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**ADMINISTRATION REPORT**  
**OF THE**  
**BUREAU OF ECONOMIC STUDIES**

**FOR THE YEAR 1962-63**

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**1964**



**ADMINISTRATION REPORT**  
**OF THE**  
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ADMINISTRATIVE REPORT  
OF THE  
BOARD OF ECONOMIC STUDIES

FOR THE YEAR 1963-64



**The Government of Kerala**  
**1964**



## PLANNING (C) DEPARTMENT

**G.O. No. (Rt) 358/63/Plg., Trivandrum, 19th November 1963**

*Abstract.*—Administration Report for 1962-63—Bureau of Economic Studies—Reviewed.

*Read.*—Letter No. M3-13913/63/ESD., dated 19th October 1963 from the Director, Bureau of Economics and Statistics.

### ORDER

This is the fifth Administration Report of the Bureau of Economic Studies which was set up in December, 1958.

2. Dr. P. K. Gopalakrishnan continued to be the Director during the year under report and there was no change from the previous year's staff pattern.

3. The Bureau continued to function in its dual capacity as an Advisory Body and Research Unit. It tendered advice to Government on economic issues referred to it.

4. As in the preceding years, the study of the different sectors of Kerala Economy was continued under the research programme during the year. Detailed studies were undertaken in the fields of agriculture including Livestock, Fisheries and Forests; Plantation Industry; the structure and growth of Industries; Power Supply; Transport systems and Social Services. An attempt was also made during the year to study the price situation and cost of living indices in the State. An analysis of the export-import trade indicated that the State was enjoying a favourable balance of trade during the last few years.

5. A detailed survey of coir households in Kerala was conducted during April-July 1960, with a view to studying the economics of the coir industry which is the most labour intensive industry in the State providing employment to about 6 lakhs workers. For the purpose of the survey, 60 households were selected from each of the selected 35 important coir villages in the State. The analysis of the data collected through the survey was completed during the year under report, which revealed the impact of the coir industry on State's economy.

6. The issue of the monthly price bulletins, showing the wholesale prices of important export commodities, was continued during the year. A publication entitled "Kerala 1962—An Economic Review" containing the most up-to-date facts and figures of the State's economy was also prepared for circulation with the budget papers for 1963-64.

7. The Bureau Library was expanded by the addition of latest books and journals on Economics, at a cost of Rs. 8,000. Further, the Library was able to secure during the year a donation of 337 books on Economic Development from the World Bank.

(By order of the Governor)

S. PRABHAKARAN NAIR,

Deputy Secretary to Government

(Planning)

ORDER



# ADMINISTRATION REPORT OF THE BUREAU OF ECONOMIC STUDIES FOR THE YEAR 1962-63

## INTRODUCTORY

The Bureau of Economic Studies continued as an office under the administration of the Planning Department during the year 1962-63. The Head of the Bureau is the Director who functions also as ex-officio Deputy Secretary to Government in the Planning Department. The Director has under him on the technical side Research Officers, Research Assistants, Analyst and Compilers. In the office administration, he is assisted by a Research Officer who attends to the duties of Administrative Superintendent also.

## ADMINISTRATIVE STAFF

The sanctioned strength of the office during 1962-63 was as follows:

<i>Designation of posts</i>	<i>No. of posts</i>
<i>(a) Administration:</i>	
1. Director, Bureau of Economic Studies (Rs. 500-800)	.. 1
2. Research Officer (Rs. 200-400) who functions also as Administrative Superin- tendent	.. 1
3. Stenographer (Rs. 50-200)	.. 1
4. Lower Division Clerk (Rs. 40-120)	.. 1
5. Clerk-cum-Librarian (Rs. 50-125)	.. 1
6. Lower Division Typists (Rs. 50-125)	.. 2
<i>(b) Technical:</i>	
1. Research Officers (Rs. 200-400)	.. 5*
2. Analyst (Rs. 150-250)	.. 1
3. Research Assistants (Rs. 125-225)	.. 5
4. Upper Division Compilers (Rs. 80-180)	.. 2
5. Lower Division Compilers (Rs. 40-120)	.. 8
6. Lower Division Typist (Rs. 40-120)	.. 1

Dr. P. K. Gopalakrishnan continued to be the Director during the year under report. Sri S. Arumugham Pillai, Research Officer continued to attend to the duties of the Administrative Superintendent also, in addition to his normal work as Research Officer. Sarvasree K. Narayanan Nair, G. Viswanatha Pillai, and S. Krishna Iyer continued as Research Officers during the year. The remaining post of Research Officer which fell vacant on 30th November 1961 due to the resignation of Smt. Saradamoony was filled during the year under report by the appointment of Sri T. Edwin who joined duty on 18th October 1962.

\* Includes the one post of Research Officer shown under (a) Administration.

## FUNCTIONS AND REVIEW OF WORK

The functions of the Bureau can be classified into two:

- (i) Advisory, and
- (ii) Research.

Advice on economic problems sought by the various Departments of the Secretariat were tendered. All research programmes undertaken by the Bureau were progressing well during the year under report.

The results of the major research work done during the year are summarised in the following few paragraphs.

The study of the different sectors of the Kerala economy was continued during the year. In Agriculture, detailed studies of land utilisation, production of different crops, food position, etc., have been undertaken. When compared with the previous year considerable increase has been noticed in the net area sown, total cropped area and area sown more than once, indicating the increasing intensity of land use in the State. The proportion of cultivated land to cultivable land in Kerala is one of the highest in India. During 1960-61 production of food grains increased by 29.31 thousand tons which does not compare favourable with the previous year's increase of 82.54 thousand tons. In the case of sugarcane, pepper, ginger, cashewnut, tapioca, arecanut, cotton, groundnut and tobacco, both the area under cultivation and the volume of production increased during the year. But production of coconut decreased by 145 million nuts inspite of an increase in the total area under cultivation. Considerable fall in the area as well as production of sesamum has been noticed during the year under review.

Food supply in the State in 1962 was lower compared to the previous year. Both internal production and arrival from outside the State fell by 47 thousand and 40 thousand tons respectively during 1962. Despite a fall in the supply position there was no rise in the price level. Rice prices which were higher during the first quarter of 1962, compared to the corresponding period in the previous year, remained lower during the rest of the year.

