



GOVERNMENT OF KERALA

KERALA 1959

AN ECONOMIC REVIEW



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INTRODUCTION

The Estimates Committee in its report for the year 1958-59 recommended that at the time of the presentation of the Budget for the ensuing year an economic review of the year might be circulated among the Members of the Legislative Assembly along with other Budget papers. This first report is prepared in the Bureau of Economic Studies. Statistics pertaining to the economic conditions of the State during the year usually become available only with the lag of a number of years. It is therefore extremely difficult to make an objective report of the economic conditions of the State during the year at the end of that year itself. What little information could be collected have been analysed and interpreted in chapters II to VI. Chapter I gives a brief general survey of the economy of the State to act as a background to the developments of the year under review. It may be mentioned that for the purpose of this report, the year 1959 has always been taken as the calendar year 1959.

CHAPTER I

A BIRD'S EYE VIEW

Demographic Features :

1.1. Kerala is the smallest State in India having a geographical area of just about 15,000 sq. miles which is only 1.2 per cent of the total area of India. The population of Kerala, which was at the time of the 1951 census 135 lakhs, is however about 4 per cent of the population of India. This is a measure of the extremely high population density of the State which is as a matter of fact the highest in India. The density was 907 per sq. mile in 1951 and now it must be above 1000. The average density for the whole of India is only about 313.

1.2. The rate of population growth in Kerala is also very high. As a matter of fact it is one of the highest in the World. During the decade ending 1951 the population of Kerala increased by almost 23 per cent whereas for the whole of India the corresponding figure, was only 13 per cent. It has however now been estimated that the rate of population growth for the whole of India is much higher for the current decade than the preceding one. It is considered to be not far below 2 per cent per annum. On the other hand there are indications that the rate of growth of population in the State of Kerala might have been falling. The estimate published by the Department of Statistics puts it at only 1.56 per cent per annum. This calculation is based on estimates of Birth Rate and Death rate which are 2.30 per cent and 0.74 per cent for 1956. It is of course well known that Statistics of birth and death in India are highly unreliable. Therefore not too much importance need be attached to the rates quoted above.

1.3. The age distribution of Kerala is compared with that for the whole of India in the table given below :

TABLE—1.1
Age Distribution in Kerala & India

Age	India (Per cent)	Kerala (Per cent)
0-5	13.4	14.8
5-15	24.9	24.4
15-25	17.4	20.7
25-55	35.9	31.8
Above 55	8.4	8.3
	100.0	100.0

TABLE—1.2
Distribution of population

	All India (in lakhs)	Percentage to total population	Kerala (in lakhs)	Percentage to total population
Total population	3567	100.0	135	100.0
Self-supporting persons	1048	29.4	37	27.4
Earning dependents	384	10.8	8	5.9
Non-earning dependents	2135	59.8	90	66.7

TABLE—1.3
Distribution of Working force

Livelihood class	All-India (in lakhs)	Percentage to total working force	Kerala (in lakhs)	Percentage to total Working force
Total working force	1432	100.0	45	100.0
A. Agriculture	1003	70.0	23	51.1
B. Non-Agriculture	429	30.0	22	48.9
1. Production other than cultivation	167	11.7	10	22.2
2. Commerce	73	5.1	3	6.7
3. Transport	20	1.4	1	2.2
4. Other services and miscella- neous sources	169	11.8	8	17.8

TABLE—1.4

**Breakdown of Percentage of Self Supporting persons
excluding Agriculture and Government Services into
Occupation Groups**

	<i>Kerala</i> (percentage)	<i>India</i> (percentage)
1. Plantation Industries	5.99	3.68
2. Forestry	0.93	0.87
3. Fisheries	5.56	1.45
4. Mining, manufacturing, electricity, and gas supply, construction works and maintenance of works	38.05	37.96
5. Commerce	14.75	20.53
6. Transport (excluding railways and air transport)	6.48	3.99
7. Medical, Educational Service and Sanitary Services	4.92	5.33
8. All other services	23.32	26.19
Total of self-supporting persons excluding Agriculture and Government Services :	100.00	100.00

As can be seen, the Kerala population has got relatively more of young people and less of old people than the population of India. This is primarily due to the smaller rate of infantile mortality in Kerala than in the rest of India (the last named rate is 50 per thousand of live births in Kerala whereas it is 113 in the whole of India) and probably also due to a higher birth rate. The sex ratio shows an interesting characteristic in Kerala. For every thousand males, there are in Kerala 1028 females. For the whole of India and in most other States there are more males than females. Madras and Orissa are the only two other States having the same characteristic as Kerala.

Occupation Pattern :

1.4. Table 1.2 shows the proportions of Self-Supporting, Earning Dependent, and non Earning Dependent persons in the populations of Kerala and the whole of India respectively. It is seen that in Kerala the proportion of Self-Supporting persons to the total population is slightly smaller than in the rest of India. If however one

considers the Working Force, which is made up of Self-Supporting and Earning Dependent persons, its proportion to the total population is very much smaller in Kerala than in the rest of India. Thus, the burden of dependence on the earning members of the Society is heavier in this State than in the rest of India. This cannot be accounted for by the slightly higher proportion of the minor and the aged in the State. It is substantially a reflection of the relatively narrow scope for remunerative labour in the economy.

1.5. Table 1.3 compares the composition of the Working Forces of Kerala and India. It reveals surprising disparity between the two. While for the whole of India as much as 70 per cent of the Working Force belongs to the Agriculture Sector, the proportion for Kerala is only 51 per cent. The proportion of workers engaged in non-Agricultural production is 22 per cent for Kerala and 11.7 per cent for the whole of India. The figures are paradoxical; for one generally associates higher proportion of workers in Agriculture with a less industrialised economy, and Kerala is certainly industrially more backward than the rest of India. This paradoxical statistical feature arises from the exceptionally high population pressure on land. The pressure is so high that it is physically impossible for Agriculture to support more than 51 per cent of the population.

1.6. Table 1.4 shows a breakdown of the Working Force excluding Agriculture and Government Services in terms of the Occupation Group of the workers. It brings out still more clearly the divergence of the employment pattern in Kerala from that of the whole of India. Once more the divergence is in a direction opposite to what one would expect. If one were to judge by this table alone, one would conclude that Kerala is quite advanced industrially. Thus, the workers engaged in Mining and Manufacturing constitute a higher proportion in Kerala than in the rest of India; conversely the proportion of workers engaged in Commerce and Services is lower in the State than in the whole country.

Agriculture :

1.7. The following table gives a classification of the land area of the State according to mode of utilization.

TABLE—1.5
Land Utilization in Kerala (1955-56)

<i>Details of utilization</i>		<i>Area in '000 acres</i>	<i>Percentage to total area</i>
Total	...	9,412	100.0
Forests	...	2,433	25.8
Barren and uncultivable land	...	497	5.3
Land put on non-agricultural uses	...	471	5.0
Cultivable waste lands	...	406	4.3
Permanent pastures and grazing lands	...	116	1.2
Land under miscellaneous tree crops	...	508	5.4
Current fallow	...	140	1.5
Other fallow	...	364	3.9
Net area sown	...	4,477	47.6
Area sown more than once	...	989	10.5
Total cropped area	...	5,466	58.1

1.8. The per capita extent of cultivated land in Kerala is among the lowest in India.° Already in 1921 it was only 53 cents; now it is less than 30 cents. The extreme pressure on land has resulted in excessive sub-division and fragmentation of holdings. Table 1.6 shows the cumulative percentage distribution of holdings amongst households in the T. C. area and the Malabar area of Kerala separately. (The two parts of the table cannot be combined as the methods of measurement used were different for these two areas.)

TABLE—1.6

Cumulative percentage distribution of number of holdings and land area of holdings in Travancore-Cochin area and the Malabar District

<i>Grade of holdings</i>	<i>Travancore-Cochin</i>		<i>Malabar</i>	
	<i>No. of holdings</i>	<i>Area</i>	<i>No. of holdings</i>	<i>Area</i>
1. Up to 1 acre	66.72	16.49	28.91	2.43
2. „ 2.50 acres	86.47	36.96	51.52	8.22
3. „ 5 acres	94.84	57.07	69.55	17.68
4. „ 10 acres	98.35	73.35	83.79	32.30
5. „ 20 acres	99.50	83.59	93.91	52.58
6. „ 40 acres	99.86	90.15	97.88	68.57
7. „ 100 acres	...	...	99.62	82.37
8. All.	100.00	100.00	100.00	100.00

TABLE—1.9

**Requirements and availability of selected crops
in Kerala**

<i>Name of Crop</i>	<i>Unit</i>	<i>Requirement (1960-61)</i>	<i>Production (1956-57)</i>
1. Rice	...Lakh tons	16.50	8.73
2. Tapioca	... ,,	14.90	14.26
3. Pulses	... ,,	2.57	0.13
4. Sugarcane	... ,,	2,16	0.33
(in terms of gur)			
5. Coconut	...Crores nuts	248.00	318.20

1.9. Tables 1.7 and 1.8 show the acreage, per acre yield and production of the principal crops in Kerala. The per acre yield of rice in Kerala is very much higher than that in the rest of India. While it is above 1000 lbs. per acre in Kerala, it is less than 800 pounds per acre for the whole of India.

TABLE—1.7

Area & Yield of Principal Crops in Kerala

Name of Crop	Crop Year	Area ('000 acres)	Production		Source
			Unit	Quantity	
Rice	1958-59	1899	lakh tons	9.40	
Tapioca	1956-57	515 ✓	"	14.26	Statistics Department { L. U. S. Estimates
Coconut	"	1136 ✓	crores nuts	318.20	
Areca nut	1957-58	145	lakh maunds	12.51	Indian Central Areca nut Committee
Cashew nut	1956-57	87	000 tons	54.35	Statistics Department { L. U. S. Estimates
Bananas	"	82	"	213.50	
Sugarcane	1958-59	22	"	350.20	Statistics Department { Final Forecast
Pepper	"	224	"	25.04	
Ginger	"	22	"	7.66	
Cardamom	1956-57	70	"	1.24	Statistics Department { Rubber Board
Tea	1957	99	"	34.18	
Coffee	1956-57	37	"	6.61	
Rubber	1958	271	"	22.16	

TABLE—1.8

Average Yield per acre (1956-57)

(based on the Land Utilization Survey of the Department
of Statistics)

Name of Crop	Yield per acre	
	Unit	Quantity
Rice	... lb.	1024
Tapioca	... „	6200
Coconut	...No. of nuts	2800
Arecanut	... „	54500
Sugarcane	... lb.	41200
Bañana	... „	5800
Cashewnut (unshelled)	... „	1400
Pepper	... „	279
Ginger (dry)	... „	957
Cardamom	... „	40
Tea	... „	776
Coffee	... „	221
Rubber	... „	235

1.10. Table 1.9 shows the position of a few important crops in Kerala with regard to their availability as compared to their need based on dietary norms for per capita consumption. The scarcity of cultivable land in relation to the size of the population makes Kerala the most deficit of all States in India in respect of rice. The per capita production of foodgrains in Kerala is less than half of that for the whole of India.

Animal Husbandry :

1.11. Kerala is poor in her cattle wealth but rich in poultry. The bovine, ovine and poultry population in 1956 in absolute figures is given in the following table:—

TABLE—1.10

Livestock & Poultry in Kerala and India (1956)

(figures in lakhs)

		<i>Kerala</i>	<i>India</i>
Cattle	...	25.10	1586.51
Buffaloes	...	4.88	449.16
Sheep	...	0.98	392.46
Goats	...	9.56	554.05
Pigs	...	1.14	49.32
Other Livestock	...	0.02	33.54
Total Livestock	...	41.68	3065.04
Total Poultry	...	67.95	946.83

1.12. For every 1000 persons in Kerala there are 210 bovine and 64 ovine. For the whole of India the figures are 528 and 247 respectively. The extent of area ploughed by working bovine in Kerala is nearly 6 acres whereas it is only 5 acres for the whole of India. The number of milch cows and buffaloes ('in milk' and 'dry and not calved') per thousand human population in Kerala is only 76 whereas in India it is 177. The *per capita* consumption of milk and milk products in Kerala is one of the lowest in India. The figures of daily consumption in Kerala and India are 1.2 ozs. and 4.5 ozs. respectively. But the number of poultry per thousand persons in the State is 470 whereas in India it is only 255.

Forests :

1.13. Kerala has got extremely valuable forests covering 25.8 per cent of its geographical area. This is slightly lower than the recommended optimum percentage; but higher than the all India figure which is only 22.4 per cent. Kerala's forests are economically much more valuable than those of the rest of India; while the revenue yield from forests is about Rs. 3 per acre for the whole of India, it is as high as Rs. 10 in Kerala. Kerala's forests have been contributing quite a handsome revenue to the Government every year. In the last two years the annual contribution has been above Rs. 3 crores. The following table shows the yield of timber from Kerala's forests in 1957-58 and 1958-59. It can be seen that the yield has gone up very much during 1958-59.

TABLE—1.11

Out Turn of Timber & Firewood

Items	59-60	Unit	1957-58	1958-59
A. Rough Logs				
(i) Teak	8,97,685	Cft.	665709	1186772
(ii) Others	34,48,706	„	1930069	3269874
B. Squared Timber				
(i) Teak	216	„	415	377
(ii) Others	9656	„	46126	144425
C. Rough Poles	3,00,730	Nos.	461563	411290
D. Fire wood	1,65,866	Tons.	24070	52293

Fishery :

1.14. Out of the total Indian coast line of 3000 miles Kerala's share is 360 miles. There are in Kerala about a lakh of active fishermen who among them use 21,000 fishing crafts and 24,600 fishing gears. This is to be compared with an estimated 5 lakh active fishermen in the whole of India using 75,000 fishing crafts. There are in Kerala 236 fishing villages with an average 178 households and 1140 inhabitants in each of them. The average income of fishing household was found in a survey conducted a few years back to be Rs. 542 per annum.

1.15. The table below shows the landing of fish in Kerala and in India during some recent years. The increase in landings during 1957-58 and 1958-59 does not however represent a permanent gain: they are explained by the occurrence of exceptionally large shoals of sardines along the Kerala coast during these two seasons. It is estimated that by the end of the Second Five Year Plan the potential of fish landings in the State will rise to 2.5 lakh tons.

TABLE—1.12

Fish Landings in Kerala & India

Year	Total landings in India (Tons)	Total marine fish landings in India (Tons)	Fish landings in Kerala (Tons)	Percentage to Indian Marine Fish landings
1955-56	8,39,000	5,96,700	2,12,000	35.5
1956-57	10,12,300	7,18,700	2,28,500	31.8
1957-58	12,33,000	8,75,400	3,41,000	39.0
Up to Dec- ember 1958	..	..	2,97,000	..

1.16. Only 50 per cent of the present production of fish in the State is consumed fresh while the rest is used for curing and processing. (For the whole of India the percentage is 43 per cent. Another 50 per cent is dried and cured and the remaining 7 per cent used for fish manure, fish oil etc.)

Irrigation :

1.17. The abundant water resources of Kerala have not been made any use of until recently. The only area under controlled irrigation at the commencement of the First Five Year Plan was the Nanjinad area (56,000 acres) which was served by the Kodayar Irrigation system. The Nanjinad area now forms part of the reorganised Madras State. During the First Plan period seven major irrigation projects (including those in the Malabar area started under the Madras Plan) viz., Neyyar, Chalakudy, Peechi, Vazhani, Malampuzha, Walayar and Mangalam were taken up and at the end of the Plan period the Malampuzha, Chalakudy and Peechi schemes benefited an area of 78,069 acres of paddy land. All the seven major irrigation schemes included in the First Plan were carried over to the Second Plan. Besides these, six new schemes, namely Meenpara, Pothundy, Neyyar II Stage, Chalakudy II Stage, Cheerakuzhi and Periyar Valley Project were included in the Second Plan. All these schemes taken together will irrigate a total area of 1.96 lakh acres by 1960-61 and 2.95 lakh acres ultimately. The target for area to be benefited from Medium, Minor and Lift Irrigation works during the Second Plan period is 1.52 lakh acres. In addition, works are in progress for the development of 1,21,000 acres of water logged land in the Kuttanad region making them suitable for a second crop ; also for the improvement of 4000 acres

of land at Kattampally in the Cannanore District. 45,000 acres of flood affected land is going to be protected from flood and rendered suitable for cultivation.

Power :

1.18. The natural conditions of Kerala make possible hydro-electric power generation at a remarkably low cost, but advantage has not been taken of this possibility until recently. The installed generating capacity available at present is 109,500 K.W. distributed among hydro-electric stations as shown in the table below :

TABLE—1.13

Power Generation Capacity in Kerala (1959-60)

<i>Name of Station.</i>	<i>Installed Capacity (K.W.)</i>	
1. Pallivasal	..	37,500
2. Sengulam	..	48,000
3. Poringalkuthu (1st stage)	..	24,000
		109,500

1.19. Two other projects namely Poringalkuthu (II Stage) and Neriamangalam will be commissioned by 1960-61. They will increase the available installed capacity by 8,000 K. W. and 45,000 K. W. respectively. The total capacity by 1960-61 will therefore be 1,62,500 K.W. It is estimated that demand for Power will rise to 204 M.W. by 1960-61. There will therefore be power shortage during the next few years. But there are three other projects in execution, namely the Panniar Scheme, the Sholayar scheme and the Pamba 1st stage scheme. They will increase the power generation capacity of the State by 30,000 K.W., 54,000 K.W. and 1,00,000 K.W. respectively and are due to be commissioned in the years 1961-62, 1963-64 and 1964-65 respectively. Table 1.14 shows the pattern of power consumption in the State during the last few years.

Transport :

1.20. Kerala has the maximum road density in India. In 1955-56 there was in Kerala an average of 72 miles of road for every 100 sq. miles of area, as against the all India average of 16 miles. Table 1.15 gives the mileages of roads of different categories as at the end of year 1955-56.

TABLE—1.14

Pattern of consumption of electrical energy by the various classes of consumers

	1954-55		1955-56		1956-57		1957-58		1958-59	
	m. units	%	m. units	%	m. units	%	m. units	%	m. units	%
1. Domestic consumers, commercial lights and fans and small power	14.95	6.6	15.79	5.8	20.61	6.9	24.50	6.8	29.97	7.0
2. Public lighting	1.29	0.5	1.42	0.5	2.48	0.8	3.35	0.9	4.43	1.0
3. Agricultural operation and water works	15.20	6.8	15.26	5.6	17.59	5.9	19.56	5.4	18.78	4.4
4. Small and medium industries (Low Tension Supply)	16.79	7.5	19.31	7.1	28.03	9.4	27.25	7.5	30.30	7.1
5. Large and Heavy Industries (High tension)	157.32	69.6	201.37	73.4	193.01	64.5	248.60	68.4	297.42	70.0
6. Bulk supplies to licensees and neighbouring State	20.18	9.0	20.84	7.6	37.53	12.5	40.03	11.0	42.05	10.5
	225.73		273.99		299.25		363.29		422.95	

TABLE—1.15
Roads in Kerala (1955-56)

<i>Category of Road</i>	<i>Mileage</i>	<i>Mileage per 100 sq. miles of area</i>
All Categories ..	10739	72
National Highways ..	276	2
Provincial Highways ..	1156	8
District Roads ..	3873	26
Village Roads ..	5434	36

The Second Five Year Plan has set itself a task of improving and constructing 1147 miles of roads, building 85 major bridges and 95 minor bridges and constructing 1500 miles of Village Roads.

1.21. The mileage of railways in the State is however quite small in comparison with its area, population and commercial activity. Kerala had 467 miles of railways in 1956 out of the total railway mileage of 34,000 in the whole country. The effects of inadequate railway connections is to some extent attenuated by the extensive facilities for Water Transport that the State is provided with. Water Transport still remains the cheapest form of transportation in the State. The Coastal Canal System and the Inland Cross Canal System connects up most of the commercial and industrial centres of Kerala. There is an uninterrupted water communication from Trivandrum to Tirur over a distance of 220 miles. In the Second Five Year Plan there are provisions for improvements to be made to the present Canal System.

