

## II Production

6. Agricultural production in 1957-58 was the lowest on record since 1953-54, the index (1949-50 = 100) for the year being 113.4 as compared to 114.3 in 1953-54, 117.0 in 1954-55, 116.9 in 1955-56 and 123.8 in 1956-57 (*vide* Tables 1.1 and 1.2 at the end). The output both of foodgrains and commercial crops was lower than in 1956-57. As will be seen from the table below, the fall, as compared to the previous year, in the production of rice, wheat and pulses was 12.3, 17.8 and 19.0 per cent. respectively while the index for all foodgrains was 11 per cent. lower.

### Output of foodgrains

	(Million tons)		Percentage change in the index of production
	1956-57	1957-58	
Rice . . . . .	28.3	24.8	-12.3
Wheat . . . . .	9.3	7.7	-17.8
Other cereals . . . . .	19.6	20.3	+3.2
All cereals . . . . .	57.2	52.8	-9.7
Pulses . . . . .	11.5	9.2	-19.0
All foodgrains . . . . .	68.7	62.0	-11.0

Of the commercial crops, only cotton and groundnut registered small increases, while the out-turn of jute, sugarcane and oilseeds was markedly smaller. The following table indicates the comparative position for 1956-57 and 1957-58.

### Output of commercial crops

	1956-57	1957-58	Percentage change in the index of production
Cotton ('000 bales) . . . . .	4,735	4,753	+0.4
Jute ('000 bales) . . . . .	4,288	4,088	-4.6
Groundnut ('000 tons) . . . . .	4,200	4,271	+1.7
Other oilseeds ('000 tons) . . . . .	1,976	1,636	-16.5
Sugar cane ('000 tons) (In terms of gur) . . . . .	6,752	6,476	-5.7

7. The rate of growth of industrial production has slowed down since 1957. Whereas the Index (1951=100) rose from 122.4 in 1955 to 132.6 in 1956, i.e., by more than 8 per cent., it went up to 137.3 in 1957, which is a rise of only 3.5 per cent. The rise in 1958 has been even less mainly because of the fall of about  $7\frac{1}{2}$  and  $5\frac{1}{2}$  per cent. respectively in the production of cotton cloth and yarn which between them have a weightage of 36 per cent. in the index of industrial production. If cotton textiles are excluded, the rise in the index of industrial production for all other industries in 1958 would be about the same as in 1957 when the index had increased by about 6 per cent. It might also be mentioned that some of the new engineering and chemical industries which are not included in the index have been recording considerable increases in recent years.

8. Tables 1.4 and 1.5 at the end give the trends in industrial production in respect of 50 industries on a quarterly basis in 1957 and 1958. These industries account for nearly 80 per cent. of industrial production. It will be seen that the output of several industries such as coal, electricity, pig iron, diesel engines, power driven pumps, electric motors, machine tools, sulphuric acid, caustic soda, bicycles and sewing machines showed a significant rise in 1958 as compared to 1957. In the year as a whole output of coal is estimated to be a little over 45 million tons as compared to 43.5 million tons in 1957. Both the generation and sales of electricity (Table 1.6) have shown a continuing rise, the increase since 1956 being about 26 per cent. Sales for domestic consumption have risen by about 20 per cent., for industrial power by 25 per cent. and for irrigation by about 100 per cent. The production of bicycles increased from 7.9 lakhs in 1957 to 9.2 lakhs in 1958.

9. In the case of some industries such as automobiles, power transformers, finished steel, electric lamps, cloth, vanaspati and sugar, the level of production in 1958 was lower than in 1957. While the rate of growth of some industries, such as automobiles, has slowed down because of import restrictions, the decline in the output of cloth, vanaspati and electric lamps reflects a slackening of consumer demand for these commodities. The offtake of cement has gone down partly because some of the major irrigation and power projects have passed the stage of peak demand for cement and because shortage of steel has reduced construction activity. Thus, the trend in industrial production has been affected not only by import restrictions but also by some slackening in internal demand.

10. The following table shows the trend in national income from 1950-51 to 1956-57 both at current and constant (1948-49) prices:

*Net national output at current and constant prices*

	1956-57*	1955-56	1954-55	1953-54	1952-53	1951-52	1950-51
I	2	3	4	5	6	7	8
I Index number of net output with 1948-49 as base—							
(a) at current prices	131.9	115.5	111.1	121.2	113.5	115.3	110.2
(b) at 1948-49 prices	127.3	121.2	118.8	116.0	109.4	105.2	102.3
II Index number of <i>per capita</i> net output with 1948-49 as base—							
(a) at current prices	119.2	105.6	103.0	113.7	107.9	111.0	107.4
(b) at 1948-49 prices	115.0	110.8	110.1	108.8	103.9	101.3	99.8

\*Preliminary

The estimates for 1957-58 are not yet available. But with the shortfall in agricultural production and the slowing down of the growth of industrial production mentioned above, it is likely that national income (in real terms) in 1957-58 will show a fall of about 2 per cent. The rise in national income *per capita* at constant prices has been small since 1953-54 and the stresses and strains of recent years can be explained by the substantial increase in the resources directed to investment in this period, relatively to income trends.