A comparative study of the livestock census figures for 1951 and 1961 revealed that cattle population as a whole increased over the decade by 27.1 per cent. Among the different categories of animals the percentage increase has been most remarkable in the case of working cows (267 per cent), unserviceable cows (288 per cent) and goats (203 per cent). The number of unserviceable she-buffaloes increased by 76 per cent and that of breeding bulls by 44 per cent. There was considerable fall in the number of unserviceable male cattle and buffaloes. The sheep population dwindled by 8 per cent of its original size. But the number of poultry registered remarkable growth.

Fish production in the State increased from 3.08 lakh metric tons in 1960 to 3.87 lakh metric tons in 1961.

According to the land utilisation statistics the area under forest was 26.10 lakh acres in 1960-61. The contribution of forests to State Revenue fell from Rs. 432 lakhs in 1960-61 to Rs. 392 lakhs in 1961-62. The total out-turn of teak increased from 11.87 lakh cft. in 1960-61 to 13.29 lakh cft. in 1961-62. The corresponding figures for other round



logs were 66.99 lakh cft. and 70.76 lakh cft. The out-turn of firewood has gone up from 1.8 lakh tons in 1960-61 to 1.9 lakh tons in 1961-62. But there was considerable fall in the out-turn of sawn and squared timber during the period.

A study of the plantation sector in the State was made. Tea is the most important plantation crop of the State. The area under tea cultivation slightly increased from 39.67 thousand hectares in 1960 to 39.79 thousand hectares in 1961. The State contributed about 11.17 per cent of the all India production of tea in 1961. In absolute terms production in the year was about 39 million kilogrammes which was considerably higher than the previous year's record. This rise in the volume of production was an all India phenomenon. The average yield per hectare increased both in the case of India and Kerala, but the increase was more pronounced in the case of the former. Of late it was found that the number of holdings under tea cultivation in the smallest size group increased remarkably. Out of a total of 1976 estates, almost 86 per cent was in the smallest size group which represented only 2.8 per cent of the total acreage. The average yield per hectare continued to be higher in the bigger size-groups. Kerala's share of the labour employed in tea industry in India was about 10 per cent.

Coffee production in India declined from 67,000 tonnes in 1960-60 to 49,000 tonnes in 1961-62. The chief coffee producing States in India are Mysore, Madras and Kerala. Kerala accounts for about 19 per cent of the all India area under coffee but contributed only 15 per cent of the all India output of coffee. In 1960-61 the State's production of coffee was 7,292 tonnes, which, compared to the previous year's record, mark no improvement. There was considerable fall in area as well as number of estates in the smallest size group. On the other hand certain bigger size groups witnessed increase in area and number. The smallest size group constituting about 85 per cent of the number of holdings share only 53 per cent of the total area.

Kerala has virtual monopoly of rubber cultivation in India. In the country the area under rubber cultivation increased by 27,000 acres in 1961 over 1960. The increase in Kerala alone during the period was 25,000 acres. The average size of a holding in the State has increased from 3.25 acres in 1960 to 3.29 acres in 1961, that of an estate has dwindled from 236 acres to 233 acres during the same period. Rubber production in the State increased from 22,317 tons in 1960 to 24,103 tons in 1961. As the average yield per acre remained static, the increase in production can be attributed solely to increase in the area under cultivation.

Studies about the mineral resources in Kerala reveal that important minerals like coal, iron, petroleum and other basic minerals are absent in the State. The non-availability of these important minerals is a serious obstacle to industrial development. However ilmenite, rutile, monazite, quartz sand, mica and china clay are available in the State.

The total mineral production in Kerala in 1960 as compared to that in all India is insignificant. The value of mineral output in Kerala in 1960 was Rs. 1.8 crores which formed only 1.1 per cent of the total all India value of production in the same year. Besides there



was a fall in the share of Kerala's mineral output in 1960. A scientific geological assessment of the supply of mineral resources in the State is highly necessary. Even the existing supply of some important minerals like ilmenite, rutile and monazite has not been explored to the extent possible. So there is possibility for exploring and developing these minerals which are important foreign exchange earners.

Studies about the structure and growth of industries in the State were undertaken. This brought to light certain facts about the trend and tempo of development of industries. Industries are divided into two groups, *viz.*, (1) Small Enterprises and (2) Factory Enterprises. Small enterprises dominate the industrial sector. About 83.1 per cent of the industrial working force is engaged in small enterprises.

But regarding the level of technology utilised in these small enterprises, their predominance is in no way contributing to industrial growth and economic development in the State. The capital employed per worker in these small enterprises is only Rs. 1,500 while the corresponding figure for all India is Rs. 5,600. The outmoded technology utilised in these small units, is the main reason for industrial backwardness. Mechanisation is the crying need for increasing the productive efficiency of the small enterprises. A high proportion of the development expenditure on industries (40 per cent in the First Plan and 71 per cent in the Second Plan) was devoted to village and small industries. The Small Industries Service Institute of the Central Government is functioning at Trichur. This Institute provides technical advice to the various small enterprises in the State.

The pattern of industrial development is characterised by the lack of large scale industries. The absence of the large scale basic and key industries is the main bottleneck to rapid industrial development. The non-development of metal, minerals and metal based engineering industries is keenly felt in Kerala.

The percapita industrial production in the State is very much below the all India average. The percapita income in industry and mining during 1957-58 was only Rs. 124 in Kerala while the corresponding figures for all India were Rs. 544. This shows the industrial backwardness of Kerala as compared to the rest of India. In almost all other States large scale industries have developed at a faster rate during the last decade. Thus the gap between the development of industries attained by Kerala and the rest of India has been widened.

During the First Plan no Central industrial unit was located in Kerala. During the Second Plan only a D.D.T. Factory with an investment of only Rs. 0.79 crores was located in Kerala. This investment forms only 0.1 per cent of the total investment of Rs. 657.9 crores made by the Central Government in industries. Thus regarding Central industrial investment Kerala has been neglected. During the Second Plan period the progress of industrial development in India has been substantial. But on the other hand the industrial development in Kerala has been very slow with the result the State has a large gap to catch up with the rest of India.