1.22. In relation to population the number of motor vehicles in Kerala is more than the all-India average. The number of motor vehicles per lakh of population in India is 89 while that in Kerala is 150. The State Transport Department is operating services in almost all the trunk roads in the T-C area of the State. It operates passenger service on 301 important routes covering a route mileage of 5795 miles.

Social Service :

1.23. Kerala is the most advanced State in India in the matter of Social Services. Literacy among the people here is far ahead of that in any other State. The percentage was 41 per cent in 1951 and must be much higher now in view of the continued progress in the field of education. The following table shows the percentage of school and college going population to the total population in Kerala and in the rest of India. It is seen that the spread of education in all its levels is higher in the State than in the rest of India, though the State is relatively backward in the field of Technical Education.

TABLE—1.16

Percentage of Total Population attending Educational Institutions

	<i>Kerala</i>	<i>India</i>
Primary Schools	13.47	5.96
Secondary Schools	4.27	2.20
Schools for Special Education	0.32	0.46
Colleges for General Education	0.24	0.15
Colleges for vocational Education	0.02	0.03

Again 59 per cent of the population belonging to the age group 5—16 in Kerala went to school in 1955-56 whereas the proportion for the whole of India was only 28 per cent. There were in the State, at the end of 1958, 6973 Lower Primary Schools, 1756 Upper Primary Schools, 826 High Schools, 44 Arts and Science Colleges and 43 other educational institutions.

1.24. Not only in Education but in Health also Kerala is ahead of most other parts of India. In terms of hospitals and dispensaries the per capita facilities available to the people of Kerala are quantitatively more than double the corresponding all India average. Thus, in 1955-56 there were 38 hospitals and dispensaries and 726 hospital beds per 10 lakh population whereas there were only 26 and 320 of them in the whole of India.

1.25. That the general health standard of the people of Kerala is much better than that of the rest of India is attested by the fact that the Death Rate in Kerala is estimated to be about half that in the whole of India. (Thus in 1954 the death rate for the whole of India was estimated at 12.5 per thousand whereas for Kerala the estimate for 1956 in 7.40). The same is indicated by a study of the impact on the State of some of the most important of the fatal diseases affecting seriously other parts of India. Thus, Cholera has been practically eliminated in the State ; while the death from Smallpox was 12 per lakh for the whole of India in 1954, it was only 5 per lakh for Kerala in 1954, and a little over 2 per lakh in 1956. Death from respiratory diseases including T. B. was for the whole of India 110 per lakh in 1954 ; for Kerala it was only 40 in 1954, though it rose to 70 in 1956. Death from Malaria and other fevers was 600 per lakh of population for the whole of India in 1954, whereas for Kerala the ratio was only 60 in 1954 and rose to 80 in 1956. It is however true that while Kerala is saved from the scourges of a number of deadly diseases that afflict certain other parts of India, she has her own share of difficult indigenous diseases like Filariasis.

Export & Import.

1.26. Kerala is an important earner of foreign exchange for India. Kerala's Pepper, Cardamom, Ginger, Tea, Coffee, Lemongrass Oil, Cashew Nuts and Coir Products are greatly in demand in the world market. For many of these products Kerala has got all India if not world monopoly, and for many of these products there are important buyers who pay in Dollars, Sterling and Roubles. Table 1.17 and 1.18 show the value of exports through the principal ports of Kerala during the five years 1953-54 to 1957-58.

1.27. It is seen that the total value of exports from the ports during these years have been just below Rs. 80 crores, of which a little more than Rs. 50 crores is to foreign countries and about Rs. 25 crores to other Indian ports. It cannot be said with certainty exactly how much of the commodities exported are of origin within Kerala. There is of course no doubt that the entire bulk of Pepper, Coir Products, Cashew Products, Fish and Prawn, and Lemongrass Oil come from Kerala, but a part of tea, coffee, cardamom and ginger originates outside. However it is not possible to know definitely how large the part is it without conducting a very detailed investigation into the question. It may not however be far from true to say that Kerala's earnings of foreign exchange during the recent years have amounted to about Rs. 50 crores per year.

TABLE I.17
Valuation of Foreign Exports from the Ports of Cochin, Alleppey and Calicut
(Rs. in lakhs)

Serial No.	Some important Commodities of Export	1953-54	1954-55	1955-56	1956-57	*1957-58	
1	Cardamom	..	22.44	32.84	50.17	54.84	55.90
2	Cashew (Kernels and liquids)	..	927.55	1014.52	1155.12	1112.02	1141.82
3	Coffee	..	72.39	82.88	93.69	76.50	90.73
4	Coir and Coir products	..	804.00	731.37	856.86	878.09	704.87
5	Fish and Prawns	..	102.69	79.34	31.85	123.86	149.33
6	Ginger	..	27.94	33.24	58.71	61.40	39.23
7	Metals, Minerals, Ores	..	21.56	22.78	28.93	77.10	60.77
8	Lemon grass oil	..	72.62	104.73	130.65	147.00	138.41
9	Pepper	..	962.13	569.81	378.61	341.69	295.67
10	Tea	..	1912.96	2196.86	1992.17	1974.75	2434.78
11	Others	..	235.72	443.83	591.64	525.75	491.40
Total Value of Foreign Exports			5162.	5312.	5369.	5343.	5603.
Total value of exports to Ports in India		..	2238	2193	2489	2404	2318
Value of total exports		..	7400	7505	7858	7747	7921

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

TABLE 1.18

Trade through the principal Ports of Kerala (Rs. in lakhs)

Port	Year	Export			Import		
		External	Internal	Total	External	Internal	Total
Cochin	1952-'53	4667	1830	6497	2117	2605	4722
	1953-'54	4416	1896	6312	2377	2643	5021
	1954-'55	4698	1925	6624	3005	2057	5062
	1955-'56	4697	2212	6909	2345	2985	5330
	1956-'57	4759	2140	6899	2780	2803	5584
	1957-'58	4715	2318	7033	2575	2725	5300
*Alleppey	1952-'53	442	..	442	25	..	25
	1953-'54	428	..	428	19	..	19
	1954-'55	322	..	322	29	..	29
	1955-'56	288	..	288	23	..	23
	1956-'57	284	..	284	29	..	29
	1957-'58	273	..	273	40	..	40
Calicut	1952-'53	318	310	628	89	338	428
	1953-'54	391	269	660	31	414	445
	1954-'55	292	267	559	62	307	369
	1955-'56	384	276	661	109	265	373
	1956-'57	300	264	564	223	271	494
	1957-'58	N/A	188	N/A	N/A	195	N/A

* Internal trade is insignificant and most of the years Alleppey did not have any internal trade.

1.28. Table 1.18 shows the values of export and import separately for the three principal ports of Kerala namely, Cochin, Calicut and Alleppey. The total value of import through these ports has been of the order of Rs. 60 crores in the recent years. By far the greater part of export and import takes place through Cochin; next in importance is Calicut. But if one thinks of trade with foreign countries alone, Alleppey is more important than Calicut. Alleppey has not got any trade at all with other Indian ports.

Plantations.

1.29. Plantations play an extremely vital role in Kerala's economy. Table 1.21 presents some essential statistics about the three most important plantation industries in the State, viz., tea, coffee and rubber. There are 3.4 lakh acres of land under plantations in the State and they give employment to 1.75 lakh persons. It is seen that the bulk of the acreage under plantation is accounted for by rubber, whereas the largest volume of employment is given by tea. It may also be noted that the average daily wage rates in the plantations are very much lower than the average wage rates obtaining in the industries (see table 1.25). Tables 1.19 and 1.20 show distributions of the numbers and acreage of tea and coffee plantations according to the area under the respective crops. The average size of tea plantations is very much higher than that of rubber or coffee. The average size of a rubber plantation is less than 7 acres, that of a coffee plantation, less than 100 acres, but that of a tea plantation is nearly 350 acres. There are 17 tea plantations in Kerala with more than 1000 planted acres. As a matter of fact, tea gardens are either very large or smaller than 200 acres. It is seen from table 1.19 that those tea plantations that are above 200 acres in size are mostly above 500 acres. But the frequency distribution of coffee plantations according to size conforms more to the regular frequency distribution of this type wherein the lowest or the almost lowest size occurs with the largest frequency.

Industries.

1.30. Kerala is industrially very backward. Her important industries lie very largely outside the boundary of organised industries. As such very little of statistics is collected for them. Even those industries which are factory based are not properly covered by the existing industrial statistics, for they happen to be mostly industries not coming within the purview of the Census of Manufacturing Industries. There is therefore very little information available as to production or investment in the industries. Some

information about employment alone is available. But even that is very sketchy for all industries which do not come under the Factories Act.

TABLE 1.19
Distribution of Tea Plantations in the State according
to area under Tea—1957.

<i>Area under Tea (Acres)</i>	<i>No. of plantations</i>	<i>Acreage</i>
Below 200	141	9569
200—300	24	6081
300—400	14	4679
400—500	13	5857
500—700	36	21854
700—1000	37	30979
100 and above	17	19621
All	282	98640

TABLE 1.20
Distribution of Coffee Plantations in the State accord-
ing to area under Coffee—1957.

<i>Area under Coffee (Acres)</i>	<i>No. of plantations</i>	<i>Acreage</i>
Below 25	Not available	17606
25—100	155	7342
100—200	22	2953
200—500	16	5050
500 and above	6	3951
All	..	36902

TABLE—1.31
Plantation Statistics

Type of Plantations	Year to which the figures relate	Number of plantations as at the end of the year	Total area under Plantations during the year (acres)	Total production from the plantations during the year (tons)	Total persons employed (daily average during the year)	Daily Average Wages (Rs.)	
						Men	Women
Tea	1957	282	98640	34175	97519	1.68	1.51
Coffee *	July 1956- June 1957	212	36902	6610	18080	1.58†	1.17†
Rubber	1956	30829	203282	21319	59502	1.76	1.31
All		31323	338824	..	175101		

* The number of Coffee plantations refers only to those having area 25 acres and above. The data in other columns are however inclusive of small-growers.

† Daily wages for Coffee and Cardamom estates.

1.31. (The number of factory workers in the State in 1958 has been estimated at 1.64 lakhs. No direct estimate of the number of workers in the different small scale and cottage industries has been made since the 1951 Census, but using a simple projection the figure may be very roughly put at 6.25 lakhs. The proportion of factory labour to total industrial working force is thus 20.8 per cent. The corresponding proportion for the whole of India, it may be mentioned, is 21.4 per cent. This difference probably reflects the relative preponderance of small industries in Kerala's industrial pattern.) The largest employment giving industry in the State is Coir. It was estimated by the Minimum Wage Committee for the Coir Industry that the number of non-factory workers engaged in the industry in 1953 was 2.07 lakhs. It has also been observed that between 5 to 10 lakh people depend on this industry for their living. Handloom is also an important employment giving but economically languishing industry. It is estimated that there are about 1.2 lakh handlooms with a potential to give employment to 2.5 lakh weavers in the State.

1.32. Table 1.22 gives the number of factory workers employed in those industries in the State that give employment to about 2,500 factory workers or more. It is seen that the largest employment giving industry in the State is the Cashew Industry and next in importance comes Textiles. Coir and wood based industries follow closely after. Table 1.23 classifies the industries according to the average number of workers in factories belonging to them. It is seen that the largest number of industries belonging to the group 20-50 ; also that the group "above 300" account for the largest part in the total employment, though this is entirely due to one particular industry, namely Cashew. Table 1.24 throws further light on the Industrial pattern of the State. It brings out very clearly the preponderance of agriculture and forest based industries as opposed to mineral based industries in the State. (As much as 45.52 per cent of the factory labour in the State are employed in the food processing industries whereas the proportion for the whole of India is only 13.44 per cent.) The proportion of workers employed in industries using metals in Kerala is by far inferior to that in the rest of India. On the other hand, industries using non-metallic products account for a higher percentage of factory workers in the State than in the whole of India.)

1.33. Table 1.25 gives the average daily wages in a number of industries. (The lowest wage rate is found to obtain in the Cashew industry. The highest rates are found to prevail among the few very modern industries in the State like Rayon, Fertilizers, etc., as well as in the Soap Industry.)

TABLE—1.22

**Factory Employment in a number of Selected Industries
in Kerala—1958.**

<i>Sl.No.</i>	<i>Name of the Industry</i>	<i>Total Employment</i>	<i>Average Employment per factory</i>
1	Cashew	67,278	386
2	Textiles	19,246	82
3	Coir	13,397	88
4	Bricks and Tiles	11,666	75
5	Saw Mills & Other Woodbased Industries	6,825	77
6	Tea	5,920	49
7	Splints and Veneers	4,651	60
8	Printing	3,720	23
9	Beedi	2,929	34
10	Repair of Motor Vehicles	2,785	30
11	General Engineering	2,466	57

TABLE—1.23

Industries in Kerala classified according to the average number of employment in each factory (1958)

Sl. No.	No. of workers	Names of the Industries	Total employment (approximate)
1	1—20	Flour Mills, Rice Mills, Oil, Cigar, Packing Cases, Tyre Retreading, Forgings, Iron and Steel, Cycle, Jewellery, Pencils, Plastics, Dyeing and Printing	5,000
2	20—50	Hydrogenated oil, Tea, Beedi, Knitting Mills, Saw Mills, General Wood works and wooden furniture, Printing, Rubber, Pharmaceuticals, Match, Other Chemical Products, Metal Containers, Cutlery and Locks, Agricultural Implements, Repair of Motor Vehicles, Brushes, Stamp, Vegetable and Animal Oils and Fats, Confectionaries etc.	25,000
3	50—100	Canning of fruits and vegetables, Starch, Salt, Textiles, Coir, Umbrella, Splints and Veneers, Heavy Chemicals, Other Chemicals, Petroleum, Bricks and Tiles, Pottery, General Engineering and Power	55,000
4	100—300	Canning of fish and other sea foods, Coffee curing, Plywood factories, Soap, Glass works, Electrical Machinery and Ship Building and Repairing	6,000
5	Above 300	Sugar, Cashew, Rayons, Paper Mill, Artificial manures, Cement, Aluminium and Bus body building	73,000
		Total	1,64,000

TABLE—1.24

**Percentage of Employment in Factories in Kerala and
India during the half year ended 30th June, 1957.**

<i>Factories</i>	<i>Kerala</i>	<i>India</i>
Total employment	100.00	100.00
Electricity, Gas and Steam	0.04	0.98
Transport Equipment	2.85	8.47
Electrical Appliances and Supplies	0.23	1.36
Machinery (except electrical)	2.19	3.99
Metal Products (except machinery and Transport equipment)	0.35	2.47
Basic Metal Industries	0.75	3.60
Non-metalic products (except petroleum)	9.80	4.07
Petroleum and Coal	0.68	0.52
Chemicals & Chemical Products	2.44	3.09
Rubber and Rubber Products	1.39	0.93
Leather & Leather Products (except footwear)	..	0.65
Paper and Paper Products	0.81	1.01
Foot wear, other wearing apparel etc.	0.87	0.48
Textiles	22.17	37.34
Food (except beverages)	45.52	13.44
Others	9.91	17.60

TABLE—1.25
Average Daily Wages in Industries

Sl. No.	Industry	Average Daily Wages (Rs.)	
		Men	Women
1	Rice Mills	1.95	1.20
2	Oil Mills	2.20	1.27
3	Tea Factories	2.01	1.39
4	Cashew Industry	1.55	1.01
5	Beedi & Cigar Factories	2.39	..
6	Cotton Textiles & Knitting	2.67	2.47
7	Coir Factories	2.36	1.29
8	Rayon	5.86	3.28
9	Timber Industry	2.34	1.14
10	Splints, Veneers for Matches	1.58	0.81
11	Paper Mill	2.88	2.38
12	Printing Press	3.04	1.30
13	Rubber Plantation Factories	2.18	1.62
14	Soap Factory	6.22	3.97
15	Bricks and Tiles	2.08	1.23
16	Glass Factory	2.58	1.92
17	Cement	4.42	3.25
18	General & Electrical Engineering	3.45	1.96
19	Automobile Repairing	3.50	..

TABLE—1.26

**Statement showing number of industrial disputes
resulting in work Stoppages—1958**

Sl.No.	Industry	No. of disputes	Workers affected	No. of man days lost during the year
1	2	3	4	5
1	Plantation	133	76622	745361
2	Cashew	19	10723	56544
3	Coir	14	6348	33874
4	Saw Mills	15	360	4306
5	Textiles	14	10870	109852
6	Tiles	57	6801	46904
7	Others	158	10766	67042
8	Total	410	122490	1063883

1.34. Table 1.26 gives some statistics about the incidence and effects of industrial disputes in the State. It is seen that 77,000 out of 1,75,000 plantation workers and 46,000 out of 1,60,000 industrial workers were affected by such disputes in 1958.

Consumption Pattern.

1.35. Sample surveys conducted recently by the Department of Statistics throw some light on the consumption habits of the people of Kerala. Tables 1.27, 1.28 and 1.29 present some of the interesting findings. Tables 1.27 compares the consumption patterns of three socio-economic classes in Kerala, namely Agricultural Labourers, Agricultural other than Agricultural Labourers and non-Agricultural. The per capita consumption figures differ from class to class due to two reasons : difference in consumption habits and differences in the average levels of income among the classes. Thus, if consumption of most items is lower for agricultural labourers, that is principally because they are poorer than the other two classes. The same reality is reflected in the higher consumption of Tapioca by this class. A comparison of the

TABLE—1.27
Consumption Pattern in Kerala (1958)

	(in rupees)							
	Monthly per capita domestic expenditure on							
	Rice	Tapioca	Meat, Egg, Fish	Oil and oil products	Sugar	Clothing	Fuel & light	Milk & milk products
1 Agricultural labour class	4.79	0.73	0.53	0.41	0.14	0.62	0.91	0.13
2 Agricultural non-labour	6.58	0.64	0.79	0.88	0.36	1.99	1.40	0.84
3 Non-Agriculture	5.62	0.50	0.80	0.67	0.36	1.19	1.18	0.80

TABLE—1.28
Consumption pattern: Comparison between Kerala (1958) and India (1953-54)

	(in rupees)							
	Monthly per capita domestic expenditure on							
	Rice	Tapioca	Meat, Egg, Fish	Oil & oil products	Sugar	Clothing	Fuel & light	Milk & milk products
Kerala (Rural & urban)	5.44	0.62	0.68	0.60	0.27	1.09	1.10	0.52
All India (Rural)	6.96	..	0.41	0.45	0.49	1.66	1.14	1.31
All India (Urban)	6.33	..	0.84	0.79	0.59	1.68	1.50	2.34

TABLE—1.29
 Monthly per capita expenditure of different income classes in Kerala (1958)
 (in rupees)

Monthly per capita domestic expenditure (Rs.)	Rice	Tapioca	Meat, Egg, Fish	Oil and Oil products	Sugar	Clothing	Fuel and light	Milk & milk products
0—4	1.16	0.51	0.14	0.09	0.06	..	0.29	..
4—8	3.04	0.60	0.31	0.22	0.07	0.14	0.56	0.03
8—12	4.68	0.63	0.49	0.37	0.14	0.27	0.36	0.13
12—16	5.56	0.68	0.59	0.55	0.22	0.62	1.12	0.36
16—20	6.31 ⁴	0.65	0.85	0.68	0.36	1.24	1.62	0.56
20—24	6.82	0.63	0.99	0.87	0.39	1.89	2.11	0.50
24—30	7.87	0.65	1.24	1.07	0.59	2.81	1.76	1.21
30—40	9.80	0.60	1.50	1.38	0.62	3.39	2.03	1.50
40—50	8.95	0.49	1.33	1.70	0.70	4.13	2.19	2.79
50—60	9.04	0.35	1.98	2.02	1.07	7.15	2.58	4.31
Above 60	11.18	0.16	2.00	2.34	1.09	9.15	4.99	4.95
All	5.44	0.62	0.68	0.60	0.27	1.09	1.10	0.52

consumption patterns of the class Agricultural other than Agricultural Labour with non-Agricultural reveals that the average overall consumption level of the former class is higher than that of the non-agricultural class, indicating that the former class in Kerala is more prosperous than the latter. The differences between Kerala (all classes) India (rural) and India (urban) shown in Table 1.28 also are due to differences in habits as well as in levels of income. No very serious comparison of the per capita income levels in Kerala and in India is possible with the scanty material available on the subject. But it may be assumed that overall per capita personal consumption is lower in Kerala than in the rest of India. This, coupled with the differences in habits and local non-availability of certain consumer goods, account for some rather startling differences in their consumption patterns. Thus, the per capita consumption of milk and milk products in Kerala is less than half of the all India rural consumption rate and less than a fourth of the all-India urban consumption rate. Similar differences are observed in the cases of sugar and clothings too. The fact that the consumption of rice also is lower in Kerala is a sure indication of the lower standard of living of the people of Kerala.

