

LOK SABHA

Wednesday, 24th November, 1954

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I).

12-4 P.M.

RUBBER (PRODUCTION AND MARKETING) AMENDMENT BILL

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

I beg to move:

"That the Bill further to amend the Rubber (Production and Marketing) Act, 1947, as reported by the Select Committee, be taken into consideration".

The Report of the Select Committee is with the hon. Members, and they will find therein that the Select Committee which went exhaustively into the various provisions of this Bill and also heard evidence from representatives, have recommended certain changes.

They have taken up this question of the small grower, and a definition has been made of the small grower. They have also recommended that small rubber growers whose estates do not exceed 50 acres should be given proper representation on the Rubber Board. They have also suggested that the labour representatives must be increased from three to four, and have brought down the number of persons

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to be nominated by the Central Government by one. It has also been suggested that the Houses of Parliament should be represented—the Lok Sabha as well as the Rajya Sabha—by three Members.

The pattern of Government representation on these Boards has been followed in this case also. The Select Committee has suggested that Government officers can attend and take part in the proceedings of the Board, but would not be entitled to vote.

The Select Committee has made the Vice-Chairmanship of the Board an elective office. And finally, provision has been made that membership of this Board shall not disqualify a person from being a Member of Parliament.

An important provision has been made in clause 9. The Committee has felt that it should be within the competence of the Board to secure better working conditions for workers engaged in the rubber industry and to see that they are provided with amenities and incentives.

Another provision has been inserted to enable the Board to import rubber. In this connection, I would like to say that while our present production of rubber is about 22,000 tons—it might increase a little more—our consumption is rising very rapidly. It is estimated this year the consumption will be somewhere about 27,000 tons. Any slight improvement in the position of the public transport and automobile transport in this country would mean an augmentation of the demand for raw rubber, and it is envisaged that probably during the next Five Year Plan we might be needing somewhere about 40,000 tons. And it

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takes a long time to grow this rubber. So, the question of imports is a very important consideration. While we are producing rubber and fixing a particular price to the grower, we cannot afford to allow him to be left to the tender mercies of the market forces operating elsewhere in the world for getting his price.

[MR. DEPUTY-SPEAKER in the Chair]

Therefore, the Select Committee has decided that the Board might be authorised to import rubber to fill up the gap in our requirements of rubber.

Provision has been made for two funds. The funds at the disposal of the Board will be raised by means of augmentation of the present cess, and any profits that are made out of imports of rubber, if such profits should eventuate, should also go to the fund. And the method of utilising this fund has also been laid down.

Clauses 16 and 17 have broadly laid down the method of the Government control over accounts. I might, in this connection, mention that I have in mind the ruling of the Chair yesterday, and I shall not move my amendment inserting a new clause empowering the Auditor-General to inspect the accounts, but I shall take an early opportunity of bringing in a comprehensive Bill to permit the Auditor-General to have access to all accounts and be able to send his officers in regard to all the Boards under the management of the Ministry of Commerce and Industry.

In this connection, I would like to say that following the pattern of representation this House has agreed to in regard to the Coffee Board, I have tabled amendments to provide for election of the representatives of the two States of Madras and Travancore-Cochin, and rules to provide for election. Even my hon. friend Shri Punnoose who comes from the other side, has in his Minute of Dissent recognised that it might be necessary for some time to provide nomination

for representation of the small grower. It is, therefore, our intention that in the case of those people who cannot provide an elective machinery, we should probably have to resort to nomination. Otherwise, the rules will provide for election of the representatives from the two States of Travancore-Cochin and Madras.

The Select Committee had in the rule-making powers made it obligatory for the Governments concerned to consult representative associations and obtain panels from them for purposes of election of representatives to the Board. Since this change has been made, that provision has also to be altered; that provision has been retained only in regard to labour representatives, but not in regard to growers' representatives. That is broadly the change that I propose to make, so far as this Bill is concerned, excepting one or two minor changes of a consequential character.

One thing I would like to mention is that with the changes that I have proposed, if they are accepted by the House, the pattern of the working of the Board would largely be modelled on that of the Tea Board, if the Coffee Market Expansion (Amendment) Bill is also passed in the other House and receives the assent of the President.

In this particular case, though there has been some objection to the nominated Chairman, by and large, the Members of the Select Committee agree on the need for a nominated Chairman, and the two Minutes of Dissent would indicate that this question has not been raised. In fact, Shri Velayudhan has raised a number of useful points in his Minute of Dissent, many of which, I suppose, it will be possible for Government to look into, as the Board starts functioning. Even in regard to the doubts expressed by my hon. friends Shri Punnoose and Shri Nanadas, I think with the action of the Board in the future with such control and advice that Government can give the Board, we might be able to meet some of those points.

Altogether, this Bill as it emerges from the Select Committee, has assumed a character of non-controversiality, which I think the House will recognise. In regard to the basic question of rubber, I hope the House will have the benefit of the views of my hon. friend Shri A. V. Thomas, who has been the Chairman of the Rubber Board, an office which he had to give up owing to reasons of ill-health. I think he would be able to tell the House what are the possibilities in regard to rubber. There are certain inevitable forces which restrict our development. It is possible that my hon. friend Shri V. P. Nayar might deal with that possibility. But climatic conditions, the contour of the land available, all these do restrict development at a very rapid pace. But I think it is a sizable ambition, and one which can also be achieved, if we think merely in terms of equating our production with that of our demand. We have so far not done much about it, and that is where I expect any advice that my hon. friend Shri A. V. Thomas might give to us would be of great value. I think it will not be beyond our ingenuity to provide that during the next seven or eight years, we shall produce enough rubber to meet our own demand. We are not looking to a state of things when we can export rubber and make money out of it. All that we want is to be more or less internally self-sufficient.

It is a very complicated problem, and the more I look into it, the more I realise how little I know about it. In fact, Government might even plead guilty to the charge that we have not been able to set up a research institution. The pattern of Government thinking, unfortunately, is one that is against it. I have told the Rubber Production Commissioner that there is no point in asking for a building, or going in for a building, but it is much better to have a couple of decent huts where research is done.

**Shri A. M. Thomas (Ernakulam):**  
Has not one been sanctioned?

**Shri T. T. Krishnamachari:** It is being sanctioned. The other difficulty is that we have got no technical men at the present moment. I am trying to get a research person who will be in charge of research. We had got the name of a person from Malaya, but we found that we were not able to pay him adequately. But we are still negotiating. But I think in matters like these, I speak for myself, as an individual, when I say that the importance of research is so great that no price is big enough to get a proper man for doing this.

The significant fact which has to be recognised is the disparity in the production of the various estates. That is the main factor. We have to convince the owner of the rubber estate that it does pay to cut down a tree, instead of hugging on to the little that it will produce. These are all difficult, and the Board will have to take up a lot of educative work in making the small grower understand how best to improve his own position.

The other fact also is that we have not got an agency, in so far as the present Rubber Board is concerned, to keep in touch with the small grower. I think some such thing must be developed, because oftentimes, when we find that we fix the price at Rs. 1-6-0 per lb. of rubber, ultimately the small man does not get the benefit of it. Often, it is the man who has got the stock at port, who buys from the small man at varying prices of Re. 1 or Rs. 1-1-0 per lb, and has a holding capacity, that makes the profit. So there is a lot to be done in this direction. And everything has been put away merely because of the fact that the Act has to be amended, and until the Act is amended and the new Board comes into being, we cannot take it up. That is the whole trouble. If I go on putting off further, it will also mean retarding progress in the rubber industry, a matter in which there is absolutely no controversy between any section of the people interested in rubber. I do hope the House will accord its approval to this Bill, and with the help of people who are in the know of things, we should be

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able to bring into being an organisation which will be effective, and would render real service to the people who grow rubber, and who, on all considerations, do deserve some more help than what they are getting at the present moment.