The lack of capital is one of the bottlenecks to industrial development. The flow of capital from outside should be encouraged. Now



the State Government has set up a Labour and Industrial Bureau to provide industrial advisory service to prospective industrialists.

The number of factory enterprises increased from 2102 in 1958 to 2574 in 1962. In 1962, 271 new factories were opened while 189 were closed down, the net increase in the number being 102.

The study conducted in the supply of power showed that there is shortage of electric power at present inspite of the low cost of electricity generation. Electrical energy generated increased from 411.35 million units in 1957-58 to 694.38 million units in 1961-62, an increase of 69 per cent. Electrical energy purchased from Madras has also increased from 33.52 million units in 1957-58 to 56.76 million units in 1961-62.

The percapita consumption of electric power is one of the lowest, *i.e.*, 36 units in Kerala. The pattern of consumption of electrical energy between 1957-58 and 1961-62 shows that there is an absolute increase of consumption by every class of consumers during 1957-58 to 1961-62, the increase being more than 95 per cent in the case of domestic consumers and about 105 per cent in public lighting. But for all intents and purposes there is no change in the percentage of electrical energy consumed by various categories of consumers.

### Company Enterprises

The company enterprises of Kerala, which is at a low stage of development, form 4.2 per cent of the total number of companies in India. But the State's share of the total paid up capital of all companies in India was only 2 per cent. At the end of 1958-59 Kerala had 1,147 companies with a total paid up capital of Rs. 30.64 crores. The bulk of the companies is in the sectors of Trade and Commerce and Agriculture. In Kerala, the total authorised capital increased from Rs. 371 lakhs in 1960-61 to Rs. 971 lakhs in 1961-62, while the number increased only from 46 to 51. During the year 1961-62, 74 companies were registered in India with an authorised capital of Rs. 1 crore and above, out of these only 3 were located in Kerala. Out of the total of 18 Government companies formed in India during 1961-62, 3 were in Kerala, *viz.*, Kerala State Industrial Development Corporation with an authorised capital of Rs. 5 crores, Kerala State Small Industries Corporation with an authorised capital of Rs. 0.5 crore and Kerala Premo Pipe Factory with an authorised capital of Rs. 0.5 crore. Kerala had also 14 foreign owned companies. There was an appreciable reduction in the number of companies filed during 1961-62, in terms of paid up capital it comes only to Rs. 0.5 lakh.

### Prices

An attempt was made in 1962 to study the price situation in Kerala. It is evident from the available data that the price situation showed little improvement when compared to the previous year. The year 1962 succeeded in reversing the steadily rising tendency of prices. Rice prices even though remained higher during the beginning of the year ruled lower towards the end in comparison with the previous year's level. In all the centres prices followed a general downward move and opposite was the case in India as a whole. Sugar prices did not record a steep fall during 1962 inspite of abundant supply, due to



the controlled releases of sugar to the market. The prices of selected commodities which are important foreign exchange earners sagged during 1962. The prices of pepper, cardamom and turmeric met with a drastic fall and arecanut prices also followed suit with occasional improvements. Plantation products did not show any significant variation over last year's level.

Retail prices of essential commodities like tapioca, coconut oil, firewood, cloth, etc., ruled higher in 1962 when compared to the previous year. The wholesale price indices of agriculture commodities in the State showed an upward trend during the year under review while at the all India level the indices showed a drawback.

Cost of living indices which followed a steadily rising trend from 1959 onwards remained higher in 1962 with the exception of Ernakulam and Munnar. In India there was a general upward move. While the rise in the cost of living indices in India went up from 4.07 per cent in 1961 to 5.51 per cent in 1962, the same in Kerala decreased from 5.36 per cent to 2.47 per cent. The percentage increases in different towns also remained much lower than those in 1961.

The measures for a stable price policy are in the process of implementation and the rather optimistic price situation is the result of various governmental measures to offset abnormal price movements.

### Transport

Studies of the development of transport system showed that the State has a fairly well developed road transport system. The average road mileage in Kerala is 72 per 100 square miles while the corresponding figure for all India is only 25. Similarly the average road mileage per lakh of population is only 66 as against 82 for all India. The total road mileage in the State is made up of 1432 miles of National and Provincial highways, 3873 miles of district roads and 5434 miles of village roads.

In 1961-62 there were over 31460 mechanised road vehicles while the corresponding figure was only 15125 in 1957-58 of the goods' vehicles form about 24 per cent. The State Transport Department was operating 441 routes covering a distance of 8542 miles in 1962. The State Transport Department is a commercial enterprise having profit.

There were 1178 miles of waterways in the State which form about 20 per cent of the total inland navigation system of India. The Water Transport Department of the State, in 1962, was running at a loss.

Kerala is backward in the development of railway system. There are at present only 552 miles of railway lines in Kerala. The lack of development of railway system is a major obstacle to rapid industrialisation. The average railway mileage in Kerala is only 3.34 per lakh persons as against 8.4 for all India. Major share of the Plan expenditure on Railways was made in northern States which had already developed railway system. This imbalance in the development of transport system should be reduced, similarly the inadequacy in the railway transport facilities in the State should also be made good.



### Export-Import Trade

An analysis of the export-import figures indicates that Kerala has been enjoying a favourable balance of trade during the last few years. During 1957-58 and 1958-59 exports were on the increase and imports were steadily falling. But this trend was reversed by the beginning of 1960-61. During the year imports have gone up by 20 per cent while exports showed an increase of only 5 per cent. During 1959-60 the increase in export value has gone up by 24.2 per cent. 1961 and 1962 were comparatively bad years for pepper even though there was a sizable increase in the quantity exported. Price during this period recorded a severe fall. Inactive foreign demand and the pressure of arrivals are mentioned as reasons for price depression. But the fall in the export of pepper was compensated by increased exports of arecanut, cardamom, ginger, cashew, coir and coir products, cotton, building materials, metals, minerals and silk manufactures showed an increase in import.

### Social Services

Kerala outstrips most other States in India in the sphere of social services. During the year 1961-62 the per capita public expenditure on social services worked out at Rs. 15.9 for Kerala, while the same for the neighbouring States of Mysore, Madras and Andhra Pradesh were only Rs. 10.1, Rs. 9.7 and Rs. 7.9 respectively. The level of literacy reached 46.8 per cent in the State in 1961 against 24 per cent for India as a whole.

