the Pattern of Distribution of the General Educational Institutions
(Colleges).**

Sl. No.	District	Population in millions	Number of Institutions	Institutions of per million people	Number of Students.			
					1960-61		1961-62	
(1)	(2)	(3)	(4)	(5)	Total Number of students	Number of Students per million people	Total Number of students	Number of Students per million people
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Trivandrum	1.74	7	4.02	6480	3724	6724	3864
2	Quilon	1.94	5	2.57	4903	2527	5588	2880
3	Alleppey	1.81	4	2.20	3418	1888	3716	1042
4	Kottayam	1.73	7	4.04	6173	3568	6992	4041
5	Ernakulam	1.86	9	4.83	6256	3363	6970	3747
6	Trichur	1.64	6	3.66	3886	2369	4570	2176
7	Palghat	1.78	4	2.25	1989	1117	2297	1239
8	Kozhikode	2.62	9	3.44	3423	1305	3806	1452
9	Cannanore	1.78	4	2.25	1479	830	1950	1095
	Kerala	16.90	55	3.25	38007	2248	42523	2515

TABLE—10.8

Distribution of Professional Colleges.

District	Population in million	Number of institutions	Number of institutions per million people	1960-61		1961-62	
				Total Number of students	Number of Students per million people	Total Number of students	Number of Students per million people
Trivandrum	1.74	8	4.6	2611	1501	2901	1667
Quilon	1.94	3	1.6	694	360	764	396
Alleppey	1.81	3	1.7	298	165	299	165
Kottayam	1.73	4	2.3	450	260	449	259
Ernakulam	1.86	4	2.2	446	240	550	296
Trichur	1.64	3	1.8	921	565	1004	616
Palghat	1.78	2	1.1	261	147	353	198
Kozhikode	2.62	4	1.5	522	199	896	365
Cannanore	1.78	1	0.6	99	56	98	55
Kerala	16.90	32	1.9	6302	371	7314	433

TABLE—10.9
Expenditure on Technical Education in Kerala

Year	(Rs. lakhs)	
	Degree	Diploma
1959-60		
Government Colleges	12.66	11.49
Grants to Private Colleges	0.56	1.70
Total	13.22	13.19
1960-61		
Government Colleges	14.99	13.55
Grants to Private Colleges	1.51	1.83
Total	16.50	15.38
1961-62		
Government Colleges	12.28	23.24
Grants to Private Colleges	2.25	3.14
Total	14.53	26.38

number of institutions and students per million people is the highest in Trivandrum District and the lowest in Cannanore District.

10.19. The increasing importance given to technical education in the State may be seen from the rise in the expenditure on technical education in the recent past. As is seen in Table 10.9 the total expenditure on technical education increased from Rs. 26.41 lakhs in 1959-60 to Rs. 40.91 lakhs in 1961-62. During the same period the expenditure on Diploma institution has almost doubled.

Health

10.20. Health-physical and mental—is the most valuable of all human possessions. It is the main factor in human security. Sickness is a heavy drain involving loss of production, loss of income and costly medical expenses. In a Welfare State, therefore, public health standards naturally occupy a very important place. Our State possesses better health conditions than many other States in India. In any assessment of the quality and improvement in health services two important indicators usually accepted are the trends in the birth and death rates. An improvement or a decline in the death rate is a vital index of improving health standards. The death rate in the State which remained at 9 per 1000 in 1957 declined gradually to 7 per 1000 during the following years.

10.21. Table 10.10 gives birth and death rates in the States of India in 1959. The birth rate in Kerala is 25 per thousand while the same for all India is 23. At the same time death rate in Kerala is only 7.4 per thousand which is lower than the all India rate of 9.9. The gap between the birth rate and death rate in the State accounts for the progressive rise in population.