**Mr. Deputy-Speaker:** Motion moved:

"That the Bill further to amend the Rubber (Production and Marketing) Act, 1947, as reported by the Select Committee, be taken into consideration."

There is an amendment standing in the name of Shri M. S. Gurupadaswamy. Is the hon. Member moving it? The amendment is for circulation of the Bill for eliciting opinion thereon.

**Shri M. S. Gurupadaswamy (Mysore):** Yes, Sir.

**Mr. Deputy-Speaker:** Before we proceed further, I would like to inform hon. Members that three hours have been allotted for all the stages of this Bill. I would like to know the opinion of the House, including that of the hon. Minister, regarding the allocation of time as between the various stages. I think there are some amendments tabled to about eight or nine clauses.

**Shri M. S. Gurupadaswamy:** Two hours for general discussion.

**Shri A. M. Thomas:** I think it will be enough if half an hour is devoted to the clause-by-clause discussion.

**Shri Velayudhan (Quilon cum Mavelikkara Reserved—Sch. Castes):** No third reading.

**Shri A. M. Thomas:** If there is any time left at the end, then we will speak.

**Mr. Deputy-Speaker:** So, we shall have two hours for the general discussion, and half an hour for the hon. Minister's reply....

**Shri T. T. Krishnamachari:** I do not think I shall need more than fifteen minutes.

**Mr. Deputy-Speaker:** So, we shall have two and a half hours for the general discussion and half an hour for both other stages; practically, there would not be any third reading.

**Shri M. S. Gurupadaswamy:** I beg to move:

"That the Bill, as reported by the Select Committee, be circulated for the purpose of eliciting opinion thereon."

**Mr. Deputy-Speaker:** Is it not a dilatory motion?

**Shri A. M. Thomas:** That was what we were also thinking.

**Mr. Deputy-Speaker:** Was it suggested by anybody in the Select Committee that this ought to be recirculated? At any rate, if there had been any difference that it should be recirculated for eliciting opinion, we can consider that matter. Otherwise, it must be a dilatory motion. I would like to have some information.

**Shri M. S. Gurupadaswamy:** I do not know the mind of the Select Committee Members. I do not know what happened there. But there are two Minutes of Dissent.

**Mr. Deputy-Speaker:** Is it suggested in the Minutes of Dissent that the Bill after it went there had undergone such a change that it requires recirculation or is the hon. Member tabling a motion for circulation thinking this is the first consideration stage?

**Shri M. S. Gurupadaswamy:** The purpose of my amendment is this. Some changes have been made in the Rubber Board in the present Bill. Some changes were made even in the previous Bill. Many people have been very much upset over the way the whole thing is being done. And, I feel we do not lose much by referring the whole matter to public opinion and this motion is not dilatory in any sense.

**Mr. Deputy-Speaker:** Is rubber grown in Mysore? (Interruptions)

## Amendment Bill

**Shri M. S. Gurupadaswamy:** I strongly take exception to this attitude.

**Mr. Deputy-Speaker:** Order, order. The hon. Member cannot take exception. It was not meant to say that he was not competent to speak. Any hon. Member here can do so. I understand Mr. Bogawat wants to speak on this. Therefore, in due time and at an appropriate occasion I will give the hon. Members an opportunity. I am not going to shut them out unless time shuts them out. I have got the right to decide the priority. Those who come from the rubber area and those who are producers have to be given the priority. Others are consumers and they may also represent particular trade interests. Under these circumstances, I want to decide whether I should allow this particular Member or that particular Member to speak. There are such large interests in a particular area and if an hon. Member comes from that area, though he is not a Member of the Select Committee, there may be a number of facts expressed by him. This is one of the facts that I have to take into consideration in allowing Members to speak. Therefore, the hon. Member need not misunderstand what I say, simply because I put a question whether rubber is grown in Mysore. The other day I asked whether tea is grown in Mysore. It is not that Mysore gentlemen are not entitled or competent to speak. But, certainly, the Chair would be expected to give a preference to those areas, or those hon. Members who come from such areas or represent such interests where tea is grown. If I have no right to decide priority at all, I need not sit in the Chair at all. I can walk out. The hon. Member asks whether it counts. Yes, it counts, to find out whether it is dilatory or otherwise or whether it is a motion tabled merely for the purpose of having an opportunity to speak.

**Shri M. S. Gurupadaswamy:** It is not dilatory.

**Mr. Deputy-Speaker:** Therefore, the hon. Member need not hesitate to say that Mysore does not produce rubber.

**Shri M. S. Gurupadaswamy:** We produce rubber; after all, it is a small quantity.

**Mr. Deputy-Speaker:** That simple answer is enough.

**Shri M. S. Gurupadaswamy:** I was just making out that the motion is not dilatory in view of the fact that the Act is already there on the Statute Book and we would not lose much if we circulate it for eliciting public opinion.

**Mr. Deputy-Speaker:** Anyhow, to cut short further discussion on this, I am going to allow the hon. Member to speak on his motion as well as on the original motion. The House will decide whether this motion has to be accepted or not. Hon. Members will bear in mind that a number of hon. Members want to take part in the discussion and the time allotted is only 2½ hours for general discussion.

**Shri M. S. Gurupadaswamy:** Sir, the way in which the Government of India is pursuing the policy of setting up Boards for various commodities has been the subject of criticism in this House for long. Even yesterday, there was much criticism about the way the Boards are being constituted. By seeing the working of these Boards, by seeing the way that the Boards are formed, I feel that the Boards have no efficacy at all. There is no use in having such Boards. Today the hon. Minister was on his defensive. His speech was not offensive as it was yesterday and he was saying that the rubber industry needs rehabilitation, especially the small planters need Government help and urgent attention should be given to the small planters. So far as this is concerned, there is no disagreement between us and what the hon. Minister said.

**The Minister of Commerce (Shri Karmarkar):** That is very good.

**Shri M. S. Gurupadaswamy:** The main difference would be that nothing

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has been done so far in spite of the fact that those conditions prevailed for long. Nothing has been done by government to help the small planters and to rehabilitate their plantations.

If you look at the rubber industry, if you look just at the history of the rubber industry, you will realise that we have been making some headway both in the production of raw rubber as well as in the production of finished goods—utilisation of rubber. For nearly three decades, since the beginning of the century, we used to export the entire rubber produced in this country. But, only recently, we have been able to establish some manufacturing plants to consume indigenous rubber. But, in this connection, I will state that the position of rubber production, raw rubber production is not equal to the demand that is made on rubber. It is far short of the demand, it is far short of the requirements of the industry. Though the production has increased in recent years, it has not increased considerably. It has not increased to the extent that is expected. The main reasons have been given by the hon. Minister. But, to my mind, the most important reason for lack of production or the most important reason for the slow pace in increasing production is that no attempt has been made to organise small planters. If you look at the figures, you will find that nearly 60 per cent. of the rubber plantation is owned by small planters, that is plantations below 100 acres. It is near about 40 per cent. and the average yield of Indian rubber is about 280 or 294 pounds but the average of small plantations is about 250 pounds. Generally, the average yield of rubber itself is small and the yield of small plantations is still less, the smaller plantations occupying very nearly about 40 per cent. of the total area.