The number of secondary schools in the State increased from 877 in 1959-60 to 888 in 1960-61, upper primary schools from 1789 to 1917 and lower primary schools from 6282 to 6672. At the academic level the pattern of development in the past has been such that too much weight has been given in creating facilities for general education. In 1961-62 the number of students attending general educational institution were 42523, while those attending professional colleges were only 7314. In 1961-62 there were 59 Arts and Science Colleges, 19 Training Colleges, 6 Engineering Colleges and 2 Medical Colleges, 14 Diploma institutions, one Ayurveda College, one Agricultural College and one Veterinary College.

Studies undertaken on Health and Medical facilities in the State revealed that the State has been making steady progress in the field. The death rate which remained at 9 per 1000 in 1957 declined gradually to 7 per 1000 in the following years. The bed strength in the hospitals of the State increased from 11419 in 1958 to 13006 in 1960. At the end of the year 1960 the total allopathic medical institutions numbered 356, composed of 67 hospitals, 172 dispensaries, 82 primary health centres, 10 secondary health centres and 25 bi-weekly evening dispensaries. The number of medical graduates and licentiates increased from 1041 in 1960 to 1451 in 1962. The State had 35 Ayurvedic hospitals and 190 dispensaries at the beginning of 1962.

### Survey of Coir Households in Kerala

The Coir Industry is the most labour intensive industry in the State giving employment to about six lakhs workers. With a view to

studying the economics of the Coir Industry, especially on three closely interlinked aspects of the household sector of the industry namely, husk collection, retting and spinning, a survey was conducted during April-July 1960. The data collected mainly relate to the year previous to the date of survey. Though the different operations of the coir industry are widespread throughout the State, the industry is most prominent in the coastal areas due to the availability of retting facilities in the coastal backwaters. Households limited to sixty were selected from each of the selected 35 important coir villages in the State. Selection of villages and sample households is given below :

TABLE 1  
Selection of Villages and Sample Households

District	No. of Village	Husk collection	Retting	Spinning	Total
Trivandrum ..	7	22	106	188	316
Quilon ..	11	111	126	337	574
Alleppey ..	5	85	35	180	300
Kottayam ..	2	..	2	118	120
Ernakulam ..	1	4	20	37	61
Trichur ..	1	2	6	34	42
Kozhikode ..	7	48	62	297	407
Cannanore ..	1	5	5	50	60
Total ..	35	277	362	1241	1880

In the selection of households the following definitions were adopted :

*Husk Collection* :—A person who is engaged in husk collection in any capacity other than that of a regular wage employee of another person dealing in husks is defined as “ husk collection ”.

*Retting* :—A ‘ retter ’ is one who is conducting the business of retting the husk by employing hired labour ; own-account workers and labourers were excluded.

*Spinning* :—A ‘ spinner ’ is one who is engaged in the business of making coir yarn with or without the aid of hired labour.

*Husk Collection* :—There is a separate class of persons in the industry whose main business is the collection of husk, the basic raw material in



coir industry, from all over the State. Unlike retting and spinning though husk collection is not confined to any particular area, for the purpose of the survey, the households have been selected from the most important coir producing villages. This imposed some limitation on the study, because in these villages, it was found the producers themselves who engaged in husk collection.

Among the persons engaged in husk collection, the illiterate formed 28 per cent and of the literates, more than three fourths have acquired only primary standard. Less than 6 per cent of the total number of members acquired matriculation and above standard. About 13.1 per cent of the working population are members of coir societies. More than 85 per cent of the members of coir societies have their membership in primary societies. The membership in coir-co-operations is appended below :

TABLE 2

<i>Society</i>	<i>Male</i> Percentage	<i>Female</i> Percentage	<i>Total</i> Percentage
Thondu	6.5	1.6	8.1
Primary	74.0	11.4	85.4
Marketing	2.4	0.8	3.2
Factory	1.6	1.7	3.3
All	84.5	15.5	100.0

About 4.7 per cent of the working members are having husk collection activity as their primary or main occupation, 3.2 per cent as primary collectors and 1.5 per cent as secondary collectors. More persons therefore carry on husk collection as a subsidiary occupation and the collection activity is largely the field of males than females. 26.6 per cent of the persons in the working age group are doing some work in connection with coir industry other than husk collection. Females predominate in coir operations such as beating, cleaning, and spinning, constituting 67 per cent of the workers.

Procurement and disposal of husks are the most important economic functions of husk collectors. Private individuals, rather than agencies such as primary societies form the largest single purchasers of husks sold out by the households. Cash transactions play a much larger role than credit transactions or transactions against advances in both the husk procurement and husk disposal activities. The collection of husk from the owners of coconut gardens is itself one of the most important processes of the industry engaging a large number of persons. Some of the husk dealers are mainly engaged in the collection and sale of raw husk while others are occupied in the purchase of raw husk and the sale of the same as retted husk.

The quantity, value and mode of procurement of husks by an average family as revealed by the survey is shown in Table 3.

TABLE 3  
Procurement of Husks by an average Households

Method of procurement	One year (1959)				One month (July 1960)			
	Quantity '00 Nos.	Percentage	Value Rs.	Percentage	Quantity '00 Nos.	Percentage	Value Rs.	Percentage
On cash payment ..	359	98.63	1104	98.92	36	97.30	113	98.26
Against advances ..	2	0.55	4	0.36	..	..	..	..
On credit ..	3	0.82	8	0.72	1	2.70	2	1.74
Total ..	364	100.00	1116	100.00	37	100.00	115	100.00

Husk procurement or sale is made on three terms viz., on cash payment, against advances and on credit. It would be seen that an average household procures only about Rs. 115 worth of husk in a month but the activity may be brisker during certain periods when there is greater demand for coir yarn to meet urgent requirements. The husk collector may thus have to face dull periods of transactions as well. In the District of Alleppey, procurement takes place by all the three methods of transactions and perhaps it is the only district where transactions against advance are practised for husk procurement. Details of disposal of husks by an average household is shown below.