TABLE—10.10

The Birth and Death rates in the States of India (1959)

<i>States</i>	<i>Birth rate per 1000 of population</i>	<i>Death rate per 1000 of population</i>
INDIA ..	23.0	9.9
Andhra Pradesh ..	17.9	8.0
Assam ..	8.0	3.5
Bihar ..	12.5	5.2
Bombay ..	30.1	13.0
Jammu & Kashmir ..	N.A.	N.A.
Kerala ..	25.0	7.4
Madhya Pradesh ..	17.3	8.6
Madras ..	29.9	12.5
Mysore ..	33.0	14.2
Orissa ..	28.1	13.6
Punjab ..	35.8	11.1
Rajasthan ..	12.9	7.4
Uttar Pradesh ..	14.5	7.6
West Bengal ..	22.4	7.3

10.22. Table 10.11 shows the number of hospitals, dispensaries and beds in the different States of India in 1958. The number of hospitals and dispensaries in Kerala were 66 and 184 respectively. Though in absolute figures these are small compared to the other States, the bed strength of the institutions compares very favourably with the bed strength in other States. While Kerala with only 2.5% of the total hospitals and dispensaries of India shared 7.1% of the bed strength, Bengal with the largest share of hospitals and dispensaries viz. 17%, had only 16% of the bed strength. The number of beds in the medical institutions of the State increased from 11,419 in 1958 to 13,006 in 1960. In regard to bed strength in the hospitals, the accepted norm, according to the specifications of American experts, is five beds per one thousand of population. But the present availability in Kerala is only 0.8 bed per 1000 of population. Yet the per capita facilities in terms of hospitals and beds available in the State are greater than those available in most other States in India.

10.23. Table 10.12 gives the district-wise distribution of medical and Public Health institutions. There were 67 hospitals, 10 secondary health centres, 82 primary health centres, 172 dispensaries and 25 bi-weekly evening dispensaries. With regard to the availability of beds in the institutions of different districts in the State there is again a great disparity. The heterogeneity among the districts in respect of medical facilities should be made good in order to give an equal share of advantage to each citizen in the State. The conditions of health in the rural and suburban areas leave much to be desired.

TABLE—10.11

Number of Hospitals, Dispensaries, Beds and Patients Treated. (1958)

States	Number of Hospitals	Number of Dispensaries	Number of beds	No. of patients treated.	
				Indoor	Outdoor
India (including Union Territories)	3,405	6,596	159,759	6,671,989	132,030,049
Andhra Pradesh	265	251	13,870	783,593	17,674,609
Assam	..	..	..	..	..
Bihar	226	547	6,157	915,588	6,946,150
Bombay	277	748	18,043	610,274	9,366,389
Jammu & Kashmir	24	86	2,406	..	..
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	128,830	13,752,790
Orissa	161	222	4,064	161,944	5,822,704
Punjab	249	548	12,005	449,990	9,564,696
Rajasthan	320	263	9,137	182,683	9,938,705
Utter Pradesh	409	869	18,630	542,381	18,305,402
West Bengal	688	1,059	25,484	568,355	10,205,567

TABLE—10.12

District-wise Distribution of Medical and Public Health Institutions As on 31-12-1960.

Institution	Trivan- drum	Quilon	Alleppey	Kotta- yam	Ernaku- lan	Trichur	Paighat	Kozhi kode	Canna- nore	Total
Hospital	14	5	8	4	7	12	5	7	5	67
No. of beds	2814	684	1366	415	1190	1648	487	1281	689	10574
Secondary Health Centres	2	1	1	1	1	1	1	1	1	10
No. of beds	151	14	64	83	84	137	8	37	34	612
Primary Health Centres	13	9	12	6	12	6	8	8	8	82
No. of beds	123	79	95	89	161	38	113	21	41	760
Dispensaries	20	17	17	18	24	16	36	19	15	172
No. of beds	43	33	94	168	249	124	133	94	122	1060
Bi-weekly Evening Dispensaries	5	4	..	8	3	3	..	..	2	25
No. of beds	0	..	..	..	..	..	..	..	..	..
Total No of institutions	54	36	38	37	47	38	40	35	31	356
Total No. of beds	3131	810	1619	755	1684	1947	741	1433	886	13006

The greatest single restraining factor in the expansion of medical facilities is the considerable gap that still exists in the availability of appropriately qualified medical and para-medical manpower, which is essential for manning the health services efficiently. As can be seen from table 10.13 the availability of beds is the lowest in Quilon and Palghat districts and highest in Trivandrum district. In the districts of Malabar as a whole the availability of beds is below the State average. The three mental hospitals in the State have a total bed strength of 722.