1.36.* Some very interesting facts are revealed by the concentration curves for Kerala and for India shown in diagrams 1.1 and 1.2. Along the X-axis of such a diagram is measured the proportion of consumers below a certain income level to all consumers; along the Y-axis is measured the proportion of a certain consumer commodity consumed by consumers below a certain income level to the total consumption of that commodity. If a society is egalitarian, if income is distributed among all equally, then any 30 per cent of the population will consume roughly 30 per cent of any commodity; for such a society the concentration curve for every commodity will follow a straight line shown in the diagrams as the Egalitarian Line. But as soon as a society departs from the principle of egalitarianism, the poorer 30 per cent of the population will consume less than 30 per cent of most commodities and as such their concentration curves will lie to the right of the Egalitarian Line. But in case there is some inferior food (like tapioca in Kerala) which is consumed more by the poor and less by the rich, the curve for such a commodity will be on the left side of the Egalitarian Line (See Diagram 1.2.) The poor will require the essential goods as much as the rich. Hence the curve for essential commodities will be less removed from the Egalitarian Line than those for luxury goods. Hence the amount of curvature is an index of the degree to which a commodity is non-essential.

CONCENTRATION CURVES FOR CONSUMER EXPENDITURE

DIAGRAM 1.1

INDIA (RURAL) AND KERALA

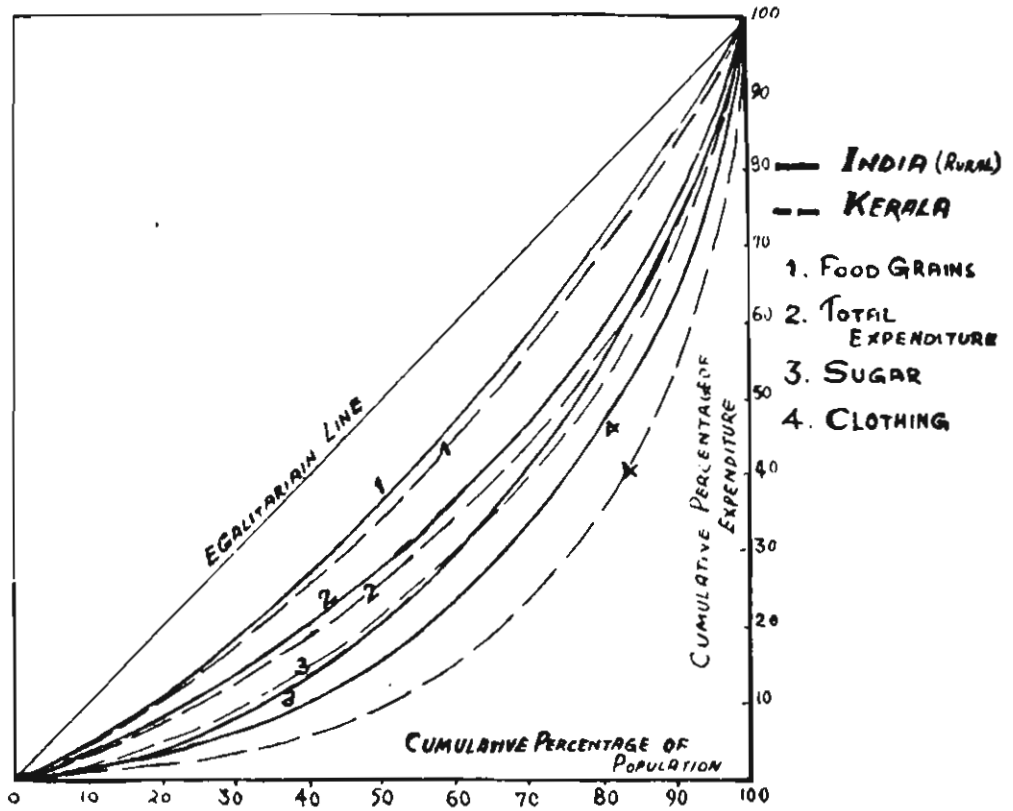


DIAGRAM 1.2

CONCENTRATION CURVES FOR CONSUMER EXPENDITURE - KERALA

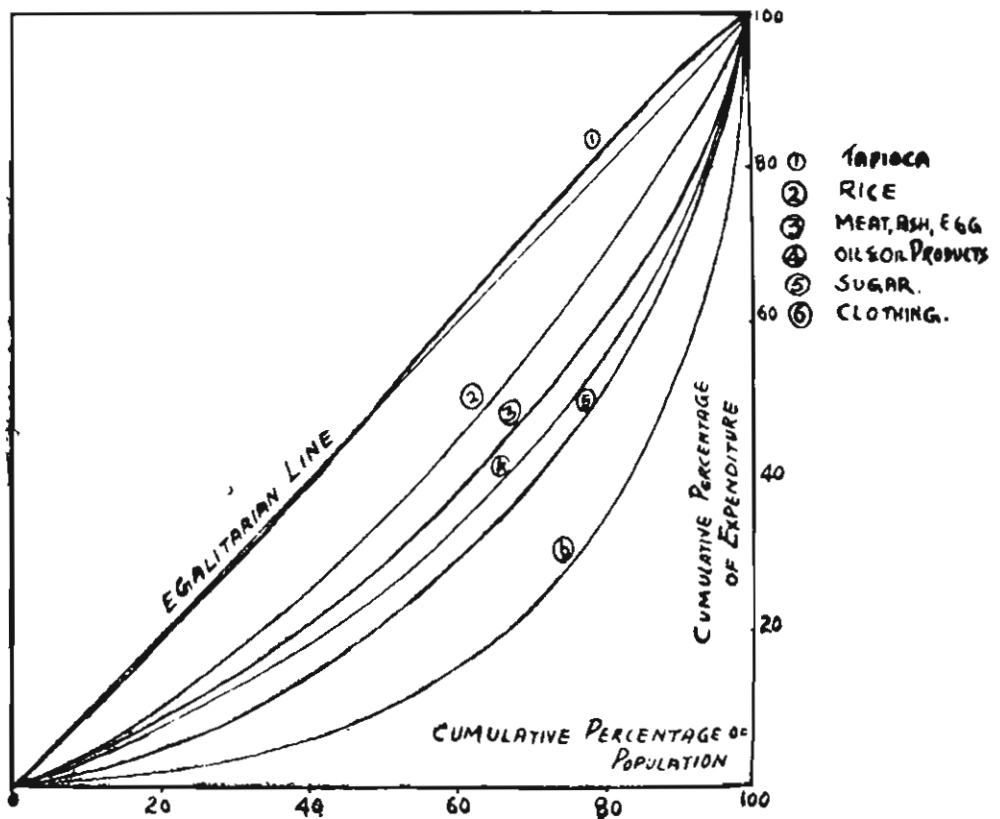


Diagram 1.1 compares a number of curves for Kerala with those for India. From the two diagrams the following valid conclusions can be drawn.

(1) There is more of inequality in the Kerala society than in that of the whole of India. This is made clear by the fact that the curve for Total Expenditure (numbered 2 in Diagram 1.1) for Kerala is on the left of that for India as well as the fact that almost all the other curves for individual commodities show the same pattern vis-a-vis Kerala and India.

(2) To Kerala consumers tapioca is an inferior food, whereas rice is more essential than the meat, fish, and eggs group, the latter group more essential than the oil and oil products group, the latter group in its turn more essential than sugar ; finally, clothing are considered a luxury item more than all the other items mentioned.

1.37. If unemployment is a serious and growing problem everywhere in India, Kerala is one of these regions where it has reached menacing proportions. It is not at all surprising that it should be so, for Kerala is the most densely populated State in India and it is at the same time among the few really depressed regions of India where there is little of discernible economic growth.

1.38. An unemployment survey was conducted in the erstwhile Travancore-Cochin State in 1954. The tables below summarise the most important of the findings of the survey.

TABLE—1.30.

Disposition of working force

(Numbers in lakhs)

	<i>Males</i>	<i>Females</i>	<i>Total</i>
Pensioners, rentiers etc.	0.54	0.44	0.98
Regular employment	15.56	4.15	19.71
Casual employment	5.86	2.19	8.05
Household workers	0.86	18.30	19.16
Seeking employment	2.58	1.07	3.65
Total working force	25.41	25.15	51.56

TABLE—1.31.

Disposition of working force.

(Proportions)

	<i>Males</i>	<i>Females</i>	<i>Total</i>
Pensioners, rentiers etc.	2.1	1.7	1.9
Regular employment	61.2	15.2	38.2
Casual employment	23.1	8.4	15.6
Household workers	3.4	70.6	37.2
Seeking employment	10.2	4.1	7.1
	100.0	100.0	100.0

It is seen that 10 per cent of the adult and able bodied male population is actively in search of employment. It is a staggeringly high proportion, considering that the above table refers not to the educated public or even to the urban public, but to the entire population of the State, including those dependent on Agriculture. In Agriculture in particular, and rural areas in general, one usually does not expect to find too many persons actively seeking employment; what one finds there is underemployment as well as employment in unremunerative and decadent industries. The survey further revealed that among the 3.65 lakhs unemployed persons there were 48,000 who might be described as educated unemployed, for they had education of the standard of the S.S.L.C. and higher. As to those described as casually employed—who cover those described as 'underemployed' in the economic literature—it was revealed that they had on the average employment for 3.62 days in the week.

The above figures should not be taken to signify very much more than underlying the extremely acute character of the unemployment problem of the State. The value of the figure is considerably reduced by the fact that the investigation treated all occupation groups in the same way without distinguishing between even such broad and fundamentally different categories as agricultural and non-agricultural occupations.

CHAPTER II

FOOD PRODUCTION.

The final forecasts for the current years rice production that have now become available indicate that a further rise has been recorded in the yield of rice in the State.

It has often been remarked that the drive for increased food production has not been taken seriously in Kerala where production of rice has allegedly remained static at about the same level over the last few years. These observations are based on the Final Forecasts of the Department of Statistics. The forecasts are based on some rough and ready statistical methods capable of giving quick results. These forecasts are later on revised in the light of some surveys that are carried out in a more scientific manner. One of them is a Land Utilization Survey conducted annually to make possible objective estimates of acreage under different crops; the second is a survey that involves sample cutting of actual crops standing in the fields in different parts of the State permitting the formation of an estimate of the average yield per acre of a crop. The following table shows these revised estimates for the years 1955-56 to 1958-59. The table also provides the Final Forecast for 1959-60, partly revised in the manner described above.

TABLE —2.1

Acreage, mean yield and Production of Rice in Kerala.

<i>year</i>	<i>Area in lakh acres</i>	<i>Mean yield of paddy per acre (lbs.)</i>	<i>Production of rice (lakh tons)</i>
1955-56	18.76	1580	8.69
1956-57	18.83	1581	8.73
1957-58	18.95	1639	9.10
1958-59	18.99	1687	9.39
1959-60	...	...	9.82

(The figures for all years excepting 1959-60 are based on the Land Utilisation Survey conducted by the Department of Statistics. The figure for 1959-60 is its Final Forecasts, partially revised in the light of the Land Utilization Survey.)

2.2. It is seen that rice production in Kerala has gone up during each of the preceding five years. This is a remarkable achievement even in comparison with that of the whole of India. For, for the whole of India the food production statistics does not show any systematically rising trend but oscillates violently (See table 2.2)

TABLE—2.2

Production of Foodgrains and Rice in India.

<i>Year</i>	<i>Foodgrains (Million tons)</i>	<i>Rice</i>
1952-53	58.3	22.5
1953-54	68.7	27.8
1954-55	67.0	24.8
1955-56	65.8	27.1
1956-57	68.7	28.3
1957-58	62.5	24.9
1958-59	73.5	29.7

The difference is accounted by the fact that the Kerala State is much less affected by the vagaries of nature than many other parts of India. But this must also mean that whatever increase in production has taken place is due entirely to the development efforts of the State. This of course is not true of India where bumper harvests are recorded every now and then due to unusually favourable seasonal conditions.

CHAPTER III

COST OF LIVING

The year 1959 has been marked with a considerable deterioration of the price situation in the State.

The Working Class Cost of Living Index marked a continuous rise from the month of March to the month of November in every single important town of Kerala (See table 3.1 and Diagrams 3.1 to 3.4). It was 406 in March at Trivandrum and it went up to 456 in November—a rise of 12.3 per cent in the course of eight months. At Quilon, the rise was from 424 to 479, and at Alwaye from 444 to 501, the increase in both the centres being, as at Trivandrum, of the order of 12.5 per cent. The index rose less sharply in the other centres; at Alleppey it went up from 407 to 434 (6.7 per cent); at Ernakulam from 440 to 460 (4.5 per cent); Trichur from 440 to 473 (7.5 per cent) and at Kottayam from 418 to 444 (6.2 per cent). In all the centres the trend changed after November. December and January have seen a certain easing of the price situation, though the general price levels in almost all centres still remained above the corresponding levels of a year back.

3.2. The Kerala situation has to be compared with that of the rest of India. Table 3.2 gives the Consumer Price Index Number for Working Class in a few important cities of India for a few selected time points in 1959 as well as for the whole of India. The index for the whole of India has moved up between the months of March and November of the current year from 117 to 126; that is to say a rise of about 7.7 per cent in the course of nine months. This average picture however hides a very great divergence in the price trends recorded in the different parts of India. Thus, while the index has been rising for Bombay, Ahmedabad, Calcutta, Madras and Nagpur, it has been falling or remaining at the same level at Delhi, Kanpur and Ludhiana. Even amongst the cities marking an increasing trend, the rates of increase are very different. During the ten months from February to November, the index rose in Calcutta by 9.6 per cent and in Madras by 9.4 per cent whereas at Bombay it rose by 6.1 per cent and at Nagpur by 5.4 per cent only.

3.3. It is seen that the rise in the cost of living in the cities of Trivandrum, Quilon and Alwaye are more than the highest rise that has taken place anywhere in India. In the remaining places

TABLE 3.1

Working Class Cost of Living Index in 1958 and 1959.

Base 1939 : 100

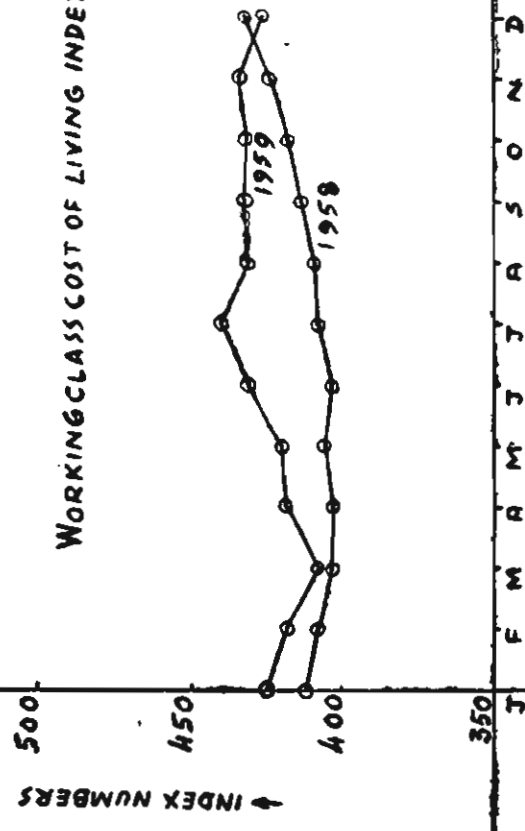
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Places	1958.				1959.				1960.		
	January	March	July	August	November	January	March	July	August	November	January
1. Trivandrum	409	399	400	409	420	420	406	441	432	456	448
2. Quilon	407	403	423	429	444	439	424	462	464	479	457
3. Alleppey	412	404	408	410	424	425	407	440	431	434	422
4. Kottayam	403	400	411	414	429	424	418	448	436	444	428
5. Alwaye	400	395	409	414	436	446	444	513	503	501	462
6. Ernakulam	413	405	420	424	445	439	440	457	451	460	436
7. Trichur	411	407	423	430	452	446	440	481	474	473	444

ALLEPPEY

DIAGRAM 3.2

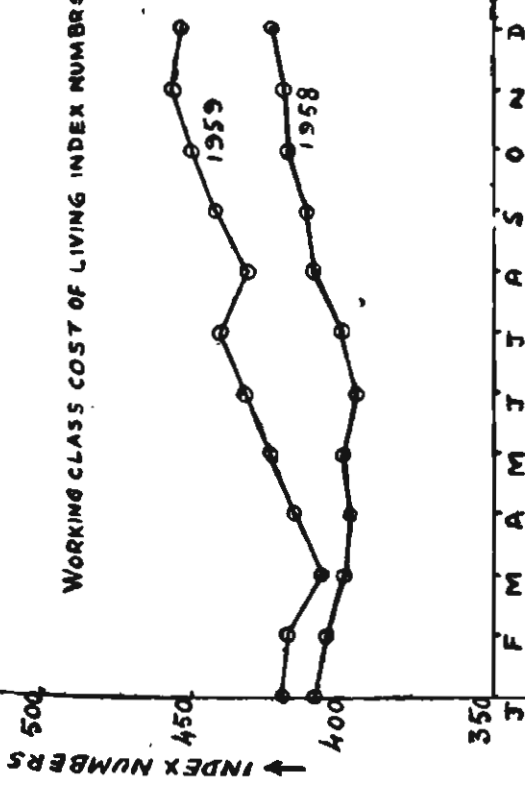
WORKING CLASS COST OF LIVING INDEX NUMBERS



TRIVANDRUM

DIAGRAM 3.1

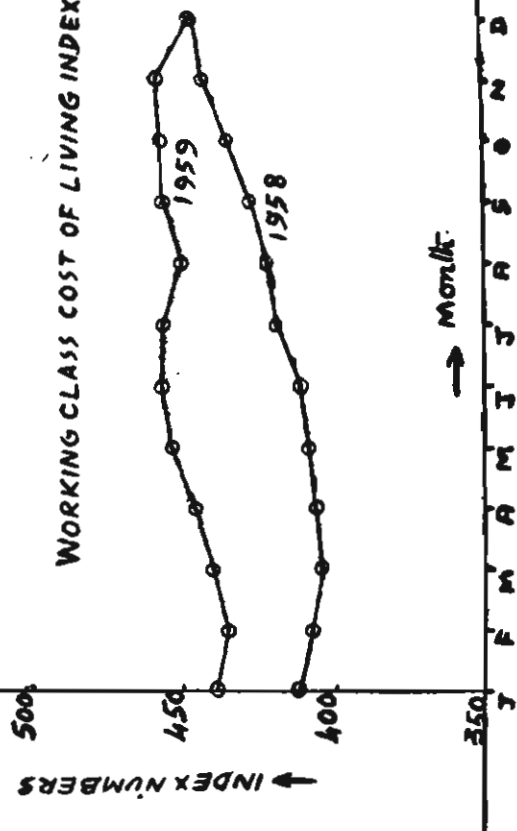
WORKING CLASS COST OF LIVING INDEX NUMBERS



ERNAKULAM

DIAGRAM 3.4

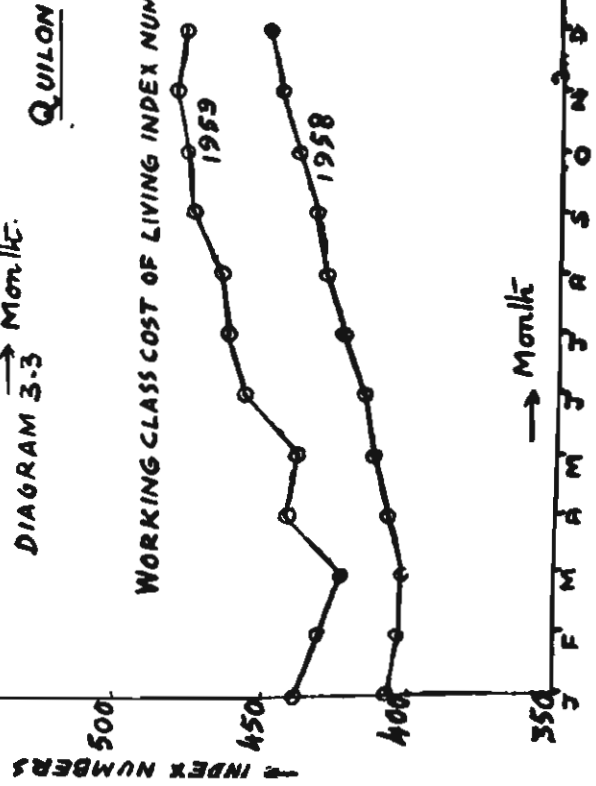
WORKING CLASS COST OF LIVING INDEX NUMBERS



QUILON

DIAGRAM 3.3

WORKING CLASS COST OF LIVING INDEX NUMBERS



TABLE—3.2

Consumer Price Index Number for Working Class

Base—1949—100

Centres	1958				1959			
	March	May	Sept.	Nov.	March	May	Sept.	Nov.
Calcutta	104	105	116	114	104	106	114	114
Bombay	124	126	132	131	131	132	137	138
Madras	119	120	127	132	127	131	134	139
Delhi	108	108	117	120	126	116	118	120
Nagpur	115	117	120	124	129	131	135	136
Kanpur	89	93	104	106	99	95	97	99
Bangalore	128	129	132	133	135	138	143	144
Ludhiana	92	99	99	99*	106	99	99	99
All India	110	113	120	122*	117	119	125*	126*

• Provisional.