TABLE 4  
Disposal of Husks by all average household

Method of disposal	One year (1959)				One month (July 1960)			
	Quantity '00 Nos.	Percentage	Value Rs.	Percentage	Quantity '00 Nos.	Percentage	Value Rs.	Percentage
For own retting ..	297	81.59	1,090	83.68	31	83.78	115	85.19
On cash payment ..	67	18.41	215	16.32	6	16.22	20	14.81
Against advances ..	..	..	..	..	..	..	..	..
On credit ..	..	..	..	..	..	..	..	..
Total :	364	100.00	1,305	100.00	37	100.00	135	100.00



About 90 per cent of the husks disposed of on the basis of cash payment is sold to individuals. Only small portion of the total disposal is made to coir co-operatives.

*Retting.*—Retting is the steeping of green husks in brackish water in lagoons for a period generally over 6 to 10 months. Fibre made out of retted husks is of superior quality compared to that made from husks merely soaked in water for a few days or weeks. In certain areas of Malabar, husks are neither retted nor soaked, but fibre is extracted from green husks directly.

For the study of retting operations, 362 households in the State as detailed below were selected.

TABLE 5

District	No. of households
Trivandrum	106
Quilon	125
Alleppey	35
Kottayam	2
Ernakulam	20
Trichur	6
Kozhikode	62
Cannanore	5
Total	<u>362</u>

Retting process may either be done by individual producers or by primary co-operative societies. Retting facilities are greater in the Districts of Trivandrum and Quilon.

The Survey reveals that the first four months of the Calendar year, are the months of heaviest work in retting households. The months of very poor activity are July, August, September and October. The average quantity of husks bought by a retting household during a month is of the order of 3500 numbers though very wide differences exist as between individual households in the purchase of husks.

About 26 per cent of the members in the households are illiterate and 54 per cent have acquired primary education. A very low percentage viz., 1.9 of the members have acquired education above matric level. Only 7.8 per cent are members of the coir co-operatives and about 91 per cent of the total number of members in co-operatives have their membership in Primary societies. Distribution of membership in different types of co-operatives is given in Table 6.

TABLE 6

#### Membership in Coir Co-operatives

Society	Male Per cent	Female Per cent	Total Per cent
Thondu	3.37	..	3.37
Primary	76.44	14.42	90.86
Marketing	4.33	0.48	4.81
Factory	0.96	..	0.96
Total	<u>85.10</u>	<u>14.90</u>	<u>100.00</u>

The classification of the members belonging to the age group 15-54 according to their main occupation is furnished in Table 7.

TABLE 7  
**Working Age Group—Retting**

<i>Sl. No.</i>	<i>Main occupation</i>	<i>Members Per cent</i>
1.	Retting ..	4.3
2.	Husk Collection ..	0.2
3.	Spinning ..	17.9
4.	Occupations other than coir ..	60.0
5.	Students ..	13.3
6.	Unemployed ..	4.3
	All ..	100.0

Among retters it is the employers who predominate rather than wage employees and own account workers. Most of them engage other wage employees to do the actual manual work connected with retting. As can be gauged from the table the employment potential of the spinning sector of coir industry is much higher than that of the other two sectors, viz. husk collection and retting. More persons are engaged in retting work as secondary occupation than as main occupation. This is true of husk collection activity where it was found that more persons are engaged in husk collection as secondary occupation than as primary occupation.

About 60 per cent of those in the working age group, are engaged in some activity not connected with coir. There are more persons unemployed in the retting households than in the husk collecting households. A good number of persons having their main occupations outside coir industry are engaged in retting activity as their secondary occupation.

An analysis of retters alone shows that 79 per cent of them belong to the age group 15-54 and 21 per cent of them to the 55 and above group. Nearly 85 per cent of them are males and 15 per cent are females (Table 8).

TABLE 8  
**Percentage distribution of retters according to age and sex**

<i>Age Groups</i>	<i>Males</i>	<i>Females</i>	<i>Total</i>
6-14 ..	..	..	..
15-54 ..	66.23	12.57	78.80
55 and above ..	19.11	2.09	21.20
All ..	85.34	14.66	100.00

The majority of households obtain husks from sources other than their own farm or other producers. Utilisation of husks procured from own farms is high in the districts of Trivandrum and Alleppey. In



Quilon and Ernakulam Districts more than 50 per cent of the households collect husks for retting purposes from other secondary sources. A significant fact to be noticed here is that in none of the selected households purchase of husks was made from co-operative societies for retting.

*Husks put in.*—The quantity of husks put in water as lot I, lot II and lot III by a retting household in the State is furnished in Table 9.

TABLE 9

**Details of husks put in Lot-wise**

<i>Lot number</i>	<i>Average quantity of husks put in water (No.)</i>	<i>No. of man-hours per 1000 husks</i>	<i>Labour charges per 1000 husks (Rs.)</i>
I ..	2917	3	1.80
II ..	3034	3	1.87
III ..	2764	3	1.82
Average lot ..	2905	3	1.83

The average number of husks contained in a particular lot is roughly about 3000. This number varies between the different districts and also between different lots. The number of manhours required for soaking a particular quantity of husks, say 1000 Nos. also varies between different districts and different households. It is largely found to vary between two and eight. It is found to be uniform for the different lots. But the analysis of the last three lots put in shows that the labour charges are more or less the same throughout the State excepting Trichur and Cannanore Districts where comparatively higher charges prevail. Daily wages per worker engaged in retting operations also differ from district to district.

*Husks taken out.*—The quantity of husks taken out as Lot I, Lot II and Lot III by a retting household in the State is given in Table 10.

TABLE 10

**Details of husks taken out—Lot-wise**

<i>Lot number</i>	<i>Average quantity of husks taken out (No.)</i>	<i>No. of manhours per 1000 husks</i>	<i>Labour charges per 1000 husks (Rs.)</i>
(1)	(2)	(3)	(4)
I	3012	3	1.60
II	2874	3	1.82
III	2990	3	1.79
Average lot	2959	3	1.73

As in the case of husks put in, for husks taken out also there are district-wise variations, but on an average about 3000 husks per lot are taken out in a retting household in the State. The number of man-hours required for taking out 1000 husks varies between the different districts. It is, however, found that in most of the districts the

labour charges for putting in husks for retting are higher than those for taking out.

*Distribution of retted husks.*—The details regarding disposal of retted husks taken out of water in the three lots immediately before the data of survey are obtained from the households. Subjoined Table 11 gives figures of quantity of husks in the three lots distributed to various agencies by a retting household.