10.24. The number of patients treated in the hospitals and dispensaries both in-door and out-door increased from 4,60,282 and 1,08,31,358 in 1958 to 5,21,045 and 1,19,35,099 respectively in 1960.

TABLE—10.13

Number of Beds Available per Lakh People

<i>District</i>	<i>Total No. of beds</i>	<i>Population (in lakhs)</i>	<i>No. of beds available per lakh</i>
Trivandrum	3131	17.4	180
Quilon	810	19.4	42
Alleppey	1619	18.1	89
Kottayam	755	17.3	44
Ernakulam	1684	18.6	91
Trichur	1947	16.4	119
Palghat	741	17.8	42
Kozhikode	1433	26.2	55
Cannanore	886	17.8	50
All Kerala	13006	169.0	77

10.25. The average number of medical practitioners—medical graduates and licentiates—per unit of population in the State is lower when compared to India as a whole. The number of registered medical practitioners has been steadily increasing during the last five years.

<i>Year</i>	1958	1959	1960	1961	1962
Medical Graduates and Licentiates	808	925	1041	1177	1451

10.26. The percentage increase in the number of medical practitioners over the period is 80%. During the same period population in the State increased only by 9.6%. This indicates the progressive advancement of the State in the matter of medical facilities.

10.27. Table 10.14 shows the rate of death in the State according to age groups. The number of deaths which declined in 1960 rose again in 1961. The number of deaths disease-wise can be seen in Table 10.15. The energetic and prompt steps, taken by the national Government ever since independence have considerably reduced the incidence of epidemics like cholera, small pox, plague etc. During the period between 1957 and 1961 there was no report of death due to plague.

10.28. Ayurvedic system of indigenous medicine and Homoeopathy are being given active encouragement by the State and the movement is afoot to place them on a more scientific basis by the application of modern research methods. The Indigenous Medicine Department functioning as a separate entity administers matters relating to the institution of indigenous medicine. A system of licensing of Physicians—Ayurvedic and Homoeopathic—is being introduced progressively in the entire State. During the year 1961-62, 62,28,135 patients were treated in the various Ayurvedic and Homoeopathic institutions of the State. A district-wise distribution of Ayurvedic and Homoeopathic institutions is given in Table 10.16. There were 35 Ayurvedic hospitals and 190 Ayurvedic dispensaries in the State. Of all the districts Trichur had the largest number of dispensaries. In addition to the departmental agencies there were 270 aided and 42 subsidised institutions in the State.

TABLE—10.14

Deaths According to Age Group.

Age group	1957		1958		1959		1960		1961	
	Number	%	Number	%	Number	%	Number	%	Number	%
0—1	21781	15.21	18514	16.03	20214	16.73	14987	13.72	17804	14.42
2—4	28270	19.74	21182	18.34	21995	18.21	16828	15.40	21984	17.78
5—9	..	..	6808	5.89	5599	4.64	5293	4.85	6904	5.58
10—14	10726	7.49	2940	2.55	2388	1.99	2435	2.23	2801	2.28
15—19	..	..	2489	2.15	1931	1.56	1872	1.71	2067	1.68
20—29	17841	12.46	6236	5.40	6067	5.02	5108	4.68	5432	4.40
30—39	..	..	6892	5.97	6995	5.79	6173	5.65	6642	5.38
40—49	..	..	7121	6.16	7394	6.13	7114	6.51	7566	6.13
50—59	20320	14.18	8712	7.54	9301	7.70	9333	8.54	9984	8.10
60 & above	44291	30.92	34625	29.97	38931	32.23	40105	36.71	42272	34.25
Total	143229	100.00	115519	100.00	120815	100.00	109243	100.00	123456	100.00

