

MR. CHAIRMAN: The question is:

"That the Bill further to amend the Merchant Shipping Act, 1958, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: The House will now take up clause by clause consideration of the Bill.

The question is :

"That clause 2 to 17 stand part of the Bill."

The motion was adopted.

Clause 2 to 17 were added to the Bill.

The Schedule was added to the Bill.

Clause I, the Enacting Formula and the Title were added to the Bill.

SHRI C. M. STEPHEN : I beg to move :

"That the Bill be passed."

MR. CHAIRMAN : The question is: "That the Bill be passed."

The motion was adopted.

16.59 hrs.

RUBBER (AMENDMENT) BILL

MR. CHAIRMAN : We shall now take up consideration of the Rubber (Amendment) Bill.

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI SHIVRAJ V. PATIL) : I beg to move.*

"That the Bill further to amend the Rubber Act, 1947, as passed by Rajya Sabha, be taken into consideration."

This is a very simple Bill. It seeks to provide for the appointment of an Executive Director. If the Chairman is a full time Chairman, having administrative experience, it is not necessary to have an Executive Director having an administrative experience. But if the Chairman is a part-timer, it becomes necessary to have the Executive Director. And this Bill seeks to make a provision of that kind only.

I hope, it would be accepted and supported by all the Members in the House.

17.00 hrs.

[MR. DEPUTY-SPEAKER in the Chair.]

MR. DEPUTY-SPEAKER : Motion moved :

"That the Bill further to amend the Rubber Act, 1947, as passed by Rajya Sabha, be taken into consideration."

Shri S. Murugian.

**SHRI S. MURUGIAN (Tiruppattur) : Hon. Mr. Deputy Speaker, Sir, on behalf of my party the Dravida Munnetra Kazhagam I rise to say a few words on the Rubber (Amendment) Bill which has been introduced by our hon. Minister of Commerce.

This is a small Bill. I would like to know from the hon. Minister how the Rubber policy is going to be radically modified by the appointment of Executive Director on the Rubber Board.

I would now come to the indeterminate import of natural rubber. It is argued that the price of indigenous natural rubber is going up day by day and in order to contain

*Moved with the recommendation of the President.

**The original speech was delivered in Tamil.

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the price of indigenous natural rubber the Government is resorting to import of natural rubber. I would like to know what steps the Government have taken to increase the production of indigenous natural rubber, which should be the only solution to contain the price increase. We cannot afford to waste our scarce foreign exchange resources by importing natural rubber. If the production of natural rubber within the country is not adequate to meet the demand then as I stated just now proper steps should be taken to increase the production. How long we are going to depend upon the imported natural rubber? Then, due to abundant production in rubber producing countries abroad, the natural rubber is available at very low prices. But, the STC sells the imported natural rubber at the same price of indigenous natural rubber. What is the reason for this? The aim of containing the price of natural rubber is being nullified by the STC. The hon. Minister should look into this also and ensure that firstly effective steps are taken to increase the production of natural rubber within the country and then the import of natural rubber is minimised to the lowest extent. I would like to know what steps the Rubber Board have formulated in his matter.

Similarly, we have the synthetic rubber manufacturing unit in Uttar Pradesh. This is a pioneering unit set up in our country as early as 1967. Then the Industry Ministry had advised the tyre manufacturing units that out of their total requirement rubbers of all kinds they should utilise 30% of synthetic rubber produced in this unit. The Government wanted to give fillip to the local unit endeavouring to produce synthetic rubber. Unfortunately now the tyre manufacturing units are utilising only 4% of the synthetic rubber produced in this unit. They are indiscriminately importing synthetic rubber and I have to say that this is not

only destroying the indigenous unit but also wasting our scarce foreign exchange resources. I am told that this indigenous synthetic rubber manufacturing unit is on the verge of becoming sick. The hon. Minister should take steps to produce more of synthetic rubber within the country so that its import is completely banned. All the synthetic rubber produced within the country is to be consumed by the tyre industry.

I understand that there is a stockpile of both natural rubber and synthetic rubber indigenously produced. The hon. Minister should look into this and take proper steps for the consumption of natural rubber and synthetic rubber produced within the country. If necessary, a complete ban should be imposed on their import.

Of late the price of tyres is being increased frequently. During the past 4 years, the tyre manufacturing units have increased the tyre prices by 18 times. What is the reason for this? Are the inputs so costly which compel them to enhance the tyre prices? There should be a cost study of tyre units. Who are the people affected by such indiscriminate enhancement of tyre prices? The prices of essential commodities go up because of hike in transportation costs; the transportation cost goes up because of increase in tyre prices. This is a vicious circle. I request the hon. Minister of Commerce to enquire into this and take steps to contain the price of tyres.