Another reason, and the main reason why the production is so low is that the rubber plantations have not been successful in having higher yielding strains. Replanting is very slow, and

the small growers have been very much handicapped because of the ignorance that prevails among them. They do not know the benefit that will accrue by the planting of high strains. As a result of it they have not been able to rehabilitate the yield of those plantations. The yield in those plantations naturally is very small. There may be other reasons, as the hon. Minister said, like the climatic conditions, the soil conditions, the maintenance being bad, cultivation not being properly done. All these things are contributory causes for the low yield of rubber. Rubber being a very strategic material and in view of the fact that other countries, in particular the U.S.A. and U.S.S.R. are making huge stock-piles of rubber, the demand for rubber is growing more and more, and so you must think of a plan or a scheme for increasing or augmenting our rubber resources. The only way is to give financial and other aids for rehabilitation of the rubber industry. In this respect, big estates are in a better position; they have been able to rehabilitate their estates by getting better strains, but the smaller estates have been handicapped. So, financial help is urgently necessary for the small estate owners and some scheme has to be devised by which small owners are benefited.

Then, there has been demand from some responsible quarters that it is very necessary at this stage to have a research board or scientific laboratory for this purpose, but no attempt has been made by Government so far to set up a scientific laboratory. The most important thing that we have to consider about the rubber industry is that the small growers should not be left as they are today. Some attempt should be made to organise them under co-operatives, that is, on a co-operative basis. In all industries in the case of small growers the problem is common; the small growers are suffering under so many hardships—financial and otherwise—and it is very urgent that all small holdings should be combined and made to work on a co-operative system. It is ideally

suitable that we should start a co-operative plantation industry. We are talking of co-operation; we are talking of introducing co-operative democracy in India. I want to know from the hon. Minister what are the hindrances or difficulties in the way of piloting co-operation or promoting co-operation in the plantation industry. Moreover, I want to know from him whether there are any difficulties in fixing any ceiling on individual holdings. For example, in rubber plantation, you find people holding nearly two to three thousand acres. These holdings are very large and very few people are controlling. Is it not time for us to fix a ceiling on such holdings, say, 500 or 600 acres or whatever it is? I think that the hon. Minister should take immediate steps to fix a ceiling and also to organise these holdings on a co-operative basis as much as possible.

**Mr. Deputy-Speaker:** Is this not a State subject—the fixing of a ceiling on holdings?

**Shri M. S. Gurupadaswamy:** The Centre can direct the State Governments to take steps in these directions. After all, the Centre has got control over the entire industry, and as a matter of fact, production, distribution and manufacture of rubber is entirely controlled by the Central Act. Since 1947, you may be aware that this industry is under the general purview of the Union Government, and so, the Union Government has got ample powers to take measures in this direction.

There are one or two small things which I wish to say in this connection. Today, the demand for rubber is about 25,000 tons per year and the production seems to be around 22,000 tons. Almost the entire rubber is consumed by three manufacturing concerns—Dunlops, Firestones and Bata's—and all these three companies are entirely controlled and managed by foreign interests. There may be one or two Indian Directors, but mostly the policy, control and management is in the hands of the foreign interests, and foreign capital has got

a large share in these concerns. Almost all the rubber produced in India is consumed by these three concerns and the Government of India has not exercised much control over the activities of these concerns and their manufacturing processes, except that they have a nominal control over them. The total investment in rubber is about Rs. 3½ crores and I learn that they have built up now Rs. 2½ crores as fund for depreciation and they have been declaring nearly 15 per cent. dividend every year. That means that they are making good profits. Do you know why the prices of rubber tyres—Firestone or Dunlop—have not come down considerably? Though there is a gradual scaling down of the prices in tune with the general scaling down of prices of other commodities, the pace of this is very slow and still today we have to pay far higher prices for rubber tubes and rubber tyres. What is the reason? The reason is that these foreign interests do not want to give us rubber materials at a cheaper rate. The very fact that they have built up huge funds and that they have been declaring a high rate of dividend shows that they are making enormous profits and most of the profits is going to foreign interests, but no attempt has been made to take over these manufacturing industries—either Government-owned or Indian-owned industries. I am very strong on this because rubber is a very strategic material, and if that is under the control of foreign interests, in times of danger we cannot expect full co-operation from those interests, and national interests may suffer in those crucial times. So, I say that it is high time that we take over these foreign manufacturing concerns into Government hands, and if that is not possible, try to Indianise them. Let there be no foreign interests in this vital industry.

The price quoted in India for our rubber is a little lower than the world price—that is what I understand—but in previous years, the price was far higher than the world price. Anyway, because there is a great world demand, particularly from the U.S.A.

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and the U.S.S.R., the world price of rubber is higher than the Indian price, but when the Indian price of rubber was lower than the world price, neither the manufacturing concerns nor the Government authorities made any attempt to rationalise the prices. Though Government have the power to control the prices of rubber, nothing has been done so far to bring down the prices of rubber or rubber materials for the benefit of the consumers. Now, we are thinking of an expanding economy. In an expanding economy transport plays a very vital role and when we expand transport system in our land there will be a great demand for rubber goods, like tyres, tubes and other things. So, the question is how we are going to meet the demands of the expanding economy. Because foreign interests have entrenched themselves strongly in this industry, we are not able to produce more rubber materials, especially tyres and tubes. Why? They have enough installed capacity, but they do not want to produce more, because if they produce more, they are afraid the prices will go down. So, they have established a sort of monopoly over this industry and nothing could be done. People in India today need cheap tyres and tubes and other rubber goods. But it is not possible to produce them even after ten years. It is not possible because the manufacturers refuse to produce more. In view of this, I demand that these rubber manufacturing concerns should be immediately taken over by Government. No foreigner should be allowed to have anything to do with this industry.

Lastly, Sir, I say that the Board that has been constituted for rubber has not been working properly and I am doubtful whether the new Board that is being constituted now will work better than the previous Board. It is necessary for us to go into the reasons why these various Commodity Boards are not functioning properly. All of us are deeply interested

in the improvement of the position of these commodities. But the Boards that have been constituted under the various Acts are not working properly; our experience has been that these Boards have proved useless. So, is it not time for us to enquire into the whole question of the policy underlying the commodity boards—what should be the policy and the basis on which these boards should be constituted, and what are the reasons for their failure, or satisfactory working. I say it is time that we constituted a committee to enquire into the working of these Boards. None of the Boards has so far worked well; almost all these Boards have been only dummies and they have not produced any results. The help that has been given by the Boards to the various industries has only been nominal and the main purpose for which these boards have been constituted has not been realised. So, I hope that the hon. Minister will agree to my suggestion of setting up a committee of enquiry, a parliamentary committee, if possible. I am not enamoured of committees.

**Shri Velayudhan:** The Plantations Enquiry Committee is there to go into their working.

**Shri M. S. Gurupadaswamy:** The Plantations Enquiry Committee will go into the problems of the plantation industry and the boards constituted for them. I am referring to the Boards constituted for the various commodities, silk, for instance. It is now time for us to pause and enquire whether there is anything fundamentally wrong in the working of these boards. So, I suggest that a Committee of Parliament may be set up for the purpose of going into the working of these Boards. If we allow these boards to function as they are doing now they would not produce any results. They only consume a lot of money of the public exchequer.