TABLE—10.15

Causes of Death and Number of Deaths in Kerala

Causes of Death	1957		1958		1959		1960		1961	
	Number	%	Number	%	Number	%	Number	%	Number	%
1 Cholera	..	..	27	0.02	..	..	..	..	..	..
2 Smallpox	501	0.42	1,082	0.94	2,389	1.98	587	0.54	469	0.3
3 Plague	..	..	..	..	..	..	..	..	..	..
4 Fevers	15,967	11.15	13,417	11.62	13,131	10.87	10,682	9.78	12,363	10.02
5 Dysentry & Diarrhoea	9,768	6.82	6,993	6.06	7,588	6.28	6,216	5.69	8,509	6.89
6 Respiratory causes	14,126	9.86	8,828	7.64	13,187	10.91	13,169	12.05	13,632	11.05
7 All other causes	102,787	71.75	85,172	73.72	84,520	69.96	78,589	71.94	88,483	71.6
Total	143,249	100.00	115,519	100.00	120,815	100.00	109,243	100.00	123,456	100.00

TABLE—10.16

District wise Distribution of Ayurveda Hospitals and Dispensaries during the Year 1961-62

District	Departmental Institutions				Aided Institutions.				
	Ayurveda Hospitals	Ayurveda Dispensaries	Vishwavidya Hospitals	Vishwavidya Dispensaries	Homeo Hospitals	Homeo Dispensaries	Ist grade	IInd grade	Subsidi- sed.
Trivandrum	3	15	..	..	1	1	5	42	..
Quilon	3	22	..	..	1	1	11	47	..
Alleppey	5	24	..	..	1	1	9	34	..
Kottayam	4	14	..	..	1	1	5	51	..
Ernakulam	6	24	..	1	1	1	2	26	..
Trichur	5	40	2	4	1	1	2	19	2
Palghat	4	20	..	1	1	1	..	6	10
Kozhikode	2	16	1	1	..	3	18
Cannanore	3	15	1	1	..	8	12
Total	35	190	2	6	2	9	34	236	42

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CHAPTER XI

EMPLOYMENT SITUATION

Unemployment is perhaps the most important of the socio-economic problems confronting Kerala State. The problem no doubt is the direct outcome of the excessive demographic pressure characterised by the highest density of population in the country. The slow pace with which the industrial sector expands contributes no less to the aggravation of the problem. The Five Year Plans do give some attention to the problem, but it seems not adequate enough even to absorb the annual addition to the labour force. No comprehensive statistics on the employment conditions are available, except for a few sample surveys conducted by the State Statistics Department. The figures of the 1961 Census when published may perhaps throw light on the intensity of the problem in the State.

TABLE—11.1
Employment Exchanges in India (1960)

<i>Sl. No.</i>	<i>States</i>	<i>No. of Employment Exchanges</i>	<i>No. of Registrations</i>	<i>Total No. on the Live Register</i>
1	Andhra Pradesh	21	173,930	106,155
2	Assam	14	50,724	29,816
3	Bihar	22	1,64,655	95,402
4	Gujarat	16	1,20,641	60,942
5	Jammu & Kashmir	2	11,161	2,511
6	Kerala	9	1,06,943	1,51,469
7	Madhya Pradesh	25	1,41,851	59,091
8	Madras	14	1,96,833	1 28,639
9	Maharashtra	25	2,79,796	1,68,005
10	Mysore	15	1,12,620	68,654
11	Orissa	13	79,975	39,026
12	Punjab	24	2,01,990	58,511
13	Rajasthan	17	1,13,915	41,196
14	Uttar Pradesh	53	5 84,502	2,28 937
15	West Bengal	17	2,75,721	2,88,277
16	Centrally Administered Territories	9	1,17,291	79,611
	Total	296	27,32,548	16,06,242

11.2. A recent survey conducted by the Statistics Department during January-February 1962 shows that in Kerala there are 7.60 lakh of unemployed persons consisting of 4.70 lakh males and 2.90 lakh females. Another 1.28 lakh persons reported as available for employment are either below the age

TABLE—11.2

Applicants in the Live Register—Occupation-wise (1960)