TABLE 11

## Distribution of retted husks—Agency-wise

Lot number	Individual coir producers		Middle Men		Co-operatives		Self processing		Others		Total	
	Number	per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
1	2	3	4	5	6	7	8	9	10	11	12	13
I ..	1059	35.1	23	0.8	..	..	1614	53.6	315	10.5	3012	100.0
II ..	1095	38.1	29	1.0	19	0.6	1683	58.7	48	1.6	2874	100.0
III ..	977	32.7	33	1.1	17	0.6	1741	58.2	222	7.4	2990	100.0
Average lot ..	1044	35.2	28	1.0	18	0.6	1679	56.7	195	6.5	2964	100.0

It can be seen that the role played by coir co-operatives in the purchase of retted husks from households for their business operations is very insignificant. In most of the households they find it difficult to account for the distribution of a certain portion of the retted husks taken out and hence that portion is categorised as 'others' in the table. When we take into consideration the District-wise figures of the disposal of retted husks we find that in the Districts of Quilon, Kottayam and Cannanore sales are made only to individual producers. A negligible quantity of husks is sold to middlemen in the Districts of Trivandrum, Alleppey, Ernakulam and Kozhikode. The only District where sales are made to co-operative societies is Trichur.

*Terms of Trade.*—The sale of husks is effected mainly on three terms, viz., on cash payment, against advances and on credit. Trade on the basis of cash payment is predominant. Table 12 shows figures of sales on the three different terms.



TABLE 12

## Sale of Retted Husks—Lot-wise

Lot number	On cash		Against advances		On credit		Total	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
1	2	3	4	5	6	7	8	9
I ..	955	88.26	..	..	127	11.74	1082	100.00
II ..	1023	89.50	20	1.75	100	8.75	1143	100.00
III ..	860	83.74	45	4.38	122	11.88	1027	100.00
Average lot	946	86.47	32	5.93	116	10.60	1094	100.00

The average quantity of husks sold by a single household on cash payment basis is the highest in the Cannanore District and the lowest in the Alleppey District. Sale on the basis of credit is common to all the districts in the State though its percentage in the total transactions is very low. Sale 'against advances' occur in Quilon, Ernakulam and Trichur Districts, but their incidence is very low compared to the total volume of transactions.

*Retted husks processed personally by the Retters.*—A major quantity of husks taken out of water after retting is set apart by the retting households for further processing into coir yarn. This tendency is prevalent throughout the State as revealed by the survey.

Though the number of manhours required for processing 1000 husks does not show much of a variation as between the three lots taken out by an average retting household, there are District-wise variations with Alleppey having the highest number (173) and Cannanore the lowest (15).

The average quantity of coir fibre obtained from 1000 retted husks is 200 lb. This varies slightly between the three lots of husks.

*Range of Price variations.*—The purchase price of green husks in the retting households during the year previous to the date of survey varied between Rs. 5.50 and Re. 1 per 100 husks. The selling prices varied between Rs. 6 and Rs. 3 during the month previous to the date of survey and between Rs. 6 and Rs. 2 during the last year.

*Business Transactions during the month and year previous to the date of Survey.*—The average quantity of husks put under water, taken out and processed by an average retting household in the State is shown in Table 13.

TABLE 13

**Business Transactions**

<i>Period of reference</i>	<i>Husks put under water (No.)</i>	<i>Husks taken out of water No.</i>	<i>Husks processed No.</i>
Last month ..	3167	3080	2620
Last year ..	31046	28109	25173

It can be seen from the table that almost an equal quantity of husks as put under water is taken out and almost 85 per cent of the quantity of husks taken out is used by the households themselves for further processing.

*Business Turnover—Receipts and Costs.*—Information on the cost incurred for procuring of raw materials and connected expenses and the receipts from raw or processed material is collected from the households.

The following Table 14 gives the average costs incurred by a retting household in the State :

TABLE 14

**Costs for Business operations**

Serial No.	Item of expenditure	Last month		Last year	
		Rs.	Percent-age	Rs.	Percent-age
1	Purchase of raw materials ..	153.35	73.49	1473.55	72.16
2	Transport ..	5.20	2.49	45.60	2.23
3	Porterage ..	4.36	2.09	56.42	2.77
4	Other labour charges ..	41.41	19.85	422.69	20.69
5	Rent, licence, interest ..	1.91	0.91	21.63	1.06
6	Other expenses ..	2.44	1.17	22.21	1.09
	Total ..	208.67	100.00	2042.10	100.00

The expenditure incurred on the purchase of raw materials forms more than 70 per cent of the total costs. Labour charges which constitute about a fifth of the total costs. Other items like transport, porterage, rent, etc., constitute below 8 per cent of the total costs.

Table 15 reveals the average receipts of a retting household during the month and year previous to the date of survey.



TABLE 15

## Receipts from Business operations

Serial No.	Item of Receipt	Last month		Last year	
		Rs.	Percent- age	Rs.	Percent- age
1	Sale of yarn ..	204.56	83.47	1905.91	80.28
2	Sale of fibre ..	2.23	0.92	30.86	1.30
3	Sale of retted husk ..	38.22	15.59	436.53	18.39
4	Sale of green husk ..	0.06	0.02	0.79	0.03
	Total ..	245.07	100.00	2374.09	100.0

The major portion of the receipts (about 80 per cent) of retting households is obtained from the sale of yarn as the retting household keeps apart the major portion of retted husks for further processing into coir yarn. The reason for this peculiarity may well be due to the fact that all the different operations like husk collection, retting and spinning cannot be separated into water tight functions and subjected to the isolated study of each. Nearly one sixth of the receipt are from the sale of retted husks.

*Spinning.*—Coir spinning is the process by which fibre is spun into various kinds of yarn. The spinning process is mainly done with the aid of spinning wheels or spindles. In the case of certain varieties the fibre is spun with the aid of hand. Wheel spinning is gradually displacing hand spinning. This tendency deserves encouragement as machine spinning increases the output per worker and thereby allows higher earnings to the coir worker.

Nearly 36 per cent of the total number of members in the spinning households are illiterate as against 28 per cent in the husk collection households and 26 per cent in retting households.