**Shri Karmarkar:** So, one more Board!



**Shri Velayudhan:** A Committee.

**Shri M. S. Gurupadaswamy:** I am making this suggestion just to clear the dirty linen found in these Boards. If there is any other method of doing it, I will leave it entirely to the Minister. What I am interested in is that the whole matter should be gone into for us to decide whether these Boards have any efficacy or utility at all. So, I demand that there may be an immediate committee for enquiring into the whole question, and their report placed before the House for discussion. The entire question of the Boards may be discussed at one time. These questions are brought in a piecemeal manner at present. This is not the way to tackle this problem. Let us evolve a policy to govern the working of these Boards.

**Mr. Deputy-Speaker:** Amendment moved:

"That the Bill, as reported by the Select Committee, be circulated for the purpose of eliciting opinion thereon."

**Mr. A. V. Thomas:** The hon. Minister said he was the Chairman; after that Mr. Nayar will have a chance.

**Shri A. V. Thomas:** I was the Chairman.

**Shri V. P. Nayar (Chirayinkil):** He is also another Chairman, but of the Select Committee.

**Shri Velayudhan:** Of the three Members who have recorded Minutes of Dissent, I am the only one present here now.

**Mr. Deputy-Speaker:** I fix fifteen minutes for speeches.

**Shri A. V. Thomas (Srivaikuntam):** I would like to clarify one point. I was the Chairman of the Rubber Board for a number of years, but resigned from it recently owing to reasons of health.

As the hon. Minister said there is practically no controversy about this Bill. I am speaking as a Member of Parliament and also on behalf of the

growers. There has been some discussion about some of the clauses of the Bill and there were no doubt some differences of opinion. But they have all been cleared now. We, of course, objected to the principle of nomination to the Board. But I am glad to say that the Minister was kind enough to concede that point and I think he is bringing in certain amendments whereby the representatives of the growers are to be elected, excepting in the case of small growers who have no organisation. On the whole we are quite satisfied.

Reference was made about the usefulness, or the work that has been done by the Board. I would like to go briefly into the history of this Board. This Board was formed in 1947 mainly with a view to safeguarding the interests of the growers, as is stated in the preamble to that Bill. At that time the growers were not getting adequate prices. The world prices were high and the growers were not satisfied with the prices they were getting in India. For some time it was really a fight between the grower and the manufacturer. The grower felt that the manufacturer was taking advantage of his difficulties. The matter was brought to the notice of Government who in 1948 asked the Tariff Board to go into the question and fix the prices. In 1949 the differences between the manufacturers and the growers still continued and then again the Tariff Board came in. They went into the question and fixed the prices. And the growers very readily accepted the prices, because there was a basic figure which allowed for a return to the grower based on the capital invested; that is the cost plus a return on the capital. The prices were fairly reasonable and we accepted those prices. That is the history as to how it started.

As regards the work of the Board afterwards—till then of course we were entirely engaged over the question of prices—still, in spite of that, the Board did something for the small

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grower also. The Board started supplying clonal seeds, the best variety of seed which if planted would give higher yields than what we were getting in India. With that in view, in 1949 the Board started supplying these clonal seeds, and in that year only 8,000 seeds were supplied which is sufficient to plant about forty acres. But since then the supplies have grown, and in 1950 1,60,000 seeds were supplied; in 1951 3,53,000 seeds; and in 1952 8 lakhs of seeds. And then of course in 1953 it was so much appreciated by the small growers, that is this service of supplying these seeds, that the demand rose to 19 lakhs of seeds. But unfortunately the Board could not obtain supplies of this seed to that extent. All they could get that year was about 6 lakhs of seeds which were supplied to the small growers.

In addition, the Board was investigating the possibility of getting a better type of seed and arranged for a consignment of 40,000 seeds from Malaya.

Apart from the supply of seeds, the Board also started two nurseries for supplying plants, selected good plants, and this was started in 1951. And in 1952 and 1953 about 1,20,000 plants were supplied from the two nurseries one situated in Travancore and the other in Malabar. So that, taking the total of the seeds and plants, on an estimated figure, plants and seeds sufficient to supply somewhere about 11,000 acres have been distributed. Also, there has been a concession in price to the smaller grower. In some cases it was supplied below cost, and in some cases at cost.

In addition to that, field service and advice was given to the small grower. The Board employed experienced men in the field and advised the small grower on the methods of proper planting, cultivation and curing and other things connected with the manufacture of rubber. In addition, they also supplied sprayers for spraying the trees and in some cases even spraying material at a very nominal cost.

So, from the figures and statements I have made you will see that a good bit of work has been done in the interests of the small grower. And you will realise also that the small grower appreciated the service done, by demanding more and more seeds and plants as the years passed on.

A reference was made regarding co-operation among the smaller growers. The Board tried its very best for two or three years to get the smaller growers to send their latex—that is before it is converted into rubber—the latex to a central factory where it could be manufactured at a lesser cost. But there was absolutely no co-operation amongst the smaller growers. They would not have it. Every small grower wanted to stick on to his property and would not trust the other fellow even if it meant lesser cost of production and a better price for the article produced. So we tried it for two or three years and then of course we had to give it up.

These are all the services done to the smaller grower. But the Board certainly was not satisfied in the matter of research and rehabilitation. Research work could not be undertaken to the extent that the Board desired, for various causes. As regards rehabilitation, out of 1,74,000 acres of rubber it is agreed that about a lakh of acres have to be replanted. These areas are very old or the rubber trees there give very low yield. As it is today we have areas in some of our places, that is newly planted areas, which are capable of yielding up to a thousand lbs., whereas, as Mr. Gurupadaswamy said, the Indian average—taken over the average—is only 280 to 300 lbs. So that it is absolutely necessary, if we are to cope with the demand or at least to satisfy the internal demands of our country, that we should do this research work, and about 1,00,000 acres have to be replanted, or rubber should be planted in other areas. There is no necessity to go in for new lands, because the existing area should be improved.

I think the Bill which is before the House gives sufficient power to the Board to compel, in case of necessity, the grower to cut down his trees and replant new ones. As a rule the grower, naturally, does not want to cut down his tree, as the hon. Minister said, even if it gives only a few lbs. of latex, he would not agree to improve it. This Bill gives all the power that is needed.

The production, as stated, has increased. In 1948 it was 15,000 tons and in 1954 (there is only one more month to go) it is 22,000 tons. It shows an increase of 44 per cent. This increase is mainly due to the new-planting that has been done during the past fifteen or twenty years. According to the figures available, about 35,000 acres of rubber have been planted with the best clonal seeds or plants then available. Advances have since been made that some of these clones which were supposed to be very good a few years ago have gone out of date or obsolete. As we go on every year we find new clones and new methods. For that of course research work is absolutely necessary. I understand a start is being made this year as a certain amount of money has been sanctioned. I hope as years go on, and as provision has been made in the Bill for the levying of cess etc., greater care would be taken in future to improve the research work and supply whatever material that may be needed to satisfy the requirements of the grower.

It is estimated that in a few years' time the consumption also will grow. It was 19,000 tons in 1948. Last year it was 22,200 tons, and it is stated that the estimated figure of consumption for 1954 is 27,000 tons. That shows an increase of about 50 per cent. in consumption from 1948. As I stated earlier, the production shows an increase of 44 per cent. while the consumption has gone up by 50 or 51 per cent. As I stated earlier, if a hundred thousand acres could be replanted with the latest available first-class material, the demand could be caught

up, and in fact in about ten or fifteen years' time, with proper plantation, we might have a surplus of rubber which might be available for export.

I P. M.

As regards the Bill itself, as I said, the growers are quite pleased and they accept it as it stands subject to certain amendments proposed by the hon. Minister.