Sl. No.	States	Professional Technical and related workers	Administrative Executive Managerial workers	Clerical, Sales and related workers	Agricultural dairy and related workers	Miners, Quarrymen and related workers
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Andhra Pradesh	4,994	86	3,613	591	27
2	Assam	635	103	1,764	153	12
3	Bihar	1,648	22	2,534	159	535
4	Gujarat	1,277	309	2,253	158	67
5	Jammu & Kashmir	157	45	451	14	4
6	Kerala	11,065	139	11,275	1,524	110
7	Madhya Pradesh	1,672	84	2,795	170	1,677
8	Madras	11,185	207	15,128	933	28
9	Maharashtra	4,887	328	13,985	681	34
10	Mysore	3,824	91	2,060	297	10
11	Orissa	1,799	91	4,605	268	161
12	Punjab	5,573	347	1,687	629	33
13	Rajasthan	1,751	118	1,085	284	35
14	Uttar Pradesh	5,325	435	9,921	1,068	55
15	West Bengal	6,180	384	11,792	1,081	234
16	Centrally Administered Territories	8,406	386	7,889	712	7
	Total	70,378	3,175	92,837	8,722	3,029

TABLE—11.2 (contd.)
Applicants in the Live Register—Occupation-wise (1960)

Sl. No.	States	Workers in transport & communi- cations	Craftsmen & Production process workers	Service Workers (e.g. cooks, chowkidars, not elsewhere classified)	Labourers with work experience not elsewhere classified	Persons without pro- fessional or vocational train- ing or previous work experience
(1)	(2)	(8)	(9)	(10)	(11)	(12)
1	Andhra Pradesh	2,437	4,396	4,343	1,513	84,155
2	Assam	846	2,837	747	3,541	19,178
3	Bihar	1,246	8,768	2,320	5,695	72,475
4	Gujarat	1,282	1,769	2,234	1,788	49,805
5	Jammu & Kashmir	148	96	120	921	555
6	Kerala	3,509	11,176	8,320	13,383	90,968
7	Madhya Pradesh	1,185	5,110	2,277	5,529	38,592
8	Madras	3,842	6,452	7,412	8,074	75,378
9	Maharashtra	4,095	9,873	6,389	6,882	120,851
10	Mysore	1,631	3,434	2,218	9,478	45,611
11	Orissa	1,546	5,144	1,939	10,740	12,733
12	Punjab	1,528	3,745	5,612	6,246	33,111
13	Rajasthan	1,647	1,209	1,749	134	33,184
14	Uttar Pradesh	3,125	15,084	9,786	8,357	1,75,781
15	West Bengal	5,395	27,211	6,898	7,557	2,21,545
16	Centrally Administered Territories	2,555	6,420	8,043	1,391	43,802
	Total	36,017	112,724	70,407	91,229	11,17,724

of 15 or above the age of 55. Thus about 11% of the males and 21% of the females in the total labour force of about 54.76 lakhs are unemployed. The total unemployed consists of 14% of the labour force. The survey results also show that about 19 lakh persons are under-employed.

11.3. Valuable employment service is being done by the nine Employment Exchanges in the State. Though these Exchanges are situated in urban areas, statistics turned out by these institutions are quite reliable and they serve as an indicator of the present employment situation. Table 11.1 gives the number of Exchanges, number of registrations, and number on the Live Register in 1960, State-wise. The Live Register is rather bulky in Kerala compared to most other States. The number of employment seekers per Employment Exchange works out to 16,830 in Kerala as against 5,427 for all India. In most of the States the number of registrations in the year 1960 was higher than the number on the Live Register. In Kerala it is just the reverse which indicates a dearth of employment opportunities in the State.

TABLE—11.3
Intensity of Unemployment in Different States

Sl. No.	States	Persons on the Live Register		Population as percentage of all India Population	Intensity of unemployment
		Number	Percentage		
(1)	(2)	(3)	(4)	(5)	(6)
1	Andhra Pradesh	1,06,155	6.60	8.20	0.81
2	Assam	29,816	1.90	2.71	0.70
3	Bihar	95,402	5.90	10.59	0.56
4	Gujarat	60,942	3.70	4.70	0.78
5	Jammu & Kashmir	2,511	0.20	0.81	0.25
6	Kerala	1,51,469	9.40	3.85	2.44
7	Madhya Pradesh	59,091	3.60	7.38	0.49
8	Madras	1,28,639	8.00	7.68	1.04
9	Maharashtra	1,68,005	10.50	9.02	1.16
10	Mysore	68,654	4.30	5.38	0.80
11	Orissa	39,026	2.50	4.00	0.63
12	Punjab	58,511	3.70	4.63	0.80
13	Rajasthan	41,196	2.50	4.60	0.54
14	Uttar Pradesh	2,28,937	14.30	16.81	0.85
15	West Bengal	2,88,277	18.00	7.96	2.26
India (including Union Territories)		16,06,242	100.00	100.00	1.00