TABLE—3.3

All-India wholesale price index for rice

(Base—1952-53—100)

Last Saturday of each month.

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1958	100	99	102	104	107	112	116	118	118	113	102	95
1959	92	91	92	97	99	104	112	111	111	111	105	98

in Kerala too the rise in the cost of living has been at least of the same order as in several of the important cities in India. If the State as a whole is to be compared with the rest of India it has to be concluded that the average cost of living in the State has gone up in 1959, very much more than in the rest of India; that is because while there are certain regions in India where the cost of living has been actually tracing a happy downward course, the trend has been upwards in Kerala in all its parts.

3.4. A little closer examination reveals further differences between the price situation in the State of Kerala and the whole of India. We have seen that the Index Number of Consumer Goods for Working Class for the whole of India has gone up by 6.8 per cent between March and November, 1959. During the corresponding period of the previous year the rise was actually 11 per cent. This is an indication that the cost of living has risen less this year than during the preceding year. This can be seen also in the cases of many individual cities. In Kerala just the opposite is true. Excepting one or two cities everywhere one notices a much steeper rise in the cost of living during the current year than during the previous year. While between March and November 1959 the index rose in Trivandrum by 12.5 per cent, it rose during the same period of the preceding year by only 5.2 per cent; similarly as against this year's rise of about 13 per cent at Quilon, the last year saw a rise of 9.9 per cent. Again, as against the current year's increase of 15 per cent at Alwaye between March and September the last year's figure was 6.4 per cent.

3.5. We have up till now talked only in terms of the general price levels as measured by index numbers of cost of living. We have now to consider specific price trends for specific commodities. The price movement for the most important consumer commodity of the State, namely rice, shows some remarkable features when considered in an all-India context. The price level of rice in the State has been higher this year than in the last year and within the year itself the rate of price rise has been sharper or at least equally sharp as during 1958; also the seasonal fluctuations within 1958 were very different from their normal pattern which was however followed by the fluctuations in 1959. This is in marked contrast with that happened in the rest of India. In India as a whole the price of rice was lower in 1959 than in 1958; also the price variation patterns within the years were very much alike (see table 3.3).

3.6. 1957 was a normal year for Kerala as far as the market situation of rice is concerned. There was no generalised rise or fall in the price of rice, whatever fluctuations there were, were of the normal seasonal character. There were no abnormal features in the price fluctuations in 1958 up to month of June. In Kerala the price of rice usually reaches a peak by the month of June. In June 1958 the prices at all centres were well below those in June 1957. But instead of turning down as is usual, the price curve went shooting up and did not come to a climax until December. Price per bag reached as high as Rs. 48 in most centres. It fell sharply in January and February 1959 but at no centres did the fall take the prices below its June peak of 1957. March saw the start of another steep climb that lasted until July. Price per bag rose beyond Rs. 50 at almost all centres. Since August the curve has once more turned downwards following the normal seasonal pattern. The price still remains at a very much higher level than it was over the greater part of 1958, but those of November and December are, at many of the centres, below the levels of the corresponding two months of 1958. (See Diagrams 3.5 to 3.8).

3.7. The extraordinary heights reached by the price of rice during the current year call for explanations. The price situation in Kerala cannot be judged by itself. It has to be seen in its proper setting in the Indian economy as a whole. The price of rice in Kerala depends on three principal factors, namely (a) the production of rice in Kerala, (b) the inflow of rice into Kerala from the rest of India, (c) the price level of rice in the rest of India. Of these, only the first is a factor belonging strictly to the domain of the State. The inflow of rice from the rest of India into Kerala depends on the general levels of production and price in the rest of India; the price of rice in the rest of India in its turn depends on several factors, the principal among which are the level production in the whole of India and the increase in the money supply with the public.

3.8. It is not difficult to explain why on an all-India level the price situation of rice would be on the whole better in the year 1959 than in the previous years. In the country as a whole the supply position of rice has been improving lately and this has been accompanied by restraint on the part of the Reserve Bank of India in the matter of increasing the circulation of money with the public. There was a bumper rice harvest in 1958-59 and the indications available about the harvest of the current year are also reassuring. The amount of money fed into the economy in 1958-59 however

TABLE—3.4
**Production and wholesale price index of rice
 and money supply with the public**

	<i>Production of Rice (Million Tons)</i>	<i>Money supply with the public (Rs. crores)</i>	<i>Index Number of wholesale price of Rice (Base 1952-53— 100)</i>
1953-54	27.5	1794	100
1954-55	24.8	1920	82
1955-56	27.1	2184	78
1956-57	28.2	2313	97
1957-58	24.8	2389	105
1958-59	29.7	2499	105

TABLE—3.5
**Monthly variations in money supply with the public
 (April to December)**

	<i>(Rs. in crores)</i>	
<i>Month</i>	1958	1959
April	.. 58.11	82.35
May	.. —54.44	—42.62
June	.. —12.87	—7.67
July	.. —29.34	—69.93
August	.. —41.26	—9.50
September	.. 5.48	—20.26
October	.. —24.44	39.31
November	.. 29.30	2.03
December	.. 30.47	47.50
Total	.. —38.99	+21.21

TABLE—3.6
 Arrival of rice by train and allotments
 from Government of India.
 (1958 and 1959)

<i>Month</i>	1959		1958	
	<i>Arrival by train</i>	<i>Allotment from Govt. of India</i>	<i>Arrival by train</i>	<i>Allotment from Govt. of India</i>
1 January	47,779	Nil	27,557	5,000
2 February	33,629	Nil.	28,036	6,000
3 March	38,537	Nil.	26,036	6,000
4 April	38,446	Nil.	32,763	Nil.
5 May	39,467	11,496	33,260	12,000
6 June	44,176	15,957	32,073	12,000
7 July	55,411	32,960	36,802	12,000
8 August	37,572	6,962	30,840	12,000
9 September	37,832	25,500	30,337	Nil.
10 October	27,219	12,000	17,444	50,000
11 November	35,592	6,000	32,454	Nil.
12 December	47,905	10,000	47,829	Nil.
Total	4,83,565	1,20,875	3,75,431	1,15,000

TABLE—3.7.
Wholesale price of rice at Vijayawada.

(Rs. Per maund)

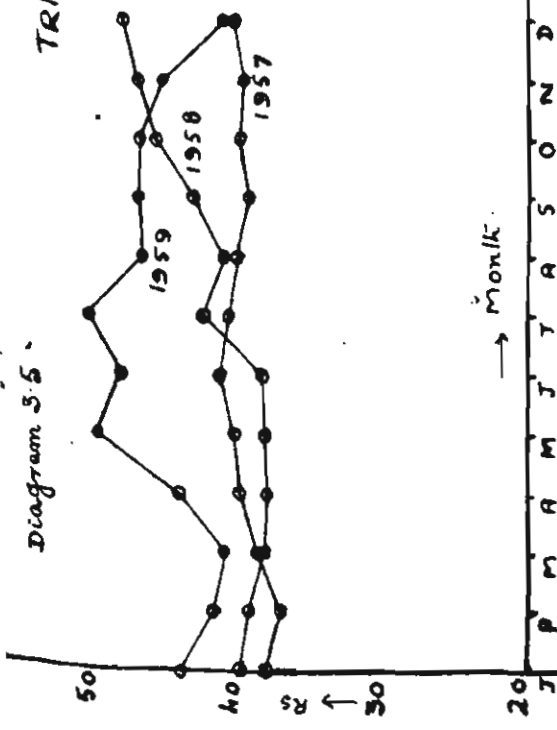
Year	May	June	July	August	September
1958	18.00	18.50	18.50	18.50	18.50
1959	19.41	19.83	20.66	21.25	21.50

TABLE—3.8.
Sugar Position in India.

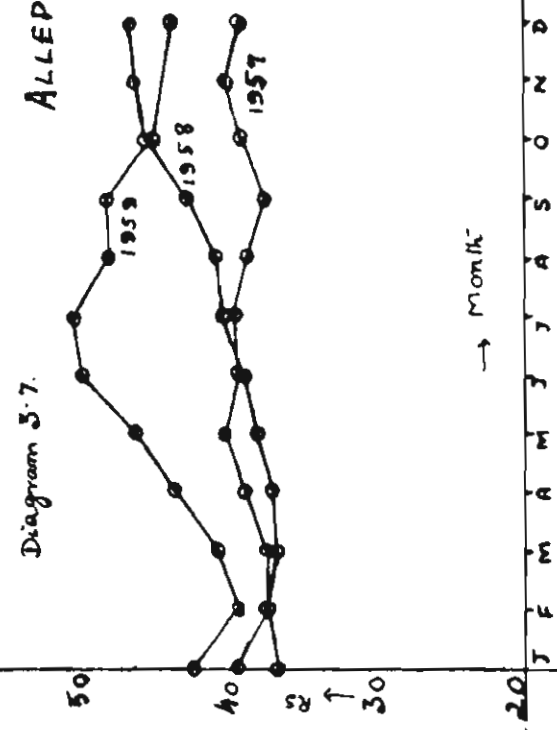
(lakh tons)

Year	Carry over from pre- vious year	Produc- tion	Total availa- bility	Export	Available for consump- tion and carry over
1957-58	4.28	19.76	24.04	0.31	24.13
1958-59	3.29	19.04	22.33	0.19	22.14
1959-60	1.14				

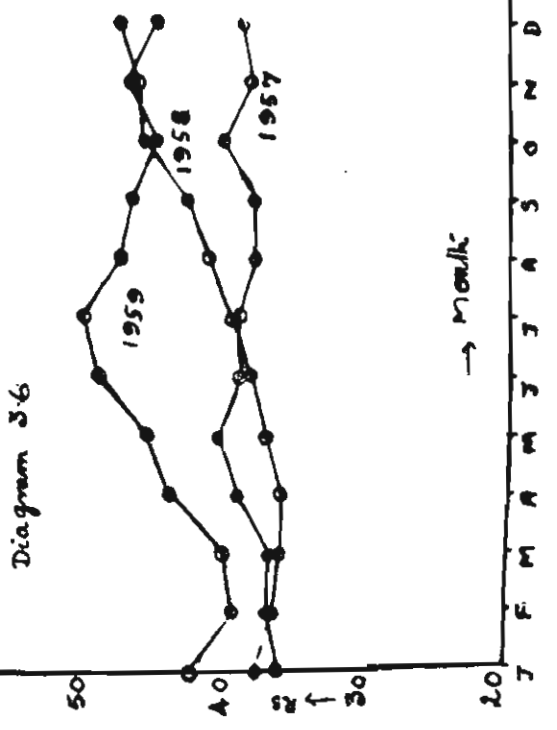
RICE TRIVANDRUM



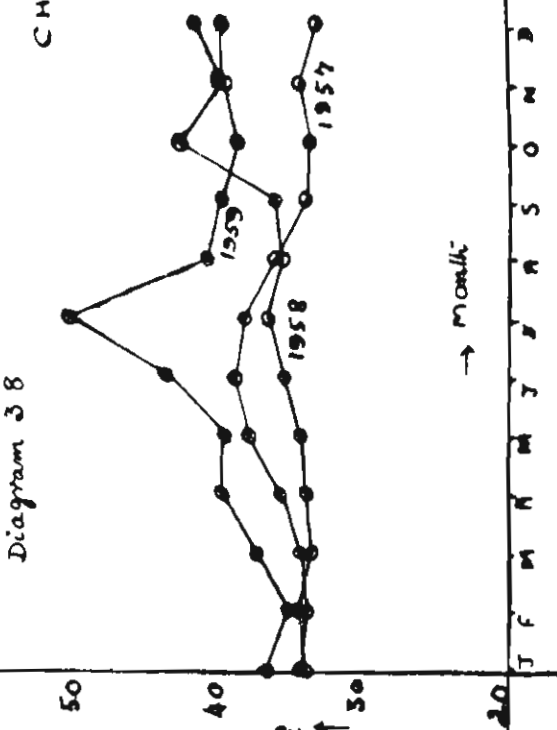
ALLEPPEY



QUILON



CHITTOOR



→ Month

→ Month

→ Month

→ Month

was less than in most of the preceding years (See table 3.4). This naturally had a depressing effect on prices that revealed itself towards the end of the year 1958-59 and is confirming itself in the year 1959-60. But as to the money supply in the current year, indications up till now are that much more money is going to be fed into the economy this year than during the preceding year (See table 3.5). The harvest of the current year is unlikely to be much bigger than that of the last year; there is therefore ground to believe that the price of rice would again rise during the next six months in the all-India market.

3.9. It is more difficult to account for the price situation of rice in the State. Table 3.6 gives figures for Central Government allotment of rice as well as for arrivals by railways of rice to the State. It can be seen that while the Central allotments this year are more or less of the same order as in 1958, arrivals by railways have actually increased during the calendar year by more than a lakh tons. Of course it is true that arrivals by railways do not constitute the totality of arrivals on private accounts in the State; but while there are no estimates of arrivals by other means of transport, it is a safe conjecture that if the flow has increased by railways there must have been a corresponding increased flow by roads as well. Therefore, shortage in the import of rice is probably not a very important factor in the price situation. We have also seen that local production has increased, therefore shortfall in local availability cannot be a factor.

3.10. The most plausible hypothesis about the price situation in Kerala is that it is determined by the price situation in the markets of Andhra and Madras. While it is true that the general level of wholesale price of rice are lower in India this year than in the last year it is not necessarily true of each and every wholesale market. Thus, if prices this year in Andhra are higher than the previous year that would go a long way to explain the market situation in Kerala. The figures of table 3.7 show that we might be correct in surmising that this has been the case. Considering that the price situation is likely to worsen in the rest of India immediately after the seasonal fall following upon the winter harvest it may be said that the chances of a real easing of the price of rice in the open market in Kerala are not particularly high.

3.11. The other essential consumer good, the price of which has caused a lot of disturbance in the market this year, is sugar. The price situation of sugar in Kerala is entirely dependent on that

of the rest of India, Practically all the State's sugar requirement being met by supplies from the wholesale all-India market in sugar. The scarcity of sugar and black-marketing in it have been principally a phenomenon of the retail market and therefore is not reflected in wholesale price statistics. Prices of retail sugar all over India started to show a gentle tendency to rise from the very beginning of 1959 but abruptly shot very high up between the months of June and October, the climax being reached somewhere about September. This sudden and grave deterioration of the price situation is explained principally by a fall in the availability of sugar in India brought about by a fall in production, reduction in stocks and continuance of exports which provoked intense speculative activities on the part of sugar merchants and retail dealers. Table 3.8 shows the availability position of sugar in the country during the last few years. There are no indications of a higher production this year than the previous years whereas the carry over has dwindled to a mere 1.14 lakh tons; on top of this, Government has been talking of an export of 25,000 tons. It is natural that the market would be unsettled even though there is no real shortage in the sense of supply being less than consumer demand. The latter is computed at 21 lakh tons and if production this year would be at the level of 1957-58 and if there would be no exports, supply would be practically equal to demand. But such a close balance itself is upsetting for the market psychology; apart from that it is not at all certain that production would reach the 1957-58 level. The fall in production is a reaction of sugar producers to certain Government of India measures, the most important among which is the Finance Act of 1957 that exempted Gur and Khandasari from any excise duties and at the same time doubled the duty on vacuum pan sugar. As a result, much of liquid capital shifted to gur and khandasari and the production of the latter allegedly rose by 250 per cent, pushing up in its turn the price of sugarcane and thus affecting the profitability of the sugar manufacturing industry.

3.12. In the all-India market, apart from sugar, the price of no other consumer commodity has shown any sensational upward tendency. There has been of course some price rise in quite a few commodities, but that is an inevitable result of the general process of economic growth. Thus the prices of some inferior cereals like Jowar and Bajra have been higher in 1959 than in 1958; similarly it is generally true about the whole of India that the consumer have had to pay more for milk, ghee and other milk products and fruits and vegetables. Jaggery prices also have naturally shown a rising tendency as a direct consequence of the price rise in sugar.

3.13. In Kerala there are one or two other commodity prices that deserve mention. Thus the price of mundu has shown a persistent though only slight upward trend; this stands out in contrast with the situation in the rest of India where textile prices have not moved much. The prices of a few minor but essential food items have gone up very much in the course of the year. Tamarind, chillies and coriander are principal among them. The price of chillies has soared in the Trivandrum market from about 14 annas a pound to Re. 1 and annas 12 per pound in the course of one year between December 1958 and December 1959. Chillies and coriander come into Kerala from outside the State and the causes of their price rise also lie outside. Jaggery prices have also risen reflecting in the State their all-India trends.

3.14. We have seen that the general price level of consumer goods judged from Cost of Living Index numbers, has risen in 1959 to roughly the same extent in Kerala as in the rest of India. But on an all-India level the price of rice has been lower in 1959 than in 1958, and that of all food grains taken together has been more or less of the same orders as that in 1958, whereas the price of rice in Kerala has been distinctly higher in 1959 than in 1958. Hence, one may draw the conclusion that the price level of consumer goods other than foodgrains have risen less in Kerala in comparison with the rest of India. One may further say that the rise in the cost of living in Kerala has not caused equal hardship to all sections of its population. The year has been a good one for those deriving income from Agriculture and a hard one for the non-Agricultural population. For as we shall see in the next chapter not only rice but also most cash crops have seen extremely favourable market conditions during the year.

CHAPTER IV

CASH CROPS AND OTHER EXPORT PRODUCTS

The Kerala economy is dependent on the World market conditions to a larger extent than any other State in India. The year under review has been extremely favourable to Kerala from the point of view of its earnings from its cash crops and other export products. The prices of most of the products have been much above those prevailing during the preceding years ; this caused in many cases a reduced off take, but that reduction could not completely cancel the effect of the price rise on total earnings. Table 4.1 gives the value and quantity of the principal commodities exported through the Kerala ports in 1958-59 (July-June). The total value of export is seen to be Rs. 93 crores which is greater than the value of export from the same ports in 1957-58 by as much as Rs. 11 crores, that is to say by 12 per cent. It is not as yet known how much of this represents export to foreign countries and how much to other Indian ports ; but the latter is hardly likely to be more than Rs. 25 crores at the most. Hence it may be concluded that the export of foreign countries amounted to a minimum of Rs. 68 crores and of that, Kerala's share must be at least Rs. 60 crores. Even this represents a 20 per cent increase over its earnings during the preceding years which, we have seen, were of the order of Rs. 50 crores.