**Mr. Deputy-Speaker:** Shri V. P. Nayar. I will call Shri Bogawat if there is time after all the persons who come from rubber growing area are called.

**Shri Kottukappaly (Meenachil):** I come from a rubber growing area in Travancore-Cochin.

**Shri Bogawat (Ahmednagar South):** I have made thorough enquiries. I must be given an opportunity.

**Shri Velayudhan:** I am one of the persons who have given Minutes of Dissent.

**Mr. Deputy-Speaker:** I have got down all the names.

**Shri V. P. Nayar:** Sir, as we are discussing a Bill covering a very elastic article, I hope you will allow some elasticity in discussion.

**Mr. Deputy-Speaker:** I am allowing all shades of opinion to be represented.

**Shri V. P. Nayar:** In recommending this Bill it has often been repeated by the Mover, that as matters stand at present, the interests of the small holders in rubber plantation are not well safeguarded in a measure which they deserve. It is for this reason that certain changes are sought to be introduced, although I contend that the actual reasons for introducing the suggested changes are to be looked into somewhere else. I shall come to the real object later on.

[Shri V. P. Nayar]

A survey of the rubber industry has been made. But, certain very vital points have been left out of consideration by the Mover as well as his supporters. What exactly is the position of the rubber industry? This is a matter which we should consider in order to appreciate how and why the small growers' interests are suffering today. It will be interesting to find that in the rubber plantation industry, about 55 to 60 big interests control a total of 66,000 to 70,000 acres. In other words, about 40 per cent. of the cultivation is controlled by 55 to 60 holders. I find that about 14,000 small interests together have only 30 or 32 per cent. of the rubber cultivation. Thus, a monopoly has grown in this industry and the small holder in his present position is not able to get a good yield. It is not a very easy matter. The Government merely says that the small holder has many difficulties, and we have got to do something. Why have the small holders been allowed to come to a stage of these difficulties? What was the policy of the Government for some time past in respect of these small holders? If we know that, then only we can appreciate the motive in bringing forward this piece of legislation.

I do not want to take much time in discussing the details about the plantation industry and the various figures. It has been established that rubber bearing trees in Travancore-Cochin and in other places in South India are all of one variety. We have not made any experiments with any other variety. It is also true that this important variety *Havea brasiliensis* happens to be the most important rubber yielding plant. You will be surprised to find that for cultivating this, no special kind of land is required. In places where we have rubber cultivation, we can alternatively raise any crop: pepper, cocoanut, tapioca, ginger, lemon grass or any other cultivation.

**Mr. Deputy-Speaker:** In between?

**Shri V. P. Nayar:** Before planting. The land on which we raise rubber can be utilised for cultivating any other agricultural commodity.

**Mr. Deputy-Speaker:** How long does a tree last?

**Shri V. P. Nayar:** It must be about 50 years. Shri A. V. Thomas knows it better, Sir.

**Shri A. V. Thomas:** Fifty years.

**Mr. Deputy-Speaker:** Can it be tapped every year?

**Shri V. P. Nayar:** Yes; every day.

In this context we should understand the difficulties of the small holders. It is not as if the big holders about 55 to 60 who have 40 per cent. of the entire rubber cultivation have brought these difficulties to the small holders. The small holders have invested their all in their holdings. Once you raise rubber trees, it is not possible to cut them away because a large expenditure is involved. Also, a very careful and continuous nurturing of the plant is required. The domestic economy of the small holder is completely dependent upon the rubber price. What is the policy of the Government of India after the attainment of Independence in respect of rubber prices? This is the matter which will give the clue to the present difficulties of the small holder. If you go through the records you find that during the time of the Korean crisis, the price of rubber went up by several times. This particular article, which is of immense strategic importance to India, and the entire production of which is consumed by Indian industries at present, was offered prices far below the rates prevailing in the world markets. You may say that India did not go to war and so the price did not go up. That is entirely a different proposition. Government were in charge of fixing the price of rubber. My information is that when the world price of rubber in 1950 was Rs. 172, the corresponding price in India paid to the Indian producer, both big and small, was Rs. 90. In 1951, when the world price rose

up to Rs. 206 per cwt., the Government very graciously gave a price of Rs. 122-8-0. After the Congress Government came into power, only in 1953, the world price of rubber has been slightly below the price which was allowed to the Indian producer. That is not because of any gesture of kindness on the part of this Government. That is because the world price went down after the Korean armistice. That was not because the Government were magnanimous to the rubber growers.

About 85,000 people are depending on this industry. The workers get a maximum daily wage of Rs. 1-8-0 and no more. This has not changed because the small producer is not able to give more, and the big producer will not give. For the big producer, rubber does not form the only item on which he has to balance his domestic budget. For the small producer, that is the only thing. Government says that this is a strategic raw material and so every effort should be put in to increase the yield per acre. Government have also given the cultivator the impression that all that is produced will be consumed by the Indian industries, and also something more will have to be imported. I do not understand how the Government have not been able to give a proper price for rubber in these special conditions. It is not a case similar to that in rice, sugar or any other agricultural commodities. No agricultural produce can be said to be of so much strategic importance to our economy. After all, India grows only about 1 per cent. of the total world production of rubber. Our population is not 1 per cent. of the world's population. It is much more. It is time that the Government revise their policy in fixing the prices. You may say that in fixing a higher price for rubber, the 55 or 60 big interests in the plantation industry will get the advantage. Certainly not. You can take back the money in so many ways. I need not tell you that.

There is another aspect. It has always been baffling to some of us.

Here you say that the industry consumes all the rubber that is produced. At the same time, you find that the price of rubber is not raised to the desirable extent. I was looking at the balance sheets of one of the companies engaged in the rubber manufacturing industry. You will be surprised to find that when in 1949 we produced about 18,800 tons of rubber, 14,500 tons were consumed only by three companies. More than 75 per cent. of the rubber produced in India was consumed in the manufacturing industries by the international giant undertakings, Messrs. Dunlop Co., Firestone Rubber Co., and Bata Shoe Co. In no other country do you find this sort of stranglehold of foreign companies, with all the vested interests coming to India and exploiting the price situation which is deliberately created by the Government in order to help the industrialists on the ground that it is strategic material. It is strategic material. But, it is more strategic to foreign enterprises which were making more profits. I was going through the balance-sheets which were so kindly sent to me by the hon. Deputy Minister of Finance and I find that in one company, Messrs. Dunlop Co., India. Ltd., the total invested capital is Rs. 2;3 crores, out of which in all Rs. 1 crore is subscribed for in cash. The balance is for certain other considerations as it is brought out. The company has been making on the average a profit round about a crore of Rupees every year, and my calculations show that since the attainment of independence, or from 1948, the company has so far made a net profit of Rs. 5.77 crores. This is no small matter. And out of this they have set apart Rs. 2 crores for depreciation. In spite of the fact that out of Rs. 5.77 crores which they have earned as profits, they have set apart Rs. 2 crores for depreciation, we know that almost half the machinery of Dunlop and other manufacturing concerns were supplied on the lend lease arrangement during war days. They did not have to pay the price which others would have had to pay in normal days. Yet they have set

[Shri V. P. Nayar]

apart Rs. 2 crores for depreciation and declared a 15 per cent. dividend on the ordinary shares. I ask the representatives of Government whether Government have any control, or any ceiling on the profits which are allowed to these undertakings which are foreign-controlled?

The Research and Reference Section of our House prepared a statement for me from which I find....