TABLE—11.4

Employment Exchange Data on Placings and Registrations

	1960	1961	1962
1. Number of Registrations	1,05,775	1,05,885	1,51,883
2. Number of Placings	11,631	14,526	18,822
3. Average number of employers using the Exchange	198	238	323

TABLE—11.5

Occupational Distribution of the Live Register

Sl. No.	Occupational division	September 1961		September 1962	
		No.	Percent	No.	Percent
1	Professional, technical and related workers	11,100	7.39	14,989	8.54
2	Administrative, executive and managerial workers	164	0.11	259	0.15
3	Clerical and related workers	10,754	7.16	12,825	7.31
4	Sales workers	42	0.03	46	0.03
5	Farmers, fishermen, hunters, loggers and related workers	1,473	0.98	1,805	1.03
6	Miners, quarrymen and related workers	100	0.07	136	0.08
7	Workers in transport and communications	3,070	2.05	4,261	2.40
8	Craftsmen, production process workers and labourers not elsewhere classified	21,416	14.27	21,655	12.34
9	Service, sport and recreation workers	8,054	5.37	11,898	6.78
10	Workers not elsewhere classified by occupations	93,889	62.57	1,07,655	61.34
	Total	1,50,062	100.00	1,75,529	100.0

11.4. The distribution of employment seekers in the Live Register according to the employment sought by them is shown in Table 11.2. In Kerala as well as India as a whole more than 60% of the employment seekers have no professional or vocational skill or any other previous experience. The growth of unemployment is therefore very high in the case of those who have acquired only general education. The employment seekers with training in crafts and other production processes formed only 7.4% of the total number in the Live Register in Kerala.

11.5. Table 11.3. shows the applicants in the Live Register in each State as percentage of the total number registered in India as a whole. Similar percentages of population are also shown in the table. Column (6) of the table gives the ratio of these two percentages. The ratio provides a measure of the intensity of unemployment in the various States in relation to India, the intensity of unemployment in India being unity. The ratio is highest in Kerala which indicates that unemployment is more acute in Kerala than in other States. Among the States, West Bengal follows Kerala in intensity of unemployment. The ratio is a very rough indicator, for a number of factors like the number of Employment Exchanges existing in each State, the accessibility of exchanges to employment seekers etc., affect the same.

11.6. The Employment Exchange data on placings and registrations in 1962 indicate that there was an improvement in the employment situation in 1962 compared to 1961. (Vide Table 11.4). The number of placings was better by 4,300 in 1962 compared to 1961. The number of employers using Exchange for filling up vacancies had also considerably increased in 1962 compared to the previous year. The increase the number of placings is attributable to greater generation of employment in the private and public sectors. Plan schemes executed under the Third Five Year Plan are producing more employment opportunities.

11.7. As can be observed from Table 11.5 clerical and related workers and other unclassified workers constituted 68.64% of the total workers on the Live Register in September 1962. Though this shows a slight decrease from the 1961 level there is not much difference in the total picture which indicates that the Live Register abounds in persons having no skill or technical ability. Even the new entrants to the employment market have no training or job experience. For the past three years the employment seekers in the category of professional, technical and allied workmen range between 7 to 9% of the total number in the Live Register. Anyway there is a slight improvement in 1962 as workers in the above category formed 8.54% in 1962 as against 7.40% in 1961.

CHAPTER XII

THE ECONOMY IN RETROSPECT

The doubts, debates and uncertainties, coming on top of a series of production and foreign exchange crises which have characterised the year end economic scene, 1962, represent a partial assessment of the immediate outlook for 1963. Very few seem to have recognised what exactly the country is in for. The country has yet to complete the process of a re-appraisal of economic and planning objectives in the light of the problems created by external aggression.