17.00 hrs.

With these words I support this Bill and conclude my speech.

17.00 hrs.

SHRI B.K. NAIR (Quilon): Mr. Deputy-Speaker, Sir, while speaking on this Bill, I have to record my disagreement with the statement made by the hon. Minister saying that it is a very simple one. Though it may look to be a very simple amendment, the consequences of this amendment

are far-reaching and it may even harm very seriously the working of the Rubber Board.

The Rubber Act, 1947, was conceived and enacted as a measure to set up the Rubber Board. In 1947, the Government of India felt it very necessary take up the development of rubber industry. The task entrusted to the Rubber Board was to bring about all round development of the rubber plantation industry which is mainly confined to Kerala. We are producing about 90 per cent of rubber production in the country. So, we have our own interest in seeing that the Rubber Board functions in a very healthy manner.

The statement given here does not point out any defect or shortcoming in the functioning of the Rubber Board that has been functioning for all these years, for more than 30 years. It has been functioning very well. So, while speaking on this amending Bill, some statement or some clarification should have been given as to where the shortcoming was and how an improvement is envisaged by having this amendment, by way of appointing an executive Director to assist the Chairman in his work.

The Rubber Board consists of four Departments, that is the Research Department, the Development Department the Processing Department and the Administrative Department. This is a vehicle, a carriage, running on the four wheels with the Chairman as in-charge of it. By introducing a fifth wheel to the carriage, I feel, it is going to cause a serious damage and also to affect the smooth working of the Rubber Board.

So far I was speaking about the performance of the Rubber Board. The hon. Minister should have thought it necessary to tell us where he found that the Rubber Board was not functioning properly.

Coming to another aspect, during the last 30 years from 1950-51 to 1979-80, the area of rubber plantation has gone up from 67,000 hectares to 252,000 hectares; the productivity has gone up from 307 tonnes per hectare to 750 tonnes per hectare, that is, more than 100 per cent, and the total production of rubber has gone up from 15,000 tonnes to 143,000 tonnes, that is, an increase of 800 and odd per cent. So, whether it is in the matter of acreage or in matter of productivity or in the matter of total production, the performance of the Rubber Board has been exemplary and it should be an example to all other Commodity Boards over which the Commerce Minister presides. There are, under him, the Coir Board, the Cashew Board, and also the Tea Board and the Coffee Board. All of them are under his supervision.

Further, if the functioning of the Rubber Board can be improved by appointing an Executive Director, does he think of improving the functioning of other Boards also by appointing similar Directors? I think, by introducing a new power centre in the structure of the Rubber Board, the functioning of the Board will be hampered. All the powers of the Board, executive and the administrative, are concentrated in the Chairman. The Chairmen's powers are defined here :

"The Chairman is responsible for the proper functioning of the Board and the implementation of the decisions and the discharge of duties under the Act. The Chairman is the principal Executive Officer of the Board and has to exercise executive control over all Departments and Offices of the Board."

Then details are given. The important papers of the appropriation accounts are presented to the Board. So, the over-all responsibility is now vested in the Chairman. If you add

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an Executive Director to function in addition to the Chairman, the Chairman is to be appointed on a part-time basis, that means, the power will be in the hands of the Chairman and responsibility in the hands of the Executive Officer. So, between power and responsibility, there is complete diversion and I also conceive of a situation where an Executive Officer who has got any sense of ego will rather refuse to submit to the dictates of the Chairman who is also an absentee Chairman. He is far away. I do not know what his interests are. What interests are going to be brought in by the introduction of the Chairman? The set-up of the Board covers all the interests concerned. The planters are on the Board. The Traders are there. The manufacturers are there. The consumers are there. The public men are there. Members of Parliament are there. All the interests directly or indirectly concerned with the production of the above plantation, are represented on the Board. What would you add by introducing an Executive Officer except personal conflict? The Chairman is pulling in one direction and the Executive Officer will be pulling in another way. We have this kind of experience in industries. The Chairman will try to dominate. The Executive Officer says "I am the man who is having responsibility." This sort of conflict is bound to arise and that will only undo the proud record of the Rubber Board which it has established so far.

MR. DEPUTY SPEAKER : The Chairman will have different functions and the Executive Officer will have different functions.

SHRI B. K. NAIR : They are same. I will explain the position. It would be necessary to have an Executive Officer on a whole-time basis for discharging administrative, executive and other functions which

are presently being performed by the Chairman.

As a result of the appointment of the Chairman, they are bound to be in conflict, as there are changes of power hereafter and the smooth functioning of the Board of which we have proud record so far is going to be hampered. Why have a double centre? Why have two wheels on the same vehicle? They are going to clash. That is my fear. There are problems. There are ways in which the working of the Board can be improved. I am quite sure of the fact that there are problems. But this is not the way. Appointment of an Executive Officer does not in any way improve the situation. But the situation can be improved by other methods. Problems are there. I will tell you. I missed one thing.