4.2. A detailed study of the trends in export from Kerala in 1959 as compared with 1958 as yet is not possible as the latest figures available refer to the year 1958-59 (July-June). All that is possible is to compare the figures for the first half of 1958 with those of 1959. Table 4.2 gives commodity wise breakdown for exports to foreign as well as Indian ports during the first six month of 1958 and 1959. Export during this period of 1959 is seen to be higher than that of 1958 by about Rs. 7 crores i.e., by about 17 per cent. Examining individual commodities we find that the value earned by most of them have been much higher in 1959 than in 1958, even though quantity exported of practically all the more important products of Kerala have been less. In those cases where the value also has fallen it has done so to a very much smaller extent than the fall in the corresponding quantity. The quantities exported of coconut products (copra, coconut oil, etc.)

TABLE—4. I.

Exports from the ports of Kerala 1958-59

No.	Commodity	Unit	Quantity	Value (Rs. lakhs)
1	Betel Nuts	ooo cwt.	94.50	213.52
2	Cardamoms	ooo cwt	5.40	59.86
3	Cashew-Kernals	lakh cwt	6.86	1395.54
4	Cashew Shell Liquid	ooo cwt.	68.80	29.37
5	Cocoanuts	crores	11.30	281.88
6	Cocconut Oil	lakh cwt.	1.78	220.29
7	Copra	„	4.66	527.59
8	Coffee	„	1.03	243.69
9	Coir and Coir Products	„	16.61	937.90
10	Fish and Meats	„	1.18	155.73
11	Ginger	„	1.68	74.00
12	Lemongrass Oil	lakh gals.	2.93	95.23
13	Oil Cake	lakh cwt.	1.34	25.63
14	Pepper	„	3.21	362.16
15	Rubber	„	4.11	709.58
16	Tea	Million lbs	91.63	2373.89
17	Wood and Timber	ooo C. T.*	7.96	320.88
18	Manioc meals	ooo tons	104.56	272.03
19	Sundries	..	..	1031.27
	Total	..	..	9330.04

*C. T.— Calculated tons.

TABLE—4.2.
Exports from the ports of Kerala

Sl. No.	Commodity	Unit	January to June 1958		January to June 1959	
			Quantity	Value (Rs. lakhs)	Quantity	Value (Rs. lakhs)
1	Betal Nuts	ooo cwt	32.00	61.18	37.04	85.77
2	Cardamoms	„	3.00	32.59	2.95	33.42
3	Cashew Kernals	Lakh cwt	2.92	481.99	2.89	596.45
4	Cashew Shell					
	Liquid	ooo cwt	29.70	12.35	39.42	17.86
5	Cocoanut	crores	7.39	156.77	4.70	159.48
6	Copra	lakh cwt	1.49	132.47	3.61	442.89
7	Coffee	ooo cwt	30.05	78.24	77.24	184.49
8	Coir and Coir Products	„	81.67	412.20	81.10	511.84
9	Fish and Meats	„	58.28	78.34	70.30	75.66
10	Ginger	ooo cwt	98.37	48.94	76.19	44.72
11	Cocoanut Oil	„	0.90	83.21	1.22	156.76
12	Lemongrass oil	ooo gallons	96.92	34.05	82.00	27.12
13	Oil Cake	ooo cwt	45.08	10.43	84.75	17.53
14	Pepper	lakh cwt	2.32	229.68	1.53	166.28
15	Rubber	„	2.15	331.51	1.99	351.61
16	Tea	million lbs	52.70	1289.04	42.56	1208.43
17	Wood & Timber	ooo C.T.	31.37	110.23	82.00	231.77
18	Manioc Meals	ooo cwt.	24.47	59.50	30.30	78.87
19	Sundries	..	..	567.06	..	538.72
Total		..	..	4209.78	..	4929.67

TABLE 4.3
Statement showing the Price trends of some of the Important Commodities of
Kerala during January 1959 to January 1960

Sl. No.	Commodity.	Unit.	Centre.	1959					
				January	February	March	April	May	June
1	Pepper	Candy	Cochin	590.56	742.84	664.72	651.65	648.46	640.00
2	Ginger (dry)	"	"	409.81	569.16	477.82	475.97	451.25	418.12
3	Turmeric	"	Kozhikode	175.00	175.00	200.00	283.27	312.50	312.50
4	Cardamom	Lbs.	"	6.00	6.37	6.69	6.00	6.00	6.00
5	Arecanut	cwts.	"	196.46	206.88	207.39	197.75	189.27	187.50
6	Coffee (Robusta)	"	"	192.50	190.00	190.00	188.40	175.00	175.00
7	Tea	Lbs.	Cochin	2.04	2.23	2.25	2.31	2.46	2.61
8	Rubber	"	Alleppey	1.56	1.56	1.56	1.56	1.56	1.56
9	Lemongrass Oil	12 bottles	Cochin	52.43	61.26	55.57	56.57	65.31	65.21
10	Cashew	Candy	Kozhikode	...	165.00	178.05	198.48	190.88	175.00
11	Coir Yarn:—								
	Anjengo	"	Alleppey	280.00	280.00	280.25	280.20	279.58	281.04
	Mangadan	"	Cochin	252.92	250.00	252.08	257.73	252.67	259.00
	Beypore	"	Kozhikode	189.58	190.00	191.28	198.00	198.33	187.21
12	Coconut (with husk)	1000 Nos.	Cochin	207.79	228.96	216.04	214.12	215.96	217.78
13	Coconut without husk	"	"	182.79	203.96	196.46	190.28	185.98	189.48
14	Copra	Candy	"	434.81	422.60	417.62	400.79	415.87	418.71
15	Coconut Oil	"	"	640.36	623.14	600.17	588.13	605.48	608.34
16	Coconut Oil Cake	"	"	114.52	111.92	105.32	112.08	122.75	128.02

Statement showing the Price trends of some of the Important Commodities of Kerala during January 1959 to January 1960—(contd.)

Sl. No.	Commodities.	Unit.	Centre.	1959						1960
				July	August	Sept.	Octr.	Novr.	Decr.	January
1	Pepper	Candy	Cochin	672.83	731.73	778.95	806.55	1022.59	1228.83	1823.75
2	Ginger (dry)	"	"	445.50	460.50	455.18	433.14	456.21	498.00	650.00
3	Turmeric	"	Kozhikode	312.50	312.50	312.50	328.40	365.00	355.00	355.00
4	Cardamom	Lbs.	"	6.00	6.00	6.00	6.00	6.00	6.90	8.00
5	Arecanut	cwts.	"	186.15	180.09	180.03	180.00	180.00	180.00	175.00
6	Coffee (Robusta)	"	"	175.33	175.12	175.00	175.00	175.00	175.00	175.00
7	Tea	Lbs.	Cochin	2.30	2.44	2.52	2.61	2.54	2.56	2.48
8	Rubber	"	Alleppey	1.56	1.56	1.56	1.56	1.56	1.51	1.58
9	Lemongrass Oil	12 bottles	Cochin	68.55	81.62	90.63	96.67	148.12	150.03	155.62
10	Cashew	Candy	Kozhikode	...	...	...	...	...	...	...
11	Coir Yarn:—									
	Anjengo	"	Alleppey	274.60	277.69	266.77	269.83	274.58	281.83	275.00
	Mangadan	"	Cochin	260.00	263.83	260.42	258.67	260.00	260.00	260.00
	Beypore	"	Kozhikode	183.67	184.34	185.00	186.00	195.00	197.25	210.00
12	Coconut (with husk)	1000 Nos.	Cochin	210.19	203.86	203.33	205.00	202.50	209.78	228.00
13	Coconut (without husk)	"	"	185.82	180.10	178.44	180.92	179.17	181.23	198.00
14	Copra	Candy	"	419.21	417.70	431.25	447.60	442.72	443.14	447.14
15	Coconut Oil	"	"	610.75	609.99	630.56	651.02	654.33	653.77	654.32
16	Coconut Oil Cake	"	"	129.61	119.48	123.44	129.40	120.31	116.16	126.88

however mark a substantial rise, though that of coconut itself has drastically fallen. Among the other commodities, the quantity of export of which have increased are timber, fish and fish products, and oil cake. Further details about the market conditions for each individual important export product of Kerala during the year under review are given below. Table 4.3 gives the average monthly prices of these commodities in some of the important trading centres in the State.

Pepper.

4.3. In India, pepper production is almost entirely concentrated in the State of Kerala, and as such its trade is very important to the State's economy. In the spices group this single item till recently earned for India and Kerala the largest volume of foreign exchange. The final estimates for 1958-59 regarding pepper production given below show the importance of Kerala as a pepper producer.

TABLE—4.4

Pepper production in 1958-59.

		<i>Tons.</i>
Kerala	...	25,000
Madras	...	50
Mysore	...	600
		<hr/>
Total	...	25,650
		<hr/>

U.S.A. has been traditionally the biggest importer of Indian Pepper. Among the other buyers the most important are the U.K., the West European countries and the Middle Eastern and Latin American countries. While the total export of Indian pepper has been falling during the past few years, we have been able to attract new markets. India held a practical monopoly of the World market in pepper during the last war and for some years in the post-war period. But of late Indonesia, Sarauak and Malaya have developed as our rivals and have begun to compete with us in the World market. Production in these countries has therefore become an important factor in our pepper trade.

4.4. The last few years have been marked with two distinct trends as far as pepper is concerned, as can be seen from the table below, namely decrease in offtake and fall in prices.

TABLE—4.5
Export of Pepper from India.

<i>Year</i> (April—March)	<i>Quantity</i> (lakh cwts.)	<i>Value</i> (Rs. crores)	<i>Average Price</i> (Rs. per cwt.)
1950—51	3.08	20.40	662
1955—56	2.62	4.71	181
1956—57	2.97	3.39	114
1957—58	2.71	2.84	105
1958—59	2.29	2.46	107

The amount of pepper exported from India in 1958-59 was only a little more than two-thirds of the volume exported in 1950-51. The average price had fallen by the same date to less than a sixth of what it was in 1950-51. The main reason for this fall in exports has been reduced offtake by the traditional buyers. In 1958 the largest buyer was not the U.S.A. but the U.S.S.R. The new countries other than the U.S.S.R. which have been buying Indian pepper during the recent years include Italy, Portugal, Jordan, China and most of the East European countries.

4.5. During the year 1959 the trend for quantity of off-take continued as before as can be seen in the table below:—

TABLE—4.6
Export of Pepper from India

<i>Year</i> (November-October)	<i>Quantity exported</i> (cwts.)
1957—58	2,61,336
1958—59	2,44,177

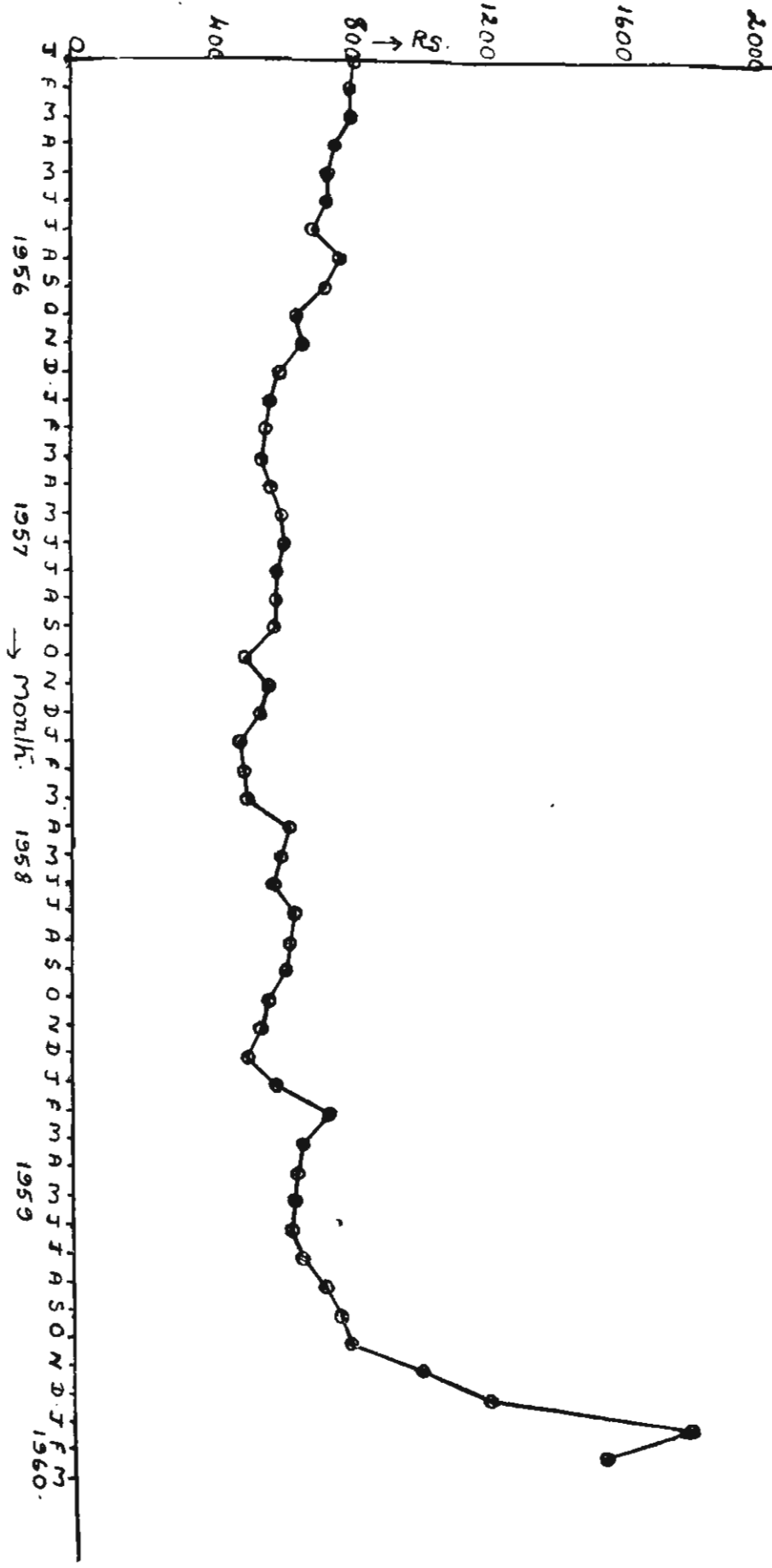
The fall in offtake would have been even greater but for the fact that East European countries other than the U.S.S.R. have increased their purchases and there have been a new entrant in the market, namely, China. But the U.S.A., the traditional buyer as well as the U.S.S.R., who have of late become an important buyer, have both taken much less.

Diagram. N. 1

Average Prices

Commodity: PePPER

UNIT: Candy.



4.6. But the trend of price movements marked in the same year a most sensational change. There was fierce speculation in prices in January 1959, so much so that the U.S.A. and the U.S.S.R. stopped purchases and the Forward Markets Commission had to intervene to stop the unhealthy price rise. After marking a steep rise from January to March, prices were on a downward move from April to July, but even then the prices were always above those of the corresponding period of 1958 (See diagram 4.1). But in July, the trend reversed, and ever since the prices have continued to soar and have already reached heights never reached since 1954. Even the onset of the new season did not produce any depressing effect on the market. In November, the average monthly price was Rs. 1077 per candy; in January the climb still did not relent and points beyond Rs. 1200 were reached. The phenomenal price rise has been caused by a shortage of supply in the World market as well as in the Indian market in relation with demand. The world market shortage is caused by unsettled political conditions in the South East Asia. The short supply in India was caused by heavy rains preventing the arrival of pepper in the market. The rise in price of pepper has not however benefited the State as a whole, for it has not been able to compensate for the fall in offtake so that the total value earned through its export has actually fallen quite substantially.

Cardamom.

4.7. Like pepper, the production of cardamom in India is also mainly concentrated in Kerala. Its importance as a foreign exchange earner has been steadily rising during the past few years. Between 1950 and 1958 the value of exports has increased from Rs. 1.5 crores to Rs. 3.6 crores.

TABLE—4.7
Export of Cardamom from India

<i>Year.</i>	<i>Quantity (cwts.)</i>	<i>Value (Rs. crores)</i>	<i>Average Price (Rs. per cwt.)</i>
1950-51 (April-March)	12,460	1.5	1204
1952 (January-Decr.)	...	1.8	...
1956	...	3.2	...
1957	22,000	2.5	1136
1958	34,000	3.6	1059

Indian cardamom is exported to nearly 60 countries throughout the World. The principal consumers are the U.K., West and East European countries, the Middle Eastern countries, some African countries, Canada, the U.S.A., some South East and Far East countries and New Zealand. Among the continental countries, the best consumer until now has been Sweden. The other principal Cardamom producing countries in the world are Ceylon and Indo-China. But in the post-war period, their production was fallen so much that India now holds a near monopoly in the World market. Moreover, Indian cardamom has a richer oil content and a better flavour than that of the other countries.

4.8. The recent few years' export trend for cardamom has been exactly the opposite of that for pepper. The volume of export has been increasing year by year as well as earning from exports, but the price has been falling. The average price of cardamom in the local markets was Rs. 8.42 per lb. in 1957 and Rs. 7.12 per lb. in 1958. Over the greater part of the current year its price has remained absolutely steady at Rs. 6 per lb. It was higher at the beginning of the year, and again rose to Rs. 8 during the last two weeks of 1959. Quantity exported for 1959 is not yet available but statistics for the first half of the year relating to the ports of Kerala indicate that there might not have been in the year any increase in offtake.

Ginger.

4.9. India is the largest producer of ginger in the World, the other important producing countries being Jamaica, Sierra Leone and China. But they are not serious competitors, for production in the first two countries is far less than that in India, whereas what China produces is green rhizomes and not dry ginger. In India itself, the most important ginger growing State is Kerala. Her production for 1958-59 is 7700 tons out of a total Indian production of 13400 tons.