**Mr. Deputy-Speaker:** Has the hon. Member any figures to show how much of the rubber manufactured has been sold outside India and how much sold in India?

**Shri V. P. Nayar:** That is exactly the point I am coming to. That information is not readily available, but this information is available that if you take the index of price in 1939 at 100, the prices of tyres manufactured by Dunlops have risen this way: For 616, i.e., the tyre that we use for ordinary cars, Chevrolet and other cars, it is 316; and then Dunlop Fords is 310; Dunlop Giant—32" x 6" for lorries and heavy duty vehicles—336. But what is the corresponding index for the price of raw rubber. I do know exactly what it is, may be around 215, but I find that in all other agricultural commodities, the rise has been much more than what you find in rubber.

In the Tariff Commission's Report I find—I am emphasising this point because rubber is not grown on any special kind of land which is unsuitable for any other cultivation; rubber is grown on lands where other crops also could be raised. Just look at the fluctuations in the prices of other commodities. If you take the 1939 figures as the index at 100, rice itself has gone up to 455. Coffee has gone to 409 and 686. Ginger has gone to 1,115. Pepper has gone up to 3,985. So, my question is this, that when the Dunlop Rubber Co., having a monopolistic hold on the industry is able to make a profit of Rs. 5-77 crores in six years and when every other agricultural commodity has registered an increase several times that of rubber, why

should rubber prices alone remain at the very low level at which we find it now? There is a reason. Here it is that I say that the policy of the Government in fixing the price of rubber is intended more for increasing the profits of the monopolists. I could have understood if the manufacturing industry was scattered throughout India. It is not so. Seventyfive to 80 per cent. of the entire production is within the hands of three companies and they happen, unfortunately for the country, to be foreigners. The raw rubber which is used is made available to these companies at a very, very cheap rate. There is no question of rising price because it is a protected industry. We are not bothered about foreign competitions by import of rubber. And here, the single largest purchaser of rubber goods still happens to be the Armed Forces. The strategic importance can be gauged. In spite of all this....

**Mr. Deputy-Speaker:** Is rubber itself protected, or rubber manufacture?

**Shri V. P. Nayar:** Rubber plantation, raw rubber production. So that the actual position is that when Government themselves for the Armed Forces require a very large quantity of manufactured articles, when there are foreign interests which are entrenched and which control 75 to 80 per cent. entire manufacture in this country, and when Government have not chosen to impose any ceiling on the profits of those companies, Government have chosen to inflict the smallest price on the rubber grower. The price has been fixed by Government in such a way that here, employing one of the cheapest labour in the world and getting all the advantages of war-time machinery given by lend-lease, making a profit of Rs. 9 to Rs. 10 crores in five years, the Dunlop, Bata Shoe and other companies are allowed to operate freely and make as much profit as possible, not only by the sale of goods here in this country but also by allowing them not merely the export of manufactured articles, but even the export of profits. This is the point which I want the

House to understand, so that I want to say that it is not with a view to protect the small interests in the rubber plantation industry that this Bill is being brought up. If Government had a genuine desire....

**Mr. Deputy-Speaker:** Is excise charged on this?

**Shri V. P. Nayar:** That I do not know for certain.

If Government had a genuine desire to protect the small interests engaged in the rubber plantation industry, they should have made certain other arrangements.

We hear from Mr. A. V. Thomas that clonal selection is getting more popular. We know there are other methods which probably the Government may not care to know. Rubber is not produced only from this *Hevea Braziliensis*. It is produced from ever so many other plants. In the Soviet Union, for example, rubber is taken from the roots of a plant which is known as the Russian Dandelion or *kok sagyz*.

**Shri Velayudhan:** Is it grown in India?

**Shri V. P. Nayar:** I do not know whether he understands as much of botany to understand what it is.

The Russian Dandelion could be improved in the course of three years. The yield of that could be improved to ten times merely by changing the sowing season. It is a seasonal crop. I do not say we have to adopt that method because we may have certain geographic difficulties. The content of rubber in the latex of a tree is decided by certain factors over which we have, as yet, no control. Rainfall has a very large part to play in the growth of rubber. Temperature also and other atmospheric conditions have their influence.

**Shri Velayudhan:** Has Russia a surplus of rubber products?

**Shri V. P. Nayar:** He will patiently hold his soul.

**Mr. Deputy-Speaker:** Let us not compare. He only says.....

**Shri Velayudhan:** The hon. Member mentioned a particular tree and because of that I thought there was a surplus.

**Shri V. P. Nayar:** I could have answered the question to an hon. Member who would understand the difference between a tree and a herb, but I do not think it is necessary.

**Mr. Deputy-Speaker:** Is it the root of a herb that is grown in Russia?

**Shri V. P. Nayar:** That is the difference, Sir. If you put that question.

**Mr. Deputy-Speaker:** We are not interested in going into all that matter. He only says that there are other plants also.

**Shri V. P. Nayar:** For the information of the hon. Member, I can off hand say that that milky white sticky latex as it is called is not given out only by the plant *hevea braziliensis*, but two or three natural orders or families which are found in different species of India; especially *Euphorbeaceae*, *Asclepiadaceae* and *Apocynaceae* have got latex.

**Shri U. M. Trivedi (Chittor):** But it is the *hevea braziliensis* that is useful latex for the purpose of rubber.

**Shri V. P. Nayar:** That is entirely different. *Euphorbeaceae* is also included in that.

**Mr. Deputy-Speaker:** The whole thing is Greek and Latin to me.

**Shri V. P. Nayar:** They are really latin names. That is exactly why I did not want to go into it.

**Shri U. M. Trivedi:** But this was known to us long ago.

**Shri V. P. Nayar:** It was not intended to edify Mr. Trivedi whose acumen I know, but it was intended only for Mr. Velayudhan.

**Shri Velayudhan:** You are also ignorant about it.

## Amendment Bill

**Mr. Deputy-Speaker:** The hon. Member must be prepared to take a contradiction also.

**Shri V. P. Nayar:** I do not say I cannot be contradicted. That apart, my point in bringing forward this view is that the difficulty experienced by the small holder is not a matter which is accidental, but it is the result of the deliberate price policy of the Government of India in regard to rubber for some time past.

Then, there is another matter to which I would like to draw your attention. If, as I said before, Government were keen on protecting the interests of the rubber growers, there were, within the statutory limits, certain powers which Government could have exercised.

I ask the hon. Minister whether Government have made any arrangements by which the small grower, who has any difficulties, can get loans. Have the Government of India made any arrangements by which the small grower can get some long-term credits? It is easy to say that the small growers refuse to plant with clonal seeds and buds and all the rest of it. But it is very difficult for them because they have nurtured the trees for years and after indulging in 'slaughter tapping', as they call it, it is not easy to cut down the tree and plant afresh, waiting for years. The large estates may be able to do it, but so far as the small estates are concerned, I ask the hon. Minister whether Government have considered this question of providing some compensation for cutting down old trees. Have you induced the small producer to produce more by paying him adequate compensation to cut down the old trees and have clonal seedlings planted in their place, the compensation covering a period of the estimated yield of the tree which is cut down? Then, there are lean months.....

**Shri A. M. Thomas:** But a proposition is given in the price.

**Shri V. P. Nayar:** That is in the sale. I do not mean that. You may even supply clonal seedlings free. But that is not being done. It was only in very few cases that clonal seedlings were supplied at reduced rates. Government could have done it. It is not as if the small growers' interests have been protected—not at all.