During the past two to three years, the Board has been functioning with only a half-time Chairman. The Chairman of the Cardamom Board was sharing his time and power for the Rubber Board Chairman. Where a Board has been functioning with half-a-time Chairman, you are imposing two Chairmen. Certainly, there is possibility of mischief.

My suggestion is, if you want to improve the functioning of the Board still further, start with making a permanent Chairman. Why have half-time-Chairman? Why have a Chairman sharing his time with the Cardamom Board and the Rubber Board? Have a full-time Chairman. Then, there are certain other functions also. The Rubber Board started planting on an area of 2½ lakh acres and tonnes of production. What are the type of powers and facilities that are given to the Rubber Board Chairman? The financial powers of the Chairman of the Rubber Board are very limited. Even the Board's powers limited.

The Government of India has not ensured to facilitate the functioning of the Board by vesting him with financial powers and by giving facilities to the Board and this 30 year old system still continues. The number of employees has increased very much by about 10 times. Still, there is no men in charge of personnel affairs. There is nobody to look after the staff affairs, the workmen's affairs and the entire responsibility has to be borne by the Secretary and of course, by the Chairman. That should be remedied by having a full-time Personnel Director charged with the responsibility of looking into the demands and answer the complaints of the employees.

One other aspect I want to touch upon is the Research Department. They have a very efficient research department in the Board consisting of 100 employees, very eminent people and other scientists. It is only through their efforts that the productivity of rubber has increased from 200 pounds per acre to 700 pounds within a matter of 20 years which is the proudest record for any agricultural research body in the country. But, in spite of the proud record their salaries and scales of pay are very much below of what it being offered in similar research bodies. The ICRA they say, is the model agricultural science research institute. But these people are very much behind them in salaries and emoluments.

Another aspect in respect of the Rubber Board, I should tell you, is that thousands of acres of rubber, planted area of rubber, still remain uncovered by the Rubber Board because there is not enough staff to go around, to go into the jungles and survey. There are no vehicles, no staff, no survey staff and no inspection can be held and the plantation itself is quite happy without being registered because although it may lose the facilities, they are free from the obligations. So they do not

care for registration. Their finances of the Rubber Board come from the cess levied on rubber. So the more rubber you bring into account the more cess you can collect and to that extent, the financial position will improve. The Government of India stands to be benefited by way of excise duty. The State Government is interested because of the Sales Tax. All these factors are there. But, in spite of that, because of the lack of necessary staff this area is not being covered.

There are other aspects too. We have drawn up a Rubber Development Scheme in the Sixth Plan. That is going to cover 60,000 additional hectares of planting. For handling this 60,000 hectares, the outlay is expected to be 100 crores of rupees. This was sanctioned in 1980. The plan is supposed to have been in operation for these 2 years. Even now you will be surprised to know that as against a minimum staff of 140 the Board has demanded, the Government has sanctioned only 40 people and they have to cover 2 lakhs cultivators. They are eager in converting their old plantations into new plantings and replantings. In 1980 we received 30,000 applications for going into replantation and new plantation of which you could not touch any one because of lack of staff. In 1981 the number of applications received was only 20,000. So the number is going down as the action by the Rubber Board is very slow. So if only you can expedite and streamline the functioning of the Board by giving them the requisite staff, then only the rubber planting scheme, the Rubber Development Scheme can be taken up much more vigorously and the response will be much better.

Then there was a demand for bonus for the Rubber Board staff and this is pending for the past 2 years. In 1980 when your predecessor came to Kottayam, at a meeting he offered to consider their demand for bonus sympathetically but the

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matter is still hanging fire. Ever since so many memoranda have been sent and the reply always is that the matter is under consideration. They said that representations have been received. But, repercussions are there. The railway people were offered bonus; the postal people were offered bonus. Repercussions are bound to be there. The segment of the people receiving bonus is also getting widened. These people too deserve this small benefit.

One month's salary as advance is given at the time of the Onam festival—this is a national festival of Kerala—every Government employee including the Municipal employee is getting one month's salary as advance. Even this was disallowed in the case of workmen in the rubber industry. This sort of attitude will not secure for us the cooperation of the workmen. I know their demands will be conceded sooner or later.