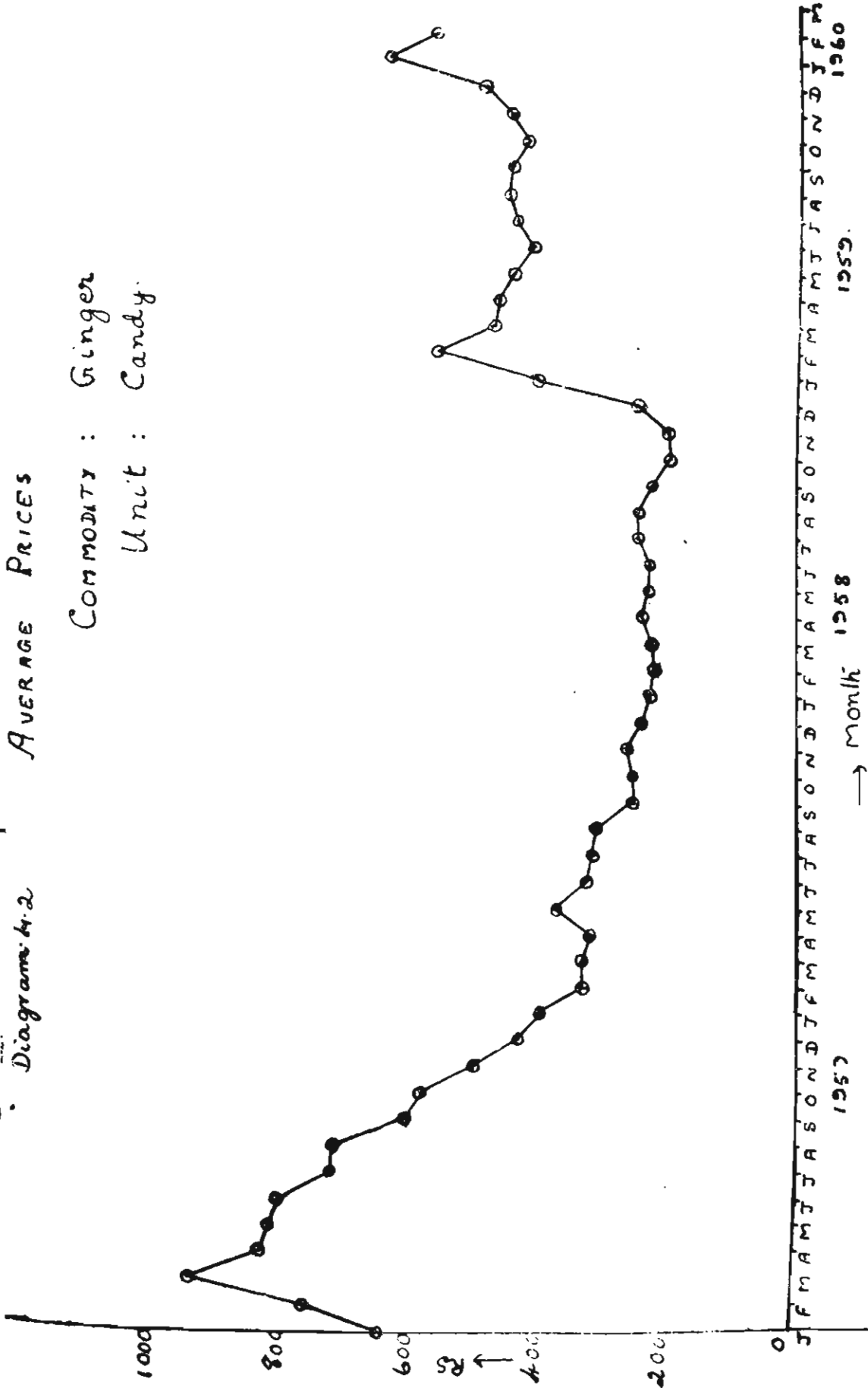
4.10. While the U.S.A., Canada, the U.K. and Australia import ginger mostly from Sierra Leone and Jamaica, African territories, Saudi Arabia, Aden and other Middle East countries prefer the Indian product. More than half of India's annual exports of ginger go to these countries. The other important countries which import Indian ginger are South Africa, Ceylon, Sudan, Egypt, Iran, the U.K. and the U.S.A.

Diagram 4.2

AVERAGE PRICES

Commodity : Ginger

Unit : Candy



4.11. The market trends for ginger during the recent years have been exactly the same as for pepper and it has continued to be so in 1959. Like pepper, the quantity of ginger export has been falling drastically over the years accompanied by a fall in its price. During 1954, 1955 and 1956, India's ginger trade was good and her produce fetched high prices. But towards the end of 1956, all producing Countries come out with good crops and as a result the volume of Indian exports fell and at the same item suffered a price fall. In addition to these there came the Suez Crisis; this very badly affected India's ginger trade, as Middle East is its most important market. This gave rise to a serious set back which has since been only further aggravated. The fall in export between 1957 and 1959 is of a severe character as can be seen from the following tables.

TABLE—4.8
Export of Ginger from India

Year	Quantity (tons)	Value (Rs. lakhs)	Average price (Rs. per ton)
1950-51 (April-March)	2193	92.4	4213
1952-53 ,,	3217	52.1	1619
1957 (Jan.-Decr.)	9600	120.0	1250
1958 ,,	5750	50.0	869

TABLE—4.9.
Export of Ginger from India.

Year (Nov.-Oct.)	Quantity (Tons)
1957-58	5794
1958-59	3558

4.12. While the trend of falling volume of offtake continued in 1959 unchanged, that of prices changed in a drastic fashion (See Diagram 4.2). The change occurred in the early months of 1959. From about Rs. 200 per candy in December 1958 prices climbed up to Rs. 570 per candy by February 1959; after that prices fell a little but continued to fluctuate about a level substantially higher

than that of both 1958 and 1957. In December there was once more a break through and prices reached up to Rs. 500 per candy. The price rise is due to a shortage in supply relative to demand from the traditional buyers.

Lemongrass Oil:

4.13. World demand for this oil is mostly satisfied by India and within India, Kerala has got a near monopoly over its production. Although the grass is grown in many countries like Ceylon, Java, West Indies, and Malaya, the systematic cultivation of this crop for distillation purposes is largely confined to India and Guatemala. China however is exporting a good substitute for the oil.

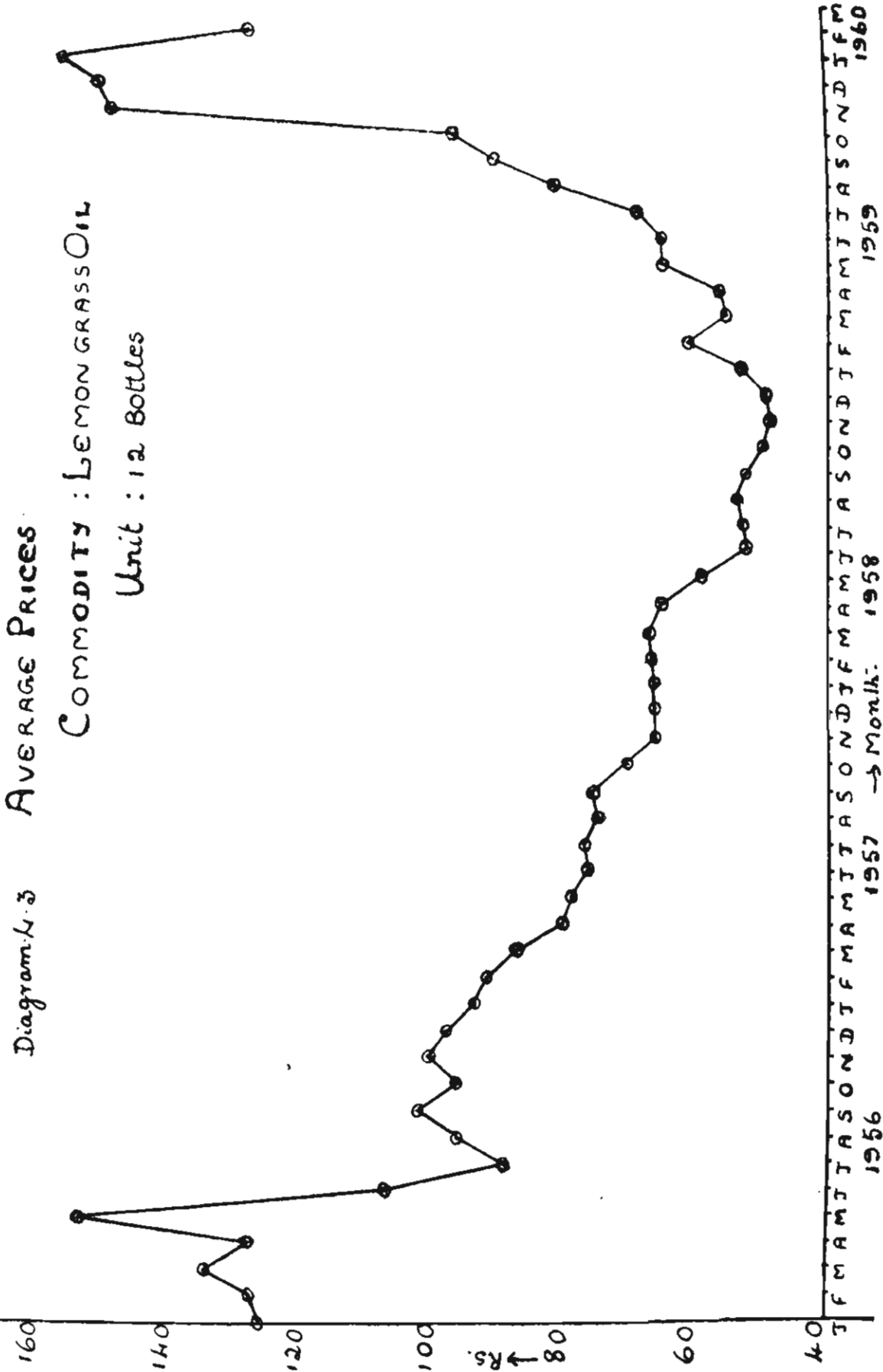
4.14. USA which brought very large quantities of the oil during the World War II is still the biggest customer. Other important buyers are the U. K., France, Switzerland, Germany and Australia. Recently the Soviet Union too has entered the market.

4.15. In spite of the fact that India still leads in the volume of output, she has not been able to keep control over the market. Earnings from the sale of this product has been less and less in keeping with the quantity sold. That is to say average prices have been falling drastically during the past few years.

TABLE—4.10
Export of Lemongrass Oil from India.

Year	Quantity (000 lb.)	Value (Rs. crores)	Average price (Rs. per lb.)
1950-51 (April-March)	1,149	1.33	11.54
1952-53 ,,	839	0.39	4.67
1956-57 ,,	2,211	1.44	6.51
1957-58 ,,	3,034	1.48	4.87
1958 (April-November)	1,976	0.72	3.62

4.16. A reversal of the falling price trend observed during the last few years was noticed in January 1959 and has persisted right through the year (See diagram 4.3). From Rs. 52.43 per dozen bottles in that month, the average wholesale price has risen to Rs. 155.62 by January 1960. The most important reason for this rising price trend is a fall in output. Unremunerative prices in the past years



made the growers produce less. It has been estimated that the export of this oil in 1959 (January-December) has been only 2.24 million lbs. whereas during the preceding year 1958 (January-December) it was 2.8 million lbs. There was thus a shortage in the World market and buyers were ready to pay higher prices. Besides the play of supply and demand, the forward marketeers too have helped enhancing the prices. No drastic fall in prices need be feared in the near future. Apart from foreign buyers, the home market is also expected to increase its demand for the oil, particularly as Government of India is encouraging its internal consumption. It has already given license to two companies to produce Vitamin A from this oil.

Coffee.

Quantitatively India's position in the World of Coffee is not very important. India's contribution to the total World production is a little less than 1 per cent and the acreage under Coffee in India is a little above 2 per cent of the World acreage. In India, the States of Mysore, Madras and Kerala are the important coffee producing States. But among these States, Kerala comes last. In 1955-56, out of a total Indian production of 34,235,000 lbs. Kerala's contribution was only 519,000 lbs.

4.18. Important suppliers of coffee to the World Market are Brazil (which satisfies more than two thirds of the World demand) Abyssinia, Arabia, Colombo and Jamaica. Even though India's place is fairly low down in the list of Coffee producing countries, the quality of her produce enjoys good reputation. This has enabled India to export her produce to the U. K., many of the continental countries, the Middle East, Ceylon, Australia, the U. S. A. and many other countries. Much of our coffee has found its way in countries such as the U. S. S. R., East Germany and Japan. Table 4.11 shows India's export of coffee during a few recent years.

TABLE—4.11

Coffee Exports.

<i>Crop Year</i>	<i>Exports (tonnes)</i>	<i>Value (Rs. crores)</i>	<i>Average price (Rs. per tonne)</i>
1950-51	305	0.21	6,904
1951-52	2,235	2.72	12,155
1955-56	8,082	5.53	6,845
1956-57	15,472	8.41	5,436
1957-58	14,281	6.24	4,369

4.19. Out of an allotment of 17,000 tonnes out of the 1958-59 crop for export, 15867 tonnes were sold till the end of December 1959. But the prospects of any further sizeable increase in the export of Indian coffee are not bright, at least in the near future ; for Brazil, Africa and other producing countries in Asia are all increasing their production and that is true of India too. The following figures show how India's production of coffee is increasing year by year.

TABLE—4.12
Coffee Receipts in the Pool

<i>Crop year</i>	<i>Quantity (tonnes)</i>
1957-58 (actual receipts)	44,205
1958-59 ,,	46,200
1959-60 (anticipated)	47,725

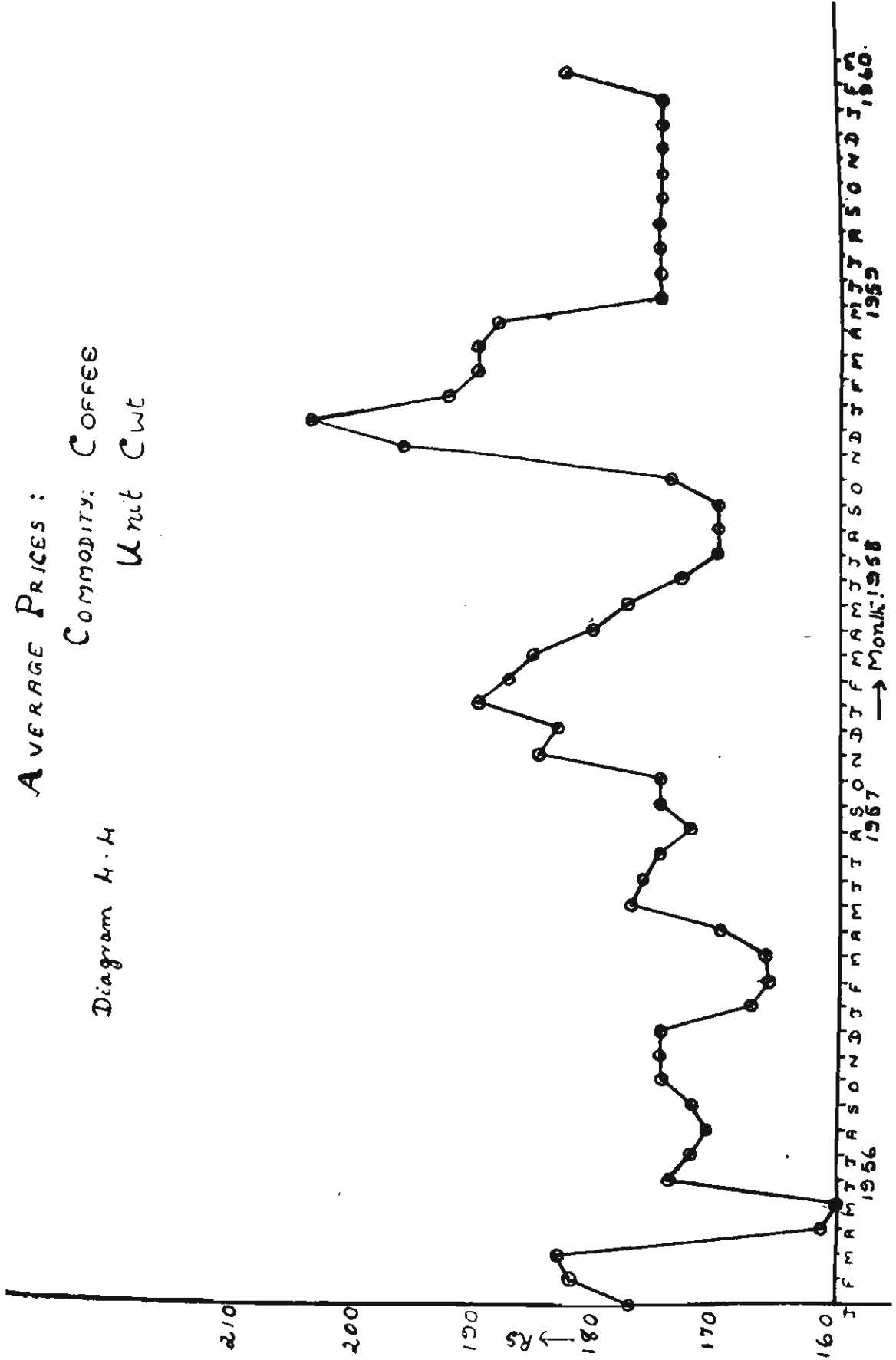
4.20. If demand for Indian coffee in the World market is remaining unchanged, that in the internal market is increasing fast, thanks to which a glut in the coffee market has so far been prevented. The following table shows the trend of internal demand.

TABLE—4.13
Coffee released to the International Market

<i>Year</i>	<i>Quantity (tonnes)</i>
1953	15,428
1956	24,189
1958	27,570
1959	30,114

4.21. According to the FAO's Monthly Bulletin of Agricultural Economic Statistics, World Coffee prices are continuing the downward trend begun in 1957. The following figures show that this World trend of prices is reflected only in the Robusta variety of Indian Coffee, the production of which has been very high this year. Production of the first two varieties has been small this year in comparison with that of the previous year, and in any

AVERAGE PRICES :
 COMMODITY: COFFEE
 Unit CWT



case there is always very good demand for these two varieties ; as such they have not suffered any price fall. (see table below).

TABLE—4.14
Average prices secured in pool sales
(Rs. per 50 Kgs)

Year (Jan-Dec.)	Plantation	Arabica cherry	Robusta cherry
1956	213.44	186.62	157.25
1957	222.70	185.97	162.11
1958	217.36	182.60	160.87
1959	235.19	186.96	155.64

4.22. Wholesale prices of Robusta Coffee at the Calicut market which were around Rs. 190 per candy towards the beginning of 1959 fell to Rs. 175 by the middle of the year and have remained steady since then. (see Diagram 4.4)

Rubber :

4.23. India accounts for hardly one per cent of the World's total production of rubber. The principal rubber producing countries in the world are Malaya, Indonesia, Ceylon, Thailand, Vietnam, Nigeria, Belgian Congo etc. In India, rubber is grown only in the southern states of Kerala, Madras and Mysore, Kerala occupying the highest place both in the area under cultivation and production. In 1958 out of India's total production of 24,328 tons, Kerala alone accounted for 22,159 tons.

4.24. India has been exporting raw rubber till recently, but the volume of export dwindled as rubber manufacturing industries began to expand here. In 1950-51 she was exporting rubber to the U.K., the U.S.A., Canada and Ceylon. By 1954-55, there was export of raw rubber from India only to the U.K. In 1957-58, there was no export at all of raw rubber from Cochin to foreign countries.

4.25. The Tariff Commission in 1951, fixed a price of Rs. 128.50 per 100 lb. for one year. In 1952 the question was re-examined and the price was raised to Rs. 138.00 per 100 lb.

In February 1955, it was raised to Rs. 150.00 per 100 lb. of Group I which was again raised to Rs. 155.75 and this price has been prevailing since then. Rubber growers in India have been pressing to raise the statutory prices. But the Tariff Commission to which the question has been referred, has not submitted its report yet.

4.26. As home production is not able to keep pace with the increased home demand, and India has to depend on imports, any fall in World prices to a level lower than that fixed in India may have repercussion on the Indian economy. But World demand for rubber has always been on the increase and hence such a situation has not seriously developed so far.

4.27. Early this year, the price of natural rubber in the London Market rose to its highest level since June 1957. A price fall feared in April-May 1959 was averted due to the entry of Russia and China into the rubber markets at Singapore and in June 1959 the price at Singapore was Rs. 166 per 100 lb. Table 4.15 shows how demand and supply of rubber in the World market have both increased in 1959. Table 4.16 below shows the growth of rubber consumption in India during the year under review.

TABLE—4.15

World Production & Consumption of Rubber (Natural and Synthetic)

<i>Year</i>	<i>Output (tons)</i>	<i>Consumption (toas)</i>
1958 (Jan-Oct.)	2,590,000	2,645,000
1959 ,,	2,950,000	3,015,000

TABLE—4.16

Natural Rubber Situation in India

<i>Year</i>	<i>Production Tons</i>	<i>Consumption Tons</i>	<i>Imports</i>
1958 (Jan-Sept.)	16,456	26,493	8,245
1959 (Jan-Sept.)	15,294	29,110	11,224

Tea.

4.28. India is the largest tea producing country in the World. The table below shows the position of Indian production vis-a-vis the world production.

TABLE—4.17
Production of Tea in the World—India, & Kerala

Year (Jan-Dec.)	Total World Production	Total Indian Production	Total South Indian Production	(million lb.) Production in Kerala
1951	1411	625	115	57†
1955	1690	668	129	59†
1956	1716	667	127	68
1957	1737	679	150	78
1958*	1855	714	158	80

*Provisional.

†Refers to the former T.-C. State.

Between 1951 and 1958, India's share in the world production fell from 43 per cent to 38 per cent. Ceylon, Indonesia, and British East Africa are India's main competitors. Chinese competition is also being increasingly felt. But inspite of the fact that these countries too have been increasing their production of tea, India has been able to maintain her hold on the World market. The strength of Indian tea in the World market derives from its high quality as well as its favourable price when compared with the tea from other tea producing countries.