*Membership in Coir Co-operatives.*—The survey reveals that only 7.3 per cent of the total population have membership in Coir Co-operatives. In relation to the working population it is found that this membership comes to only 15 per cent. This is not a happy State of affairs. Table 16 shows the distribution of the total number of Co-operators among the different types of Co-operatives.

TABLE 16

**Distribution of membership in Coir Co-operatives**

Type of Society	Males		Females		Total	
	Number	Percent- age	Number	Percent- age	Number	Percent- age
Thondu ..	17	2.9	4	0.7	21	3.6
Primary ..	456	76.5	98	16.4	554	92.9
Marketing ..	15	2.5	..	..	15	2.5
Factory ..	4	0.7	2	0.3	6	1.0
All ..	492	82.6	104	17.4	596	100.0

Thirty-four per cent of the total number of members in the working age group resort to spinning activity, unlike the 'retting' households where employers predominate, in the 'spinning' households more than two thirds of those engaged in spinning are own-account workers. Females predominate the spinning sector of the industry. 35 per cent of those engaged in spinning resort to some secondary occupation. In the retting households 18 per cent have spinning as their main occupation and this percentage is almost double in the spinning households.

*Receipts, sale and consumption of raw materials.*—GREEN HUSK.—There are mainly four sources from which green husk is obtained by the coir spinning households. A part of the demand is met from their own coconut gardens and the balance purchased from other agencies like intermediaries, other producers and Thondu Societies. Thondu Societies are the Co-operative agencies for the purchase and sale of green husks. It is found that more than 90 per cent of the green husks is collected from other producers (growers of coconuts other than those of the coir households) and intermediaries who deal in husk trade.

An analysis of the data regarding consumption of green husks reveals that nearly 75 per cent of the total quantity of green husks received is consumed for further processing. Table 17 shows the average receipt and consumption of green husks by a household during the month and year previous to the period of survey.



TABLE 17

## Receipt and consumption of Green Husks

Receipt from	Last month		Last year	
	Number	Percentage	Number	Percentage
Own farm ..	49	4.95	517	7.98
Other producers ..	643	65.02	3480	53.68
Intermediaries ..	290	29.32	2478	38.23
Thondu Societies ..	7	0.71	7	0.11
Total ..	989	100.00	6482	100.00
Consumption by household ..	544	55.01	4840	74.67

Most of the purchases of green husks by the spinning households are done on the basis of ready cash payment. Transactions against advance are made only in the Districts of Alleppey and Kottayam.

**RETTED HUSKS.**—While Co-operative Societies supply just more than 11 per cent of the requirements of retted husks to the spinners' households, private retters meet about 75 per cent of their needs. The rest of the demand is met by the retted husks prepared by the households themselves.

It is found that about 97 per cent of the retted husks received by the households are consumed by them. About 88 per cent of the husks purchased are on the basis of cash payment.

The total quantity of retted husks received by a spinner's household in a particular year is more than four times that of the green husks. Most of the coir workers are small producers who subsist on small incomes and hence are always very needy. Therefore most of them might go in for the purchase of retted husks rather than green husks.

Among the common terms of trade, sale on the basis of trade, sale on the basis of credit seems to be common in the sale of retted husks (Table 18).

TABLE 18

## Sales of retted husks by an average household

Terms of trade	Last month		Last year	
	Number	Percentage	Number	Percentage
On cash ..	27	56.00	61	10.3
Against advances ..	..	..	3	0.5
On credit ..	21	44.00	530	89.2
<b>Total</b> ..	<b>48</b>	<b>100.00</b>	<b>594</b>	<b>100.00</b>

**COIR FIBRE.**—Coir fibre is the material from which coir yarn is produced. Extraction of fibre is the last of the series of operations to which the basic raw material, *viz.*, green husk, is subjected to in the process of coir yarn production. Though coir fibre may be extracted by the spinner himself, it may be also purchased from co-operative societies or traders. But it is found that about 90 per cent of the fibre in an average spinner's household is produced by the spinner himself and the balance purchased from traders mainly on the basis of cash transactions. It is found that more than 90 per cent of the receipt of fibre is consumed by the household for further processing.

The survey reveals that spinning households are purchasing the raw materials, *viz.*, green husks, retted husks and fibre, from private agencies rather than co-operative societies. The transactions made are found to be mostly on the basis of ready cash rather than on the basis of credit or advances.

*Details of implements used for spinning in the coir households.*—The common implement used for coir spinning is a simple one known as the spindle. A pair of wheels or "ratts" used for spinning out coir yarn is treated as one spindle for the purpose of the survey.

The results of the survey show that only 50 per cent of the selected spinning households are using spindles for coir yarn production. This percentage is low compared to the findings of the Coir Board Survey published in 1955. This may be because of bias in sampling the households. Spindle spinning is widely prevalent in the Districts of Trivandrum and Quilon. Coir industry in the State is highly concentrated in these districts which together account for a large percentage of the production of coir yarn in the State.

In Alleppey District more than half the number of households do not seem to resort to spindle spinning while in the Trichur District more than 50 per cent of households follow this method. All the selected households in Ernakulam District resort to spindle spinning.



In the Districts of Kozhikode and Cannanore most of the coir yarn produced in the households selected is the result of hand spinning.

The average spindle using household in the State possesses more than two spindles.

The average price of one spindle works out at Rs. 31·8. The cost of spindle varies from district to district. It is roughly estimated that on an average 3 adults (2 main workers and 1 assistant) and 2 children (1 main worker and 1 assistant) are employed in operating the spindle. The spinning operations are generally attended to by women, assisted by children below 15 years of age. The average quantity of yarn spun out by a spindle-using household in 8 hours' time is 80·34 lb. The average quantity of yarn produced by one spindle by operating over a duration of 8 hours is 13·44 lb.

A study of the distribution of households as well as spindles among the different coir yarn varieties produced by the spinning households gives interesting results. An average of 62 per cent of the total number of spindles in all the selected households are utilised for producing the Anjengo variety, 14 per cent for producing the Mangadan variety and 8 per cent for producing the Vaikom variety. Bepore, Beach and Rope Yarn are solely handspun.

*Employment position during the week prior to the date of Survey.*—Information on employment of both household workers and hired workers on different types of work such as retting, beating and cleaning and spinning during the week previous to the date of survey was obtained from the selected spinning households.