I will come to one other factor. The growers are also feeling that the time has come for them re-consider the scheme of going in for replanting of rubber. That is because the price of rubber has come down by Rs. 3 per k.g. From Rs. 15,000 a ton, it has come down to Rs. 12,000 ton. It has been mentioned that there has been a fall in production of rubber. The growers are also getting impatient. They have made a representation to Government. I know there is a shortfall in production of rubber in the country. There was a failure of monsoon. When rains are there, tapping of rubber cannot take place. This time when there was no rain for tapping of rubber, we had 20 extra days. And so the production has also gone up substantially.

We have to find a permanent solution to this problem. Of course the solution is to import when there is a shortage of rubber. This has been our practice all the time. And

imports cannot be avoided. The machinery for importing is the STC. Their performance has not been satisfactory. For the quantity of rubber, they have to depend on the Rubber Board. The STC has to be careful about the quality of rubber also. The STC does not have qualified personnel to see that only good quality of rubber is imported. They are not able to supervise or examine the quality of rubber imported. The quality can be maintained only by properly trained personnel. Year before last, the STC had a stock of 7,000 tonnes of rubber in their godown. That situation has to be avoided now. The quantity has to be restricted and the quality has to be scrupulously observed. Even after import, the release of rubber from the stocks of STC should be regulated in such a way that it takes place only when there is a slump in the market. I come from a State where the STC should refrain from releasing their stocks into the market. This has partly attributed to the fall in price of rubber. This is an untimely and an ill-conceived policy.

Releasing the rubber stock from the godowns of the STC into the market has also added to the problem of fallen price of rubber. I would plead with the Minister to reconsider the question of this amending Bill which was passed by Rajya Sabha. We are now at the fag end of passing this Bill. I say you pass it. But do not implement it. Please refrain from implementing it. Think twice before appointing an Executive officer who is going to be a burden on the Rubber Board. This would only bring in the functioning of the Rubber Board to a naught.

MR. DEPUTY SPEAKER :
Shri Shamanna. You will have to conclude by 5-30 P.M. because there is half-an-hour discussion.

SHRI T. R. SHAMANNA (Bangalore South): Mr. Deputy Speaker, Sir, Rubber Industry is an important and growing industry of this country. Rubber is produced to a

great extent in Kerala and to be a small extent in Tamil Nadu. There is scope for expansion and production of Rubber in other places also. I am sorry that the production of rubber, its quality, and export have not been looked into in a proper way. I request the hon. Minister to examine the provisions of the Coffee Board Act and re-model the Rubber Board Act with reference to the provisions of the Coffee Board Act so that this industry will thrive, benefiting both the consumers and the growers.

The price of rubber in the market is going up higher and higher benefiting neither the producer nor the consumer but only the middlemen. The factory cost of a tyre is Rs. 120 but it is sold in the market at Rs. 180. Strict regulation is necessary to control the selling price so that maximum benefit goes to the producer as well as the consumer.

Sir, Rubber serves several purposes like for example, for all vehicles, for surgical and scientific work, for footwear, water proof cloth, sports materials etc. Rubber industry is a very big and growing industry in this country. Rubber industry is one of our own national industries of this country. For that purpose, it is very necessary that a proper study is made of the working of the Rubber Industry so that we can tone up this Industry. In the present Act, instead of the Production Commissioner for Rubber, you are bringing in an 'Executive Director' That is one of the provisions in this Amending Bill. Also, a full-time Chairman is brought into force. But that does not in any way solve the problem to a great extent. The entire administration and the working of the Board should be toned up so that it helps both the grower and the consumer. This is my respectful submission.

Sir, Rubber is facing the severest competition from the synthetic rubber. Natural rubber has not got

so much of demand and I think a time has come now when it is possible for us to reexamine the whole process of production of rubber, its quality, import, marketing and all that. You have to see that rubber industry is helped to a great extent. Necessary financial aid from the Central Government to this Rubber Industry is very necessary because many of these people have large stocks of rubber which remain unsold. Some help should be given to the growers in respect of marketing. The entire arrangement regarding marketing needs complete overhauling.

In this Act you find that there are lot of restrictions placed on the production of rubber. The producer has to take a licence, he has to send a report, he has to give account of the product produced and so on. Like these, there are very many restrictions and the Government is also not giving them any corresponding help. I know that our hon. Commerce Minister is a person who takes the trouble to solve the problem. If he compares the provisions of the Coffee Board Act and the Rubber Board Act, he will himself be convinced that something has to be done to overhaul the working of the Rubber Board.

After having said all these, I have only to add that Rubber Industry is an important and growing industry in this country and necessary steps should be taken by the Government to remodel it on proper lines. I do not want to take up the time of the House. With these words I conclude.

17.30 hrs.

HALF-AN-HOUR DISCUSSION

IMPORT OF WHEAT FROM USA AND
IMPORT OF FOODGRAINS

MR. DEPUTY SPEAKER :
Now the House will take up Hal-