There is also another aspect in which the hon. Minister could have done something. The marketing of rubber could be controlled under existing Law. I know of certain cases, and the hon. Minister also knows of certain cases. When there is a demand, do you expect that the actual producer gets the price that the Government have fixed at a particular level? Certainly not. There are certain agencies operating, who have also got into the Rubber Board. I can quote specific instances, without mentioning names. The year before last...

**Shri T. T. Krishnamachari:** If my hon. friend will permit me to interrupt, he is preaching to the converted. That is what I said in my opening speech. I have said that the price that we have fixed does not go to the small grower.

**Shri V. P. Nayar:** Yes, but I am pointing out to him another aspect. I am pointing out that this is a matter in which the hon. Minister, under the Law now in force which entitle Government to frame rules, could have done something, but the Government have failed to do it. It happens this way. Although the demand of the tyre companies and rubber companies are known even to the ordinary cultivator of our place—that about 20,000 tons of rubber will be sold—if I happen to be a small grower and if I happen to have 25 lbs. of rubber, the dealer will say: 'I am not interested in it. It is not the particular variety'. He may put off purchasing it until the time when he knows that he will get a very good price from where he sells. It happened



this way. I can give concrete instances also. In 1952, when we had a reference here about certain memoranda having been submitted by representatives of rubber producers, it so happened that Government exercised some pressure on the raw rubber consuming agencies with the result that the manufacturing industries were out in the market to purchase. But one or two persons who came with the representation of the growers and met the hon. Minister, and who got the tip that Government would exercise pressure, and also knew that this matter had been agitated in Parliament, and stocks would be relieved, went and collected stocks and did not pay the price which was fixed. Because for a long time stocks were accumulating, the poor cultivators could not hold over for a long time and naturally, therefore, they were obliged to sell at several rupees less per 100 lbs. than what was fixed by Government. Then, on the pressure of the Government, the companies started purchasing and made a colossal profit. I think it has been tacitly admitted in answer to one of my supplementaries the other day by the hon. Minister of Commerce also. I am not giving names, but I know that this is happening. I ask the hon. Minister of Commerce whether it was not possible to frame rules under which this could have been prevented. He always says that we are only criticising and we are not giving suggestions. I am giving him this suggestion, that if he wants that the entire price should go to the primary producer he can make this arrangement. The Rubber Board is there with an annual expenditure running up to Rs. 1,75,000. The Rubber Board can have technical staff. It can purchase some rubber. I do not say that all the stocks of rubber should be purchased and stocked by the Rubber Board and then sold to Dunlop or whatever company which requires it. But this can be done when the small grower experiences difficulty in selling his stuff, when the dealer does not take it and waits for the time

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when he can get the maximum profit. The Rubber Board can certainly step in, take the stocks and keep the stocks and advance 50 per cent or even up to 90 per cent for sometime and thus accommodate the small producer so that he will not be obliged to undersell his product.

**Mr. Deputy-Speaker:** What will be the total value of such rubber which will have to be purchased and for which accommodation has to be provided?

**Shri V. P. Nayar:** Government have immense financial backing and it will not be difficult for them to provide accommodation of Rs. 50 lakhs or Rs. 1 crore.

**Shri A. M. Thomas:** An enabling provision has been introduced in the Bill itself.

**Shri V. P. Nayar:** My argument is that even under the provisions which we have, you could have framed rules (*Interruptions*). Mr. Thomas is drawing my pointed attention to the fact that my time is running up.

**Mr. Deputy-Speaker:** There are a number of others who wish to speak.

**Shri V. P. Nayar:** Then there is another matter. Apart from all this. I do not believe, as I told you before that the real object of this Bill is the fostering of the interests of the small grower. The real object of the Bill, as I said before, has to be looked at somewhere else.

**Mr. Deputy-Speaker:** The hon. Member has taken 25 minutes.

**Shri V. P. Nayar:** I will finish in 2 minutes.

It happened this way. Why is it that we are having an elected Chairman in the Coffee Board and an elected Chairman in the Rubber Board? It happened that in the 1952 an appointment was made by the Central Government to the post of Secretary of the Board. Under the statute which was then in force, no such thing

[Shri V. P. Nayar]

could be done except in consultation with the Board. The Board was not consulted, even though there was a mandatory provision of law making it incumbent upon the Government to consult the Board before the appointment was made. Mr. Kurian John, the Chairman of the Board, protested against it. Not only did he merely send a protest, but he also circularised this illegal act of the Government of India to the various other Members of the Board and created an opinion in the Rubber Board against this appointment. The Government of India in the Ministry of Commerce got upset. They did not expect that the Board, which had all the blessings of Government, would allow its members to turn against the dictators in the Secretariat. Then it happened that one of the members of this House, whose name I do not want to give, intervened and used his good offices and effected, a compromise. From that date it became evident that Government could not inflict its decision on the Rubber Board or any other Board and they would not take such orders lying down. For that reason it was thought that the Act had to be amended. If, as I told you before, the real scope of the Bill, the real intention of the Government, was to foster and further the interests of the small growers who have very many difficulties—insurmountable difficulties—it would have been possible for Government to bring forward another piece of legislation covering all this—the ways and means of how to finance the small growers, how to sell their products, how to accommodate them with sufficient credit and how to improve the yield. It is idle to contend that the small growers' holdings are uneconomical. It is not a fact. On sufficient authority, I can say that before the introduction of the international rubber control one of the best rubber producing countries—Malaya—reported that the small holder's per acre yield was 131 per cent of the large holding's per acre yield. But in 1934 the

various imperialist interests came together—this rubber, significantly, is not produced in any country except a colonial country—and they wanted to favour the big interests, both in the industry and in the plantations. They set up some regulations and from next year there was a change. You find that in the year 1933 the small holder was producing 131 per cent of that produced by the large holding, per acre, in Malaya, but in 1935, one year after the introduction of the agreement, it fell down to 81 per cent and it has never risen after that to over 90 per cent. That is the experience in Malaya. So it is idle for anybody to say that the small holding is an uneconomic unit. They have been made so. Our cultivators do know how to raise the crop; only, they must be given a substantial price and unless that price is given, it is not possible for them to increase the yield. Our people may go on bleeding the rubber trees of their white blood, but here the Dunlops and other grant companies are continually bleeding our people white, and Government are allowing them to bleed our people white by fixing the price of rubber at a fantastically low scale.

**Shri A. M. Thomas:** The hon. Minister, while moving the motion for consideration, was pleased to invite suggestions concerning the development of the industry. There was a time when the whole position was viewed with a sense of disquiet in my part of the country. It was thought that Delhi being distant, the problems of the industry, on the fortunes of which the economy of the extreme south depended, were viewed with a sort of indifference and callousness. Shri V. P. Nayar invited the attention of the House to how companies like the Dunlop Rubber Company were in a position to exploit the growers with the result that the growers were not in a position to get adequate price for their produce.

The hon. Minister stated that in this matter it is not necessary to preach to

one who is converted. There is absolutely no necessity for the hon. Minister to be converted at all. I may say for the information of the House, that the industry has not forgotten the valiant stand that Shri T. T. Krishnamachari took as early as 1951, when the question of rubber prices was discussed on the floor of this House. It is good that I just quote the words that he said at that time. This is what he stated on 19th March 1951:

"Today the tyre prices in this country are more than 50 to 60 per cent higher than the prices in the United Kingdom where also Dunlops manufacture. Dunlops in U.K. buy rubber at the rate of 4s. 8½d. a pound in Malaya as against 13½ annas in India. So, it seems that there is a conspiracy on the part of somebody in his Ministry though he is not himself responsible, to see that the rubber prices in this country are kept down, and that the tyre manufacturers are given an advantage. As against the perilous state of rubber producing companies, Dunlops, as I have said, have given Rs. 50 lakhs as bonus shares, a 20 per cent dividend every year, depreciated their capital and added to their reserves. When they floated debentures last year for Rs. 1.33 crores, they were over-subscribed."