Most of the retting work was attended to by adult males while in certain households help of children was also sought. While the average wage of adult male engaged in retting work amounts to Rs. 2·66 per day, that of a child amounts to Rs. 2·09 per day.

Cleaning and beating of retted husks and spinning form the important operations in the selected households. Female workers dominate in this field of operations of males. Being a household industry spinning work is largely attended to by household members rather than hired workers. The average wages of hired workers indicate that a female worker will get Rs. 2·40 in spinning work per day as against Rs. 1·73 earned by a child worker. Children are mainly used for driving the wheels.

*Production of coir yarn.*—The production and value of yarn by an average household in the different districts of the State during the month and year previous to the date of survey are given in Table 19.

TABLE 19

**Production of yarn by an average household—District-wise  
(Yarn in Candy)**

District	Last month		Last year	
	Quantity	Value Rs.	Quantity	Value Rs.
Trivandrum ..	2.75	733	27.74	6,750
Quilon ..	1.26	267	13.46	2,834
Alleppey ..	0.62	143	5.72	1,300
Kottayam ..	0.02	3	0.20	49
Ernakulam ..	2.79	640	34.73	5,948
Trichur ..	0.87	185	8.13	1,800
Kozhikode ..	0.17	31	2.19	376
Cannanore ..	0.18	33	2.03	419
State ..	1.01	237	10.55	2,316

Variety-wise production per household producing each particular variety and value of yarn produced are given in Table 20.

TABLE 20

**Average production of yarn—Variety-wise**

Serial No.	Variety	Average production per household			
		Last month		Last year	
		Quantity Candy	Value Rs.	Quantity Candy	Value Rs.
1	Anjengo ..	2.31	600.58	22.98	5,581.71
2	Mangadan ..	1.44	321.55	15.90	3,434.14
3	Ashtamudi ..	1.74	348.73	14.91	2,992.58
4	Aratory ..	1.17	308.32	9.90	2,517.79
5	Arattupuzha ..	1.44	328.29	12.60	2,889.61
6	Alappadan ..	0.20	41.55	1.92	383.30
7	Vaikom ..	0.96	218.81	7.51	1,656.20
8	Parur ..	1.60	344.15	17.13	3,807.26
9	Beypore ..	0.18	30.84	2.21	376.83
10	Pandy ..	1.63	183.49	16.22	1,832.17
11	Beach yarn ..	0.12	15.02	1.32	171.79
12	Rope yarn ..	0.19	35.11	2.12	436.60

*Disposal of coir yarn.*—The information relating to agencies to which coir yarn is sold and the terms on which the sale took place during the month and year just previous to the date of survey is collected from all



the selected households. Coir producers sell yarn mainly (76 per cent) to private yarn dealers. The second important agency is Co-operative Society to which more than 21 per cent of the sale of yarn is made, sales to manufacturers for the production of coir goods is made only in the Trivandrum and Quilon Districts.

As in most other transactions cash payment prevails in the sale of yarn also. More than 81 per cent of yarn is sold on cash basis in an average coir spinning household.

*Range of Price Variations.*—An attempt has been made to find out the range of price variations of the raw materials purchased by the selected spinning households, and also that of the selling price of the finished product, *viz.*, coir yarn. Prices of all these showed wide variations as between the districts.

Price variation is considerable in the case of all items. It is least in the case of fibre, but even for that item the variation is of the order of 100 per cent of the minimum price. The main reason for these variations is, of course, the differences in quality.

*Business turnover—Receipts and Costs.*—The total cost incurred for business operations by an average spinning household is found to be a little less than the total cost incurred by an average retting household. There is, however, a significant difference in the cost structure of these two types of households. For the retting household, more than 70 per cent of the costs are incurred for the purchase of raw materials and 20 per cent as labour charges. While in the case of a spinning household about 64 per cent is incurred for the purchase of raw materials and 30 per cent for labour charges. This difference in the cost structure is due to the additional labour required for spinning operations in the spinning households. Table 21 gives the item-wise expenditure incurred in an average spinning household in the State during the month and the year previous to the date of survey.

TABLE 21  
Costs for Business Operations

Serial No.	Items of Expenditure	Last month		Last year	
		Rs.	Percentage	Rs.	Percentage
1	Raw materials ..	137.8	65.9	1,258.7	63.5
2	Transport ..	5.0	2.4	41.2	2.1
3	Porterage ..	3.3	1.6	34.0	1.7
4	Other labour charges ..	54.9	26.3	572.1	28.8
5	Rent, Licence, Interest, etc. ..	3.3	1.5	25.3	1.3
6	Other expenses ..	4.7	2.3	52.4	2.6
	Total ..	209.0	100.0	1,983.7	100.0

The receipts from various sources of an average spinning household in the State are shown in Table 22. Receipts from the sale of yarn constitute 99 per cent of the total receipts.

TABLE 22  
Receipts from business operations

Serial No.	Item of Receipt	Last month		Last year	
		Rs.	Percentage	Rs.	Percentage
1	Sale of yarn ..	183.7	93.7	1,857.2	98.9
2	Sale of fibre ..	..	..	..	..
3	Sale of retted husks.	1.3	0.7	2.8	0.1
4	Sale of green husks.	11.1	5.6	18.0	1.0
	Total ..	196.1	100.0	1,878.0	100.0

#### GENERAL

The preparation of the Monthly Price Bulletin the copies of which were being regularly submitted to Government continued during the year under report. The monthly bulletin shows the wholesale prices of some selected commodities of export importance in the State, *viz.*, pepper, ginger, cardamom, plantation crops, etc., and also of two important food crops—rice and tapioca. The causes for the price variations are also explained in this monthly report. A Price Register is being maintained for this purpose.

The Bureau engaged itself in the preparation of "Kerala 1962—An Economic Review" which was to be brought out at the time of the presentation of the State Budget as one of the budget papers. This publication attempts to present the most up-to-date facts and figures of Kerala Economy.

#### LIBRARY

During the year 1962-63 the Departmental Library was expanded by the addition of several latest books and journals on Economics. A sum of Rs. 8,000 was spent for this purpose. Further the library was able to secure a donation of 337 excellent books on Economic Development from the World Bank.

(Sd.)

Director



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