4.29. The following table shows that the trend in terms both of the volume of export as well as its average price has been quite satisfactory.

TABLE—4.18
Export of Tea from India

Year (Jan-Dec.)	Quantity (Million Lbs.)	Value (Rs. crores)	Average price (Rs. per lb.)
1951	454.1	96.0	2.11
1955	367.5	113.6	2.09
1956	523.5	142.8	2.73
1957	442.6	123.3	2.78
1958	505.9	136.5	2.69

The table below shows that as far South Indian tea is concerned, the trend of export is a consistently rising one and thus even more satisfactory.

TABLE—4.19
Sale and Export of Tea at Cochin
 (figures in million lbs.)

<i>Year</i> (Jan-Dec.)	<i>Total Sale</i>	<i>Export</i>	<i>Internal Consumption</i>
1951	20	18	2
1955	35	25	10
1956	42	31	11
1957	53	38	15
1958	55	37	18

4.30. Both the quantity of export and earnings from the export of Indian tea were higher in 1958 than in 1957. There was appreciable increase in the exports to each of the three most important tea markets in the World, namely the U.K., the U.S.A., and the U.S.S.R. In 1959 there has been a distinct rise in prices over the levels of both 1957 and 1958. This is clearly seen from Diagram 4.5. There has been good demand for tea at the Cochin Market throughout the year. The price rise is due to a shortage in supply relative to demand, a shortage caused by a short fall in the production of South Indian tea. Table 4.20 below shows the position clearly.

TABLE—4.20
Comparative Figures of Production & Export in 1958 & 1959

	<i>Date</i>	<i>Quantity</i> (million lbs.)
North Indian Production	1958 (January-December)	556
	1959 do.	558
South Indian Production	1958 (January-November)	148
	1959 do.	137
South Indian Export	1958 (January-mid-October)	78
	1959 do.	62

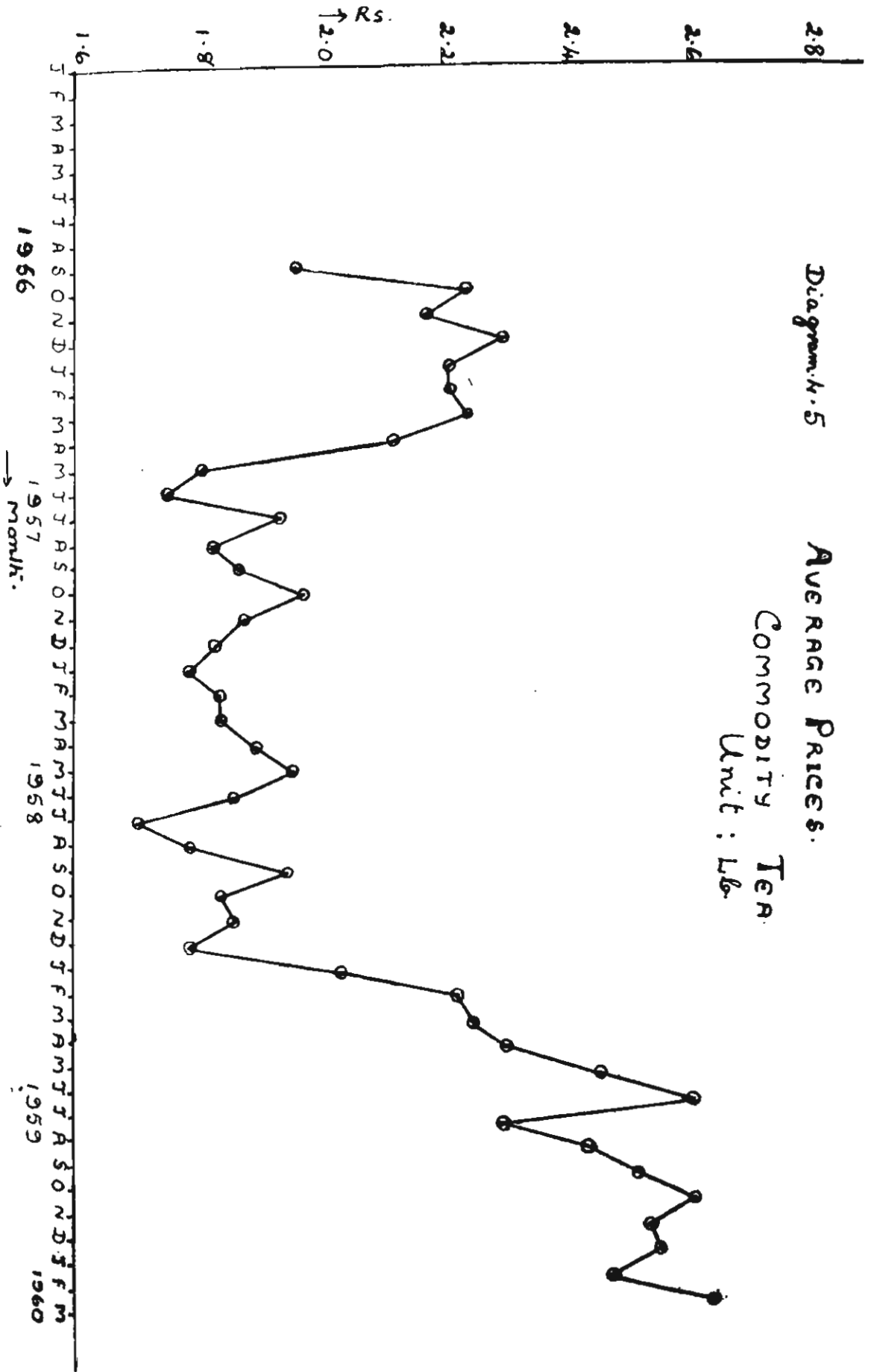


Diagram No. 5

Average Prices.

Commodity Tea

Unit: Lb.

Cashew :

4.31. Kerala holds a near monopoly position in the world production and sale of cashew kernels. Very much smaller amounts are produced in Madras and Andhra in India. In addition to the raw nuts produced in the country between 50 and 100 thousand tons of raw nuts are imported into India annually from Africa. Indian cashew kernel has to face competition in the World market only from other nuts, and so far they have not taken the place of cashew kernels. Attempts to use African nuts locally for the extraction of kernel is a potential threat to the Indian Industry but the potential is as yet far from realisation. The U.S.A., is traditionally the leading importer of Indian cashew kernels. The other big consumers are the U.K., Canada, Australia, and many countries of Western Europe. Recently, the U.S.S.R. has been buying Indian cashew kernels in large quantities. Between 1957-58 and 1958-59, she increased her import of cashew kernels from 37,380 cwts. to 1,28,471 cwts, whereas the off take of the U. S. A., over the same period showed a decline amounting to more than 50,000 cwts. Many other old markets are increasing their off take. Some new markets penetrated by the Indian Cashew are East Germany, Yugoslavia, Peru & Iran. Japan, in addition to the off take of 1,300 cwts. of kernels between January-July 1959, allotted additional foreign exchange worth 1 lakh American Dollars for further purchases.

4.32. The following two tables show the trends of import of raw nuts and export of cashew kernels during the last few years.

TABLE—4.21

Import of Raw Nuts into India

<i>Year (Jan-Dec.)</i>	<i>Quantity (lakh Cwts)</i>	<i>Value (Rs. crores.)</i>	<i>Average price (Rs. per candy)</i>
1951-52	8.4	3.3	234
1955-56	13.8	5.7	247
1956-57	19.1	7.3	229
1957-58	24.1	7.5	186

TABLE—4.22

Export of Cashew Kernels from India.

<i>Year</i> (April-March)	<i>Quantity</i> (tons)	<i>Value</i> (Rs. crores)	<i>Average price</i> (Rs. per ton)
1950-51	25,400	8.55	3366.00
1955-56	30,850	12.92	4188.00
1956-57	30,750	14.53	4725.20
1957-58	36,150	15.16	4193.60
1958-59	40,350	15.85	3928.00

It can be seen that the trend upto 1958-59 was for both import of raw nuts and export of kernel to go up. It is of course natural that the two should move together, considering that Indian production can meet only a part of the requirements of raw nuts in the export industry. It is also seen that the average import price of raw nut has been during the recent years systematically falling but that of exported kernel is more or less maintaining its level. This is a clear indication that the Industry has been enjoying flourishing conditions during these years. As to the year under review, figures available (see Tables 4.23 and 4.24) indicate that there has been a drastic fall in the import of raw nuts but the rising trend of export of cashew kernels has been maintained. This indicates a substantially higher Indian production of raw nuts this year. The average import price of raw nuts as well as the average export price of kernels have both remained in 1959 more or less where they were in 1958.

TABLE—4.23

Import of Raw nuts in 1958 and 1959

<i>Year</i> (Jan-Aug.)	<i>Quantity</i> (lakh cwts)	<i>Value</i> (Rs. crores)	<i>Average price</i> (Rs. per candy)
1958	17.0	5.31	208
1959	11.5	3.64	212

TABLE—4.24
Export of Cashew Kernals in 1958 & 1959

Year (Jan-Sept)	Quantity tons	Value (Rs. crores)	Average price (Rs. per ton)
1958	28,150	11.11	3947
1959	29,550	11.79	3990

Coir Products :

4.33. Coir is a valuable foreign exchange earning industry of India concentrated almost entirely in Kerala which is suffering some decline in importance in the World market. The important consumers of Indian Coir Yarn are the Netherlands, West Germany, United Kingdom, France, Italy, Belgium and Switzerland. The U.S.A., Canada, Australia, Africa and Burma also take some quantities. The principal markets for our Coir manufactures are the U.K., the U.S.A., Canada, Australia and New Zealand. Ceylon is the only country which produces and exports Coir yarn in large quantities so as to be a potential rival to India. Among the Indian States, Bombay is the only state that can possibly develop into an important competitor to Kerala. Mysore is also trying to develop the industry. But the bigger threat to coir yarn is from its substitutes like Sisal, Manila, and Jute; and the really serious competition is in the field of manufactured products coming from the continental countries that import yarn from India for making various products out of them.

4.34. The table below shows the trends in the export of Coir Yarn and Coir Products.

TABLE—4.25
Export of Coir Yarn & Other Coir Products

Year (Apr.-March)	Coir Yarn		Average Price (Rs per cwt.)	All Coir Products	
	Quantity (000 cwts)	Value (Rs. lakhs)		Quantity (000 cwts)	Value (Rs. lakhs)
1950-51	1121	722.84	64.52	1579	1085.96
1951-52	905	658.92	72.81	1231	1026.58
1952-53	968	455.03	47.01	1299	722.77
1953-54	1112	493.28	44.36	1538	820.21
1954-55	1088	521.77	47.96	1522	849.46
1955-56	1104	580.53	52.61	1519	909.40
1956-57	1232	655.99	53.25	1617	967.12
1957-58	1027	513.72	50.02	1394	793.86

Kerala being the largest producer of coir products in India, by far the largest part of their exports takes place through the ports of Kerala. The following table show the export earnings from Coir exported through Cochin, Calicut, and Alleppey.

TABLE—4.26

Export earnings from Coir Exports from the Ports of Kerala

<i>Year (July-June)</i>		<i>Earnings (Rs. lakhs)</i>
1953-54	...	804
1954-55	...	731
1955-56	...	857
1956-57	...	878
1957-58	...	801

4.35. The Coir Industry is thus seen to be stagnating since a long time. The quantity of export as well as the average price are hovering around the same levels for years. The situation slightly improved in 1958-59 when both the quantity and value of export of Coir Products increased. Figures for the whole of India are not yet available, but the following table shows the position for the three above mentioned ports of Kerala.

TABLE—4.27

Exports of Coir Products through Kerala Ports

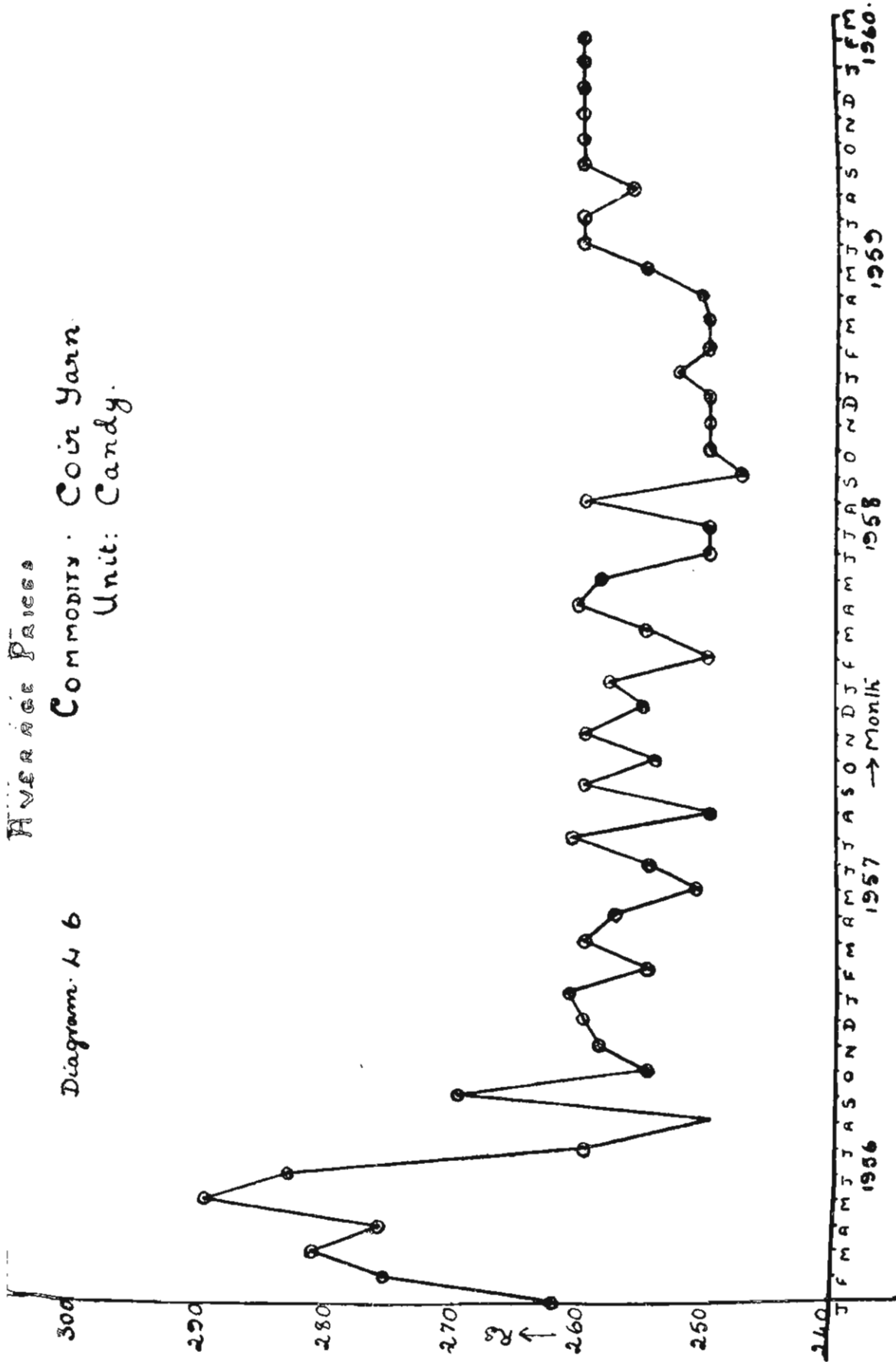
<i>Year (July-June)</i>	<i>Quantity (lakh cwts)</i>	<i>Value (Rs. crores)</i>
1957-58	13.79	8.02
1958-59	16.61	9.38

There are however no indications that this trend has continued in 1959. As a matter of fact, it seems that the increased export took place during the second half of 1958 as compared with that of 1957. For as between the first half of 1958 and 1959 there is hardly any change in the quantity exported (see Table 4.2), though the value of export is a little higher in 1959. There has not been any

AVERAGE PRICES

COMMODITY: COIR YARN
Unit: Candy.

Diagram: 46



discernible direction in the movement of prices during the course of 1959. (See Diagram 4.6). There are no signs that this problem industry is going to know any spectacular improvement in the near future.

4.36. The market situation however is far from being desperate. The export of coir yarn and manufactured products can be boosted to a great extent provided certain vigorous measures are taken. The atmosphere is favourable for such measures. Thus, for instance, the price of Sisal fibre has been reported as being on the increase. The Coir Board Delegation which went out to study the demand for Coir products in different countries of America and Europe have come back with the conviction that coir can be made to have a solid position in the world market provided more attention is paid to its quality.

Arecanut.

4.37. In India, arecanut is grown in Bengal, Madras, Bombay, Assam, Mysore and Kerala. The total production of arecanut in 1956-57 was 23,34,290 standard maunds of which about half was produced in Kerala. India is not self-sufficient in arecanut but has to import large quantities of it, mainly from Singapore, Malaya and Ceylon. The quantity and value of arecanut imported show wide fluctuation over the years, resulting from the periodic changes in the import policy of the Government of India. The following two tables show the picture for some of the past years, bringing out the highly fluctuating character of the volume of import and average import price:—

TABLE—4.28

Import of Arecanut (1951-'52 to 1957-'58)

<i>Year (Apr.-Mar.)</i>	<i>Quantity imported (lakh mds.)</i>	<i>Value (Rs. crores)</i>	<i>Average price (Rs. per maund)</i>
1951-52	13.55	5.57	41.11
1954-55	7.94	2.16	27.20
1956-57	10.90	5.44	49.91
1957-58	8.26	9.97	35.95

TABLE—4.29
Import of Arecanut in 1958 & 1959

<i>Year</i>	<i>Quantity (lakh maunds)</i>	<i>Value (Rs. lakhs)</i>
1958 (Jan.-June)	2.98	67.48
1959 "	1.98	30.98

It appears that the volume of import is rapidly declining during the last two or three years. The import in the current year will be only about two thirds of that of 1958.