12.2. The prospect for Kerala economy remains basically sound and promising. Even though the demands of war have introduced a disruptive element into the economic system, it is in no sense unduly regressive. On the contrary these very conditions have helped to create a new sense of dynamism opening up new opportunities for an upsurge in production and tax effort. Even before the emergency a host of disconcerting signs had appeared on the scene and the emergency has only multiplied these problems several fold.

12.3. On the production side, there was no appreciable change in 1962. Agricultural production has not registered any substantial increase. The production level in 1962 has registered only a slight improvement compared to the all India picture.

12.4. Population is going up all the time and as before, the State has to resort to imports to feed the increasing mouths. The food supply position in the State deteriorated a little in 1962 owing to a fall in the internal productions of rice and reduced arrivals from outside the State. In spite of the reduced supply, price level of rice was slightly lower in 1962 than in 1961. However, in the last three years, the State has imported food valued at more than Rs. 120 crores which imposes a further strain on India's balance of payments, which is already in a rather difficult position.

12.5. The strain on India's payments position affected the flow of the critically required materials and components to feed the industry. A large portion of the industrial sector during 1962 was working below installed capacity. Industrial production during 1962 did not show any steadiness. Early in 1962 a succession of coal and power crises and transport bottlenecks disrupted industrial production programmes. Their full impact was felt during the second quarter and thereafter. Although the transport situation improved somewhat later, a new foreign exchange crisis emerged as a more powerful deterrent to growth than even the transport and power shortage.

This immediately resulted in a freezing of import licenses adversely affecting the import of industrial raw materials and equipment required even to use existing industrial capacity effectively. The question of further expansion receded into the background.

12.6. In such a situation, the fact that there was some industrial growth at all is in itself a great achievement. This is perhaps a measure of the inherent strength of our economy; the level of industrial production as a whole has been higher in 1962 than in 1961, even if the rate of expansion achieved may not have been equally spectacular.

12.7. The slight setback in agricultural and industrial production has been reflected in the State's income growth. Although full data for 1962 are not yet available, it can safely be assumed that there will be no significant increase in the regional income for the year. The average increase over the Second Plan period is 3.7 per cent while the all India increase is 4.2 per cent. Even the earlier expectations regarding 1960-61 has been belied and the final out-turn has been below the earlier forecasts. The per capita income for the State at constant prices was Rs. 235 in 1960-61 as against the all India figure of Rs. 279. The percentage increase in the per capita income of the State according to the provisional estimate during 1960-61 was only 0.9 while in India the corresponding percentage increase was 1.8.

12.8. There is need to inject some pep and performance in the agricultural sector. The ready availability of supplies from outside has caused a certain complacency and a sense of urgency evident in the fifties was missing in 1962. The industrial and investment slow down which persists should cause concern as the State moves into the new year. The emergence of new curbs, controls and import cuts seem to have led businessmen to spend less on expansion and modernisation in 1962. The credit squeeze experienced during this period resulted in a substantial amount of de-stocking both in industry and trade.

12.9. The Chinese aggression in October last brought all weaknesses of the economy to the surface and the Government took speedy action to reorientate economic policy to meet the new menace and also to utilise the new opportunities. The Governments at the centre and States have evolved the first requisites of a stable price policy but these measures are still in the process of implementation. As a first step, the Government had confined its activity to some distributive expedients while industry has come forward with voluntary pledges to hold consumer prices. The labour movement has pledged itself to play a constructive role which is the most encouraging development of the year. From the point of view of the basic objectives of planned development, however, there can be no substitute to a carefully thoughtout price policy implemented with imagination by industry, trade and labour.

12.10. Unemployment problem in the State is so acute that any remarkable improvement cannot be expected within a short period. However, if the Employment Exchange figures can be considered to indicate the general trend in employment, it can be assumed that there has been some improvement in the situation in 1962. The number of placings effected through Employment Exchanges increased by 4,300 in 1962 compared to the previous year.

12.11. The prospects for 1963 is in no sense gloomy. The broad outlines of a scientific approach to our defence problems have already emerged. The economic tasks have been clearly set out in details; the trade, industry, labour as well as the public can now get down to the implementation of their own programmes, fulfilling their respective roles in the cause of national defence and advancement.