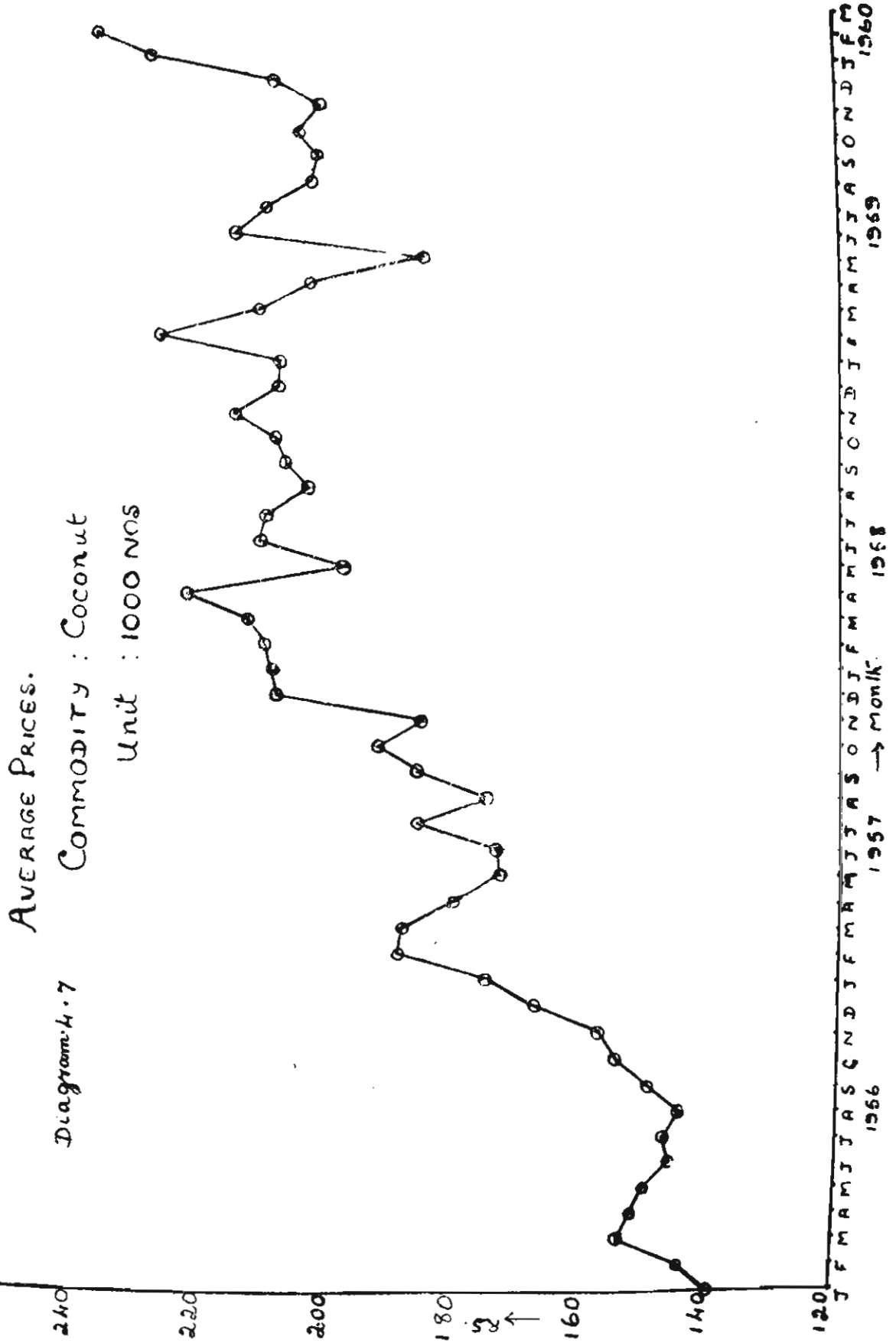
4.38. Factors affecting the prices of arecanut in India are the quality of nuts, their moisture content, localised demand and supply, etc. The different types of arecanut have localised demand and as such the price of one type at one centre need not show any similarity to that of the price of another type in another area. This to a certain extent explains the differences among the prices at Kozhikode and other centres. Prices are also subject to seasonal variations. Prices at Kozhikode have been gently falling during the year 1959. But arecanut trade in other important markets have made definite improvements during the last year, as seen from the following figures :—

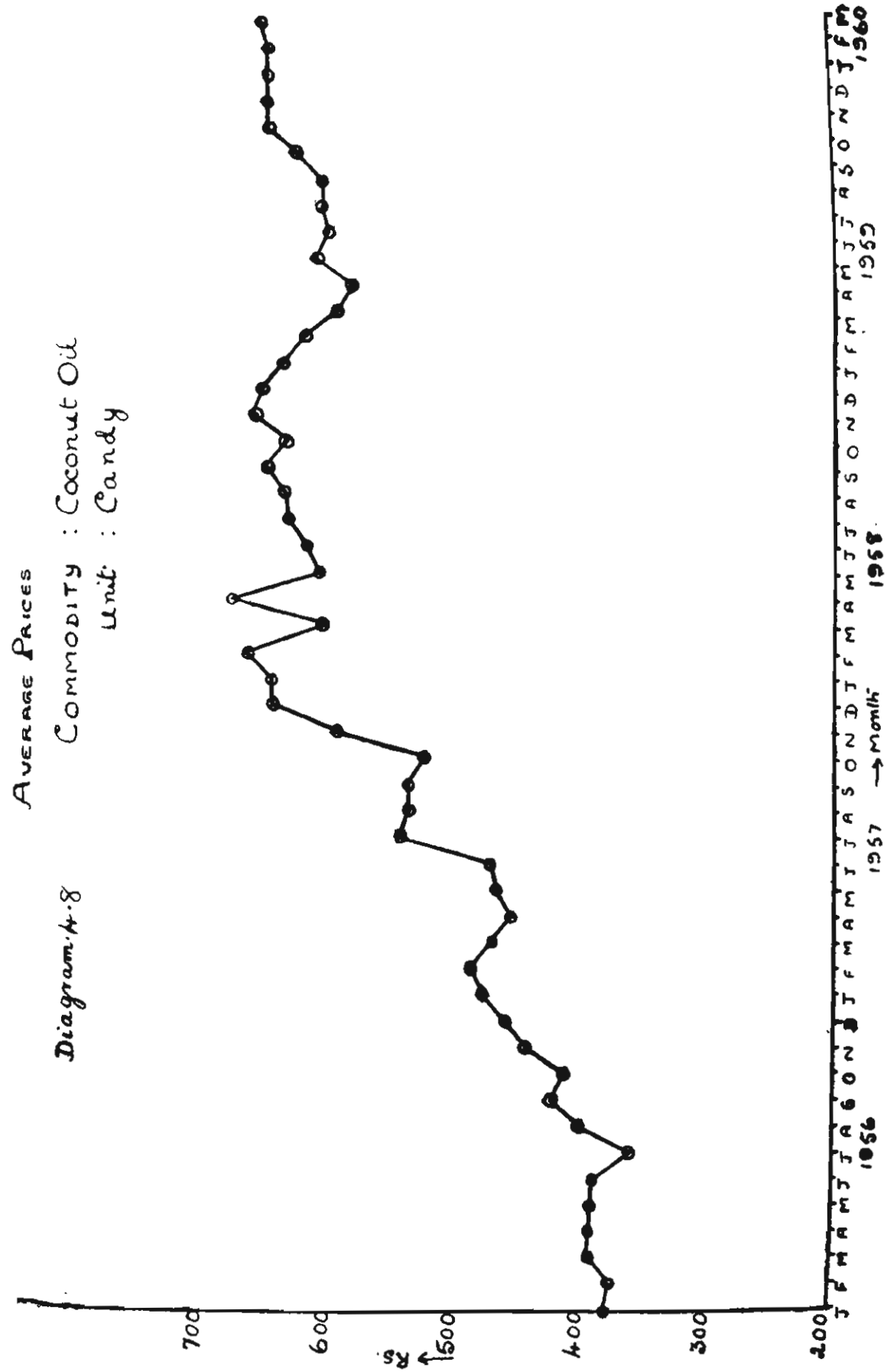
TABLE—4.30
Arrival and Disposal of Arecanut

<i>Markets</i>	<i>1958 (Jan.-Sept.) 000 mds.</i>	<i>1959 (Jan.-Sept.) 000 mds.</i>
Arrival—Mangalore	50.88	263.42
Shimoga	119.28	129.89
Kozhikode	12.38	16.40
Disposal—Mangalore	65.78	272.69
Shimoga	130.66	128.01
Kozhikode	7.99	18.49

Coconut & Coconut Products.

4.39. Kerala is the most important coconut producing State in India. Other States producing coconut are all the Southern States as well as Bombay, West Bengal, Orissa and Assam. The following table shows the growth of coconut production in India and Kerala :—





TABLE—4.31
Production of Coconut in India and Kerala
(Crores of nuts)

<i>Year</i> <i>(July-June)</i>	<i>Production in</i> <i>India</i>	<i>Production in</i> <i>Kerala</i>
1950-51	333.2	203.0
1953-54	413.1	271.3
1954-55	415.1	274.1
1955-56	436.9	309.9
1956-57	442.1	318.2

India occupies the second position in the world as producer of coconut, the largest production being that of Philippines. Indonesia, Malaya and Ceylon also produce large quantities. But despite the position India occupies in coconut production, her consumption of it is so high that she is actually a net importer of coconut and coconut products. The present deficit is estimated roughly at 25 to 30 per cent. India imports coconut mainly from Ceylon and Malaya. From within India the largest supply of coconut to the rest of India comes from Kerala.

4.40. The table below gives the average price of coconut and coconut products at Cochin over a number of years.

TABLE—4.32

<i>Year</i>	<i>Coconut</i> <i>(Rs. per '000 nuts)</i>	<i>Copra</i> <i>(Rs. per candy)</i>	<i>Coconut oil</i> <i>(Rs. per candy)</i>	<i>Coconut oil cake</i> <i>(Rs. per candy)</i>
1956	151	280	406	90
1957	184	356	521	103
1958	210	433	643	112
1959	211	426	631	119

Until the end of 1958, prices of coconut and coconut products displayed an upward trend through the extremely heavy seasonal fluctuations that usually characterise their price curves. (See Diagrams 4.7 and 4.8) The average price level of coconut oil cake in 1959 has been slightly above that in 1958. But for coconut, copra, and coconut oil the levels have been either slightly lower

than or about the same as those in 1958. Coconut and coconut products show a distinct seasonal pattern in their price fluctuations. There is an annual cycle, with the peak between November and February and the trough between April and July. The pattern is the most marked in the case of coconut oil cake and the least in the case of copra. In 1959 trough of April-July was not reached by the price curves of coconut and coconut oil cake. In the first case the curve has continued to dip until the month of November; in the latter case a trough was reached in April but the further price rise stopped since July and since then prices have been fluctuating at about the same level. In the curves for copra and coconut oil the pattern is just discernible but is not accompanied by the usual upward trend.

4.41. The following table shows that the import of copra and coconut oil has been very much less in 1959 than in 1958.

TABLE—4.33
Import of coconut oil

<i>Year</i>	<i>Copra (tons)</i>	<i>Coconut oil (tons)</i>
1958 (Jan-Oct.)	88,208	6,670
1959 (Jan-Oct.)	76,554	2,643

This cannot be explained by saying that demand for coconut products is falling. As a matter of fact they are rising. Between January and November of 1959 the consumption of Coconut Oil in the manufacture of Vanaspati has been 129 tons whereas that in the corresponding period of 1958 was only 106. This is an index of the rate at which demand for certain coconut products is growing. It must therefore be concluded that the reduction in imports has been made possible by increased internal production.

CHAPTER V

INDUSTRIAL GROWTH

5.1. The paucity of available Industrial Statistics does not permit of any thorough study of the industrial changes in the State.) (There are no annual estimates of industrial production (excepting with respect to a very limited number of industries) and no estimates of industrial investment.) (Practically no annual statistics exist for Small Scale Industries, Household Industries, Handicrafts etc.) As far as organised industries are concerned, there is an annual register of factories that does not give any information about capital structure or of production in the different industries but at least records the statistics of employment. With the help of this register it is possible to study the directions in which the industrial development of the State is moving. In Table 5.1 are shown the numbers of factories belonging to the different industries at the end of the calendar years 1957 and 1958 and at the end of September 1959; it also gives the numbers of factories opened and the numbers of factories closed down in 1958 and 1959.

5.2 It is seen from the table that a very large number of factories came into existence during 1958. The increase in number was of the order of 480: from about 1650 to about 2130. It is an increase of nearly 30 per cent in a single year, a remarkably rapid growth. The number of factories opened during 1959 has been, to all indications, much less. 194 new factories were registered and 80 closed down during the first nine months of 1959, so that the net increase in number is only 114. If the same trend has continued during the remaining three months the net increase in the number of factories during the whole year must have been round about 150. This is much below the last year's figure. It is not easy to explain why there should be such a sudden slowing down of industrial expansion. It is not improbable that the disparity is partly accounted for by the statistical in-adequacies. Probably, for one reason or other, factories opened or closed during a year get recorded in the register with considerable time lag, so that figures given for the first nine months leaves out a large number of

factories opened or closed during that period. Even if this be the case, it would not account for the entirety of the difference between the two years. It has therefore to be concluded that the number of factories opened in 1959 have been really much less than in 1958.

5.3. The Industries that saw remarkable expansion in 1958 are Rice Mills, Oil Mills, Textiles, Coir Manufacturing and Printing; the manufacture of Packing Cases, Splints and Veneers, Wooden Furniture, and Rubber Goods, as well as General Engineering, Motor Repairing and Tyre Retreading also exhibited some growth. There were also a very large number of new Cashew Factories registered but almost an equal number of them closed down during the year so that net increase in number was only 4. It may be seen on examination that the industries that saw large expansion in 1958 are mostly ones with relatively small employment potential. This explains why the increase in factory employment in 1958 was only of the order of 14 per cent whereas increase in the number of factories was the order of 30 per cent.

5.4. While a very large number of rice mills sprouted up in 1958, almost an equal number have vanished in 1959. The causes of such a sudden appearance and subsequent quick disappearance of so many rice mills is not known. The textile industry has however maintained its rate of growth. As many as 41 textile mills have been opened during the first nine months of the year alone while there have been only 5 closures. Industries like Saw Mills, manufacturing of Packing Cases and Coir Products, Printing, General Engineering and Repair of Motor Vehicles have maintained their growth, though at a reduced tempo. The tempo of growth of the Tyre Retreading industry however has actually got accelerated. There have been a number of new industries started in 1959, important among which are a factory for the manufacture of Surgical Instruments, one for Paper Garbling, one for Tin Can Fabricating, one for manufacturing Mill Boards and two for manufacturing Metal Fittings.

TABLE—5.1.
Growth of Industries During 1957, 1958 and 1959.

Sl. No.	Name of Industry	No. of factories opened during		No. of factories closed during		No. of factories working during		
		1958	1959	1958	1959	1957	1958	1959
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Canning of fruits and vegetables	1	...	...	...	5	6	6
2	Canning of fish and other sea foods	...	...	...	...	4	4	4
3	Flour Mills	3	1	1	...	2	4	5
4	Rice Mills	70	9	9	60	84	145	94
5	Sugar	...	...	...	...	1	1	1
6	Confectionaries	...	...	...	...	1	1	1
7	Oil	127	5	4	...	77	200	205
8	Hydrogenated oil	...	...	...	...	1	1	1
9	Tea	7	1	8	...	123	122	123
10	Coffee Curing	1	...	2	...	6	5	5
11	Cashew	35	4	31	...	170	174	178
12	Starch	1	1	1	...	4	4	5
13	Salt	2	...	...	...	...	2	2
14	Other food preparations	2	...	4	...	7	5	5
15	Beedi	19	2	22	3	89	86	85

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
16	Cigar	10	...	4	2	9	15	13
17	Textiles	49	43	8	5	192	233	271
18	Knitting Mills	2	2	...	...	10	12	14
19	Coir	35	8	6	1	124	153	160
20	Rayons	...	...	...	...	1	1	1
21	Umbrellas	4	...	5	...	19	18	18
22	Saw Mills	60	18	20	1	83	123	140
23	Plywood Factories	4	...	3	...	14	15	15
24	General Woodworking	...	...	1	...	4	3	3
25	Packing cases	11	6	2	...	15	24	30
26	Splints and veneers	20	2	8	3	65	77	76
27	Wooden furniture	14	1	4	...	15	25	26
28	Paper Mill	...	...	...	...	1	1	1
29	Printing	72	19	3	...	92	161	180
30	Tyre Retreading	13	15	...	...	3	16	31
31	Rubber	20	2	12	1	62	70	71
32	Artificial Manures	2	...	...	...	1	3	3
33	Heavy Chemicals	...	...	...	...	3	3	3
34	Other Chemicals	1	...	...	...	5	6	6
35	Pharmaceuticals	1	...	6	...	9	4	4
36	Match	10	2	8	...	19	21	23
37	Soap	1	...	1	...	6	6	6
38	Other Chemical products	2	...	...	...	1	3	3
39	Petroleum	...	...	...	...	8	8	8
40	Bricks and Tiles	10	4	1	...	146	155	159
41	Glass Works	...	...	...	...	2	2	2

TABLE—5.1.
Growth of Industries During 1957, 1958 and 1959.

Sl. No.	Name of Industry	No. of factories opened during		No. of factories closed during		No. of factories working during		
		1958	1959	1958	1959	1957	1958	1959
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
42	Pottery	...	...	1	...	6	5	5
43	Cement	...	...	1	...	2	1	1
44	Forgings	3	...	...	...	1	4	4
45	Aluminium	...	...	...	...	2	2	2
46	Metal Containers	2	1	3	...	16	15	16
47	Cutlery, Locks etc.	4	...	2	...	5	7	7
48	Iron and Steel	...	...	...	...	1	1	1
49	Brass Vessels, gear case etc.	...	...	...	...	2	2	2
50	Agricultural Implements	4	...	2	...	4	6	6
51	Engineering	...	...	...	...	2	2	2
52	General Engineering	22	4	11	3	32	43	44
53	Other Electrical Machinery	...	...	1	...	3	2	2
54	Ship building and Repairing	5	...	...	...	2	7	7
55	Repair of Motor Vehicles	35	6	8	...	65	92	98
56	Bus Body Building	...	1	...	...	1	1	2

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
57	Cycle	...	1	...	...	...	...	1
58	Jewellery	3	2	...	...	1	4	6
59	Mints	...	...	...	...	1	1	1
60	Pencils	1	...	...	...	1	2	2
61	Brushes	1	...	...	...	4	5	5
62	Other Manufacturing Industries	...	...	7	...	7	...	...
63	Plastics	1	...	...	...	...	1	1
64	Power	...	...	...	...	3	3	3
65	Dyeing and Printing	...	...	1	...	5	4	4
66	Stamp	1	...	...	...	...	1	1
67	Vegetables and Animal Oils and fats	1	...	...	...	...	1	1
68	Tin Can fabricating	...	2	...	...	...	...	2
69	Paper Garbling	...	1	...	...	...	...	1
70	Manufacturing Mill Boards	...	1	...	...	...	...	1
71	Manufacture of Surgical Instruments	...	1	...	...	...	...	1
72	Fish freezing and cold storage of aquatic products	...	3	...	...	...	...	3
73	Soda Factory	...	7	...	...	...	...	7
74	Calendering	...	1	...	...	...	...	1
75	Metal fittings	...	2	...	...	...	...	2
76	Boat Works	3	...	3
77	Crushing Copra	...	16	...	1	15
Total		692	194	214	80	1652	2130	2244

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CHAPTER VI

Employment Situation

6.1. There is no direct information about changes in the employment position, but if Employment Exchange figures are any indication at all, it has to be concluded that there have been more employment opportunities during 1959 than during 1958. The figure for placings by the Exchange for almost every month of 1959 is higher than that for the corresponding month of 1958. The total number of placings in 1959 was about 10 per cent higher than that in 1958. This is all the more remarkable in view of the fact that the number of employers using the Exchange has been less in 1959 than in 1958. Thus, it cannot be said that the larger number of placings in 1959 reflect merely the fact that more use has been made of the Exchange by employers. The impression that the overall employment position has probably improved is reinforced by the fact that the number of registrations with the Employment Exchange has also been considerably less in 1959 than in 1958.

TABLE—6.1

Table showing some Employment Exchange Statistics.

	1959	1958
Number of placings	9,487	8,617
Number of Employers using the Exchange	2,666	2,935
Number of registrations	1,06,790	1,41,025

6.2. While we have figures for new registrations of factories as well as for closures of factories (discussed in the preceding chapter) statistics for factory employment for 1959 are not yet ready. If however we assume that the employment in the factories that have either been opened or closed during the year are equal to the averages of the corresponding industries, it may be estimated that employment has increased between the months of January and September 1959, by about 7,000. At this rate, new factory employment over the whole year may be estimated at 10,000. We have already seen that in 1958, there was additional employment to the extent of 20,000. The situation this year is therefore worse than in the last year, as far as increase in industrial employment is concerned.

CONCLUSION

Economic conditions in Kerala in 1959 have been better than those in 1958 in certain important respects but worse in certain others. The World market situation for the export products of Kerala have been exceptionally good ; earnings from export for the State as a whole has gone up by about Rs. 10 crores. This has happened despite smaller production and smaller export in the case of many of these products (of course the smaller production itself is to some extent the cause of the price rise). On the other hand, from the point of view of cost of living, the year has been a bad one during which the masses of ordinary consumers have been very hardly hit by the very stiff price rise in rice as well as in a few other essential consumer commodities. However, it has to be added that the owners and cultivators of paddy lands have known a good year, for while their income has gone up, there has not been any notable rise in the prices of non-agricultural consumer goods. The indications available as to the magnitude of economic expansion during the year or changes in the employment situation are to a certain extent contradictory. For, if the fact of a smaller number of factories being opened during 1959 is to be interpreted to mean that there has been less of industrial expansion in 1959, it cannot be squared with the fact of more of employment opportunities in 1959. It can however be safely asserted that even if there have been growth in the industries or some change in the employment situation, they cannot be very large.