I have read these sentences just to show to my hon. friend Shri V. P. Nayar that the present Ministry of Commerce and Industry at least is not unaware of the problems of the industry.

**Shri V. P. Nayar:** That I never said also.

**Shri A. M. Thomas:** In May 1951, on the recommendation of the Tariff Board, the price of Rs. 128-8-0, which contained an element of Rs. 6-4-0 for rehabilitation, was fixed for 100 lb. An upward revision was subsequently made in October 1952, fixing the price level for best quality sheet rubber at Rs. 138 for 100 lb. which is the current rate.

The problem of the industry does not stop with the price structure alone. I may just bring to the notice of the House that the total acreage under rubber is 1,73,643 acres. Out of this, in Travancore-Cochin State, we have 1,37,353 acres. The next largest concentration is in Malabar with 29,994 acres. These are figures as on 31st December 1953. If small holdings are to be taken into account, that is to say, holdings below 100 acres are taken into account, the total acreage will be 71,400 acres, and that will form about 40 per cent of the entire acreage.

**Shri V. P. Nayar:** Below that, up to 50 acres.

**Shri A. M. Thomas:** As for holdings below that and up to 50 acres,—i.e. small holdings as has been considered by the Select Committee—nearly 57,606 acres are covered by small holdings.

**Shri V. P. Nayar:** Roughly 30 per cent.

**Shri A. M. Thomas:** It is said that the output of 40 per cent of the acreage is less than 28 per cent, while 60 per cent of the acreage in larger holdings produce more than 72 per cent. I do not want to embark upon the importance of the rubber industry, which is too well-known. It has just now been stated by my hon. friend Shri M. S. Gurupadaswamy that it is a strategic material, and an indispensable raw material in modern life.

Our problem now is to produce sufficient quantity of rubber to make us self-sufficient for our manufacturing requirements. There is our growing pace of industrialisation also, as a result of which a larger quantity would be required to meet our internal demands. So, it is very necessary that we should become self-sufficient in rubber. We are lagging behind many other countries in the matter of efficient production. We have not bestowed adequate attention on scientific study and experiments.

My hon. friend Shri M. S. Gurupadaswamy said that the Board has been

[Shri A. M. Thomas]

functioning as a dumb Board more or less, and it has no record at all to its credit. I beg to differ from him. Shri A. V. Thomas, who has been functioning as the Chairman for the Rubber Board for some time, was pleased to invite the attention of the House to some of the problems that faced the Rubber Board and how the Rubber Board has attempted to tackle them. The Rubber Board, as has been stated, was formed in 1947, and the Board is having its second term of office.

The real problem was the problem of prices, when the Rubber Board was formed as early as 1947. And there was a long fight, as has been pointed out by the hon. Minister himself, between the interests of the manufacturers on the one side, and the interests of the producers on the other. In respect of those problems which the Rubber Board has to face, I would say, some attempt has been made on the part of the Board in the matter of rehabilitation also. There has been expansion of the area under cultivation. There has been construction of new buildings, labour lines, etc. There has been improvement of breeds, and cutting out of exhausted trees.

When we look at the production figures, we find that the average production between the years 1948 and 1950, has only been 15,400 tons. But in 1951, it was 17,300 tons; in 1952, it was 19,600 tons; in 1953, it was 21,200 tons; and in 1954 the estimate is that it would be 22,000 tons. So, it cannot be said that the Board has been functioning as a dumb Board, or as a mummy Board, and that it has no achievement at all to its credit. However, I am not at all satisfied with the fact that the Board has done what it ought to have done, and that it had fulfilled the objects for which it was constituted. There is absolutely no doubt that there is substantial scope for improvement. As has been pointed out, the real problem is the problem of finance. Finding that pance is needed for carrying out the objective which Government have in view. they

have introduced a provision in the Bill to the effect that there can be an enhancement of the duty from what it is existing now to one anna per pound. That will bring a very substantial amount to the Rubber Board, which can be utilised for fulfilling the objects which it has in view.

Shri M. S. Gurupadaswamy referred to the necessity for forming co-operative organisations for growers. A report has been prepared on the marketing organisation for rubber, by the Rubber Board, and that report has been published also. It is a very valuable document and we get very useful information in that report. It is stated that the real difficulty in forming co-operative societies of growers has been the problem of finance and it is specifically stated, finance is the most important factor which decides the success or failure of any society. In that report, it has been recommended, on the lines of the recommendations that have been made by the commission on the Rubber Inquiry on Ceylon, that co-operative societies have to be formed and how they should be formed. It has been stated:

"The Report of the Commission on the Rubber Inquiry on Ceylon has recorded with appreciation the working of such societies in Ceylon and recommended the further expansion of the movement. I feel that most of the handicaps of the small growers can be overcome if such societies worked satisfactorily. The following are some of the advantages claimed for them."

I do not want to take the time of the House by just detailing the recommendations that have been made in the Ceylon report. For advancing loans to co-operative societies or anything like that, there must be the necessary provision in the Bill itself.

The problems of the small producer have been faced very well in the Bill that we are now considering. There is no doubt with regard to the fact that the small producer has a definite place

in this industry. He should have, necessarily, an assured place also. In the evidence that had been given before us, doubts were raised whether small holdings have a place in this industry. We will find from the report to which I have made reference some valuable observations which I would just read before this House:—

“Almost every rubber producing country has an appreciable percentage under small holdings and in a major producing country like Netherlands, Indies, it actually reaches 67.1 per cent. of the total. Small holdings rubber cannot be eliminated as it is one of the cash crops which give occupation and money to the producer all through the year. It is also a hardy crop and can come up even on steep slopes. Further, it is only the small holder who reacts to fluctuations in prices very quickly and is likely to respond to the call for increased production in a crisis, if necessary, even by slaughter tapping, provided enough incentive is forthcoming. Thus the small holder has his own place in the industry and it is necessary to improve his lot by affording all the technical help and protection required. Contrary to Indian yields it is the small holder that is reported to obtain better yields (though due to close planting only) in Malaya. The Indian small holder that now needs protection as well as real technical help to come up to the level of economic production and unless both are forthcoming he might before long disappear from the field.”

Understanding the problems of the small grower, in the Select Committee, the Government itself brought forward necessary amendments and the Select Committee has been pleased to incorporate them in the Bill that we are considering now. You will see a definite provision has been made for constituting the pool fund for protecting the interest of the small growers and provision has been made in the Bill itself

to utilise the funds for making such grants to the rubber estates or for giving such assistance as the Rubber Board may think necessary for the development of such societies.

The other problem has been the problem of price control. I do not think anybody can question the wisdom of a price control for this rubber industry. But, in spite of the fixation of prices, as has been pointed out by the hon. Commerce Minister, the law of supply and demand used to have full play in the matter of the sale of rubber. It has been pointed out in the report itself to which reference has been made that where the market price should be really guided by the control price in force, we had fluctuations, and the market prices quoted in the report showed that the market was, in fact, guided by the conditions of demand and supply created by the various interests in the trade.

I may just invite the attention of this House to one difficulty which was experienced by the Government last year when the rubber growers were finding it difficult to dispose of their stocks although the country was in itself in short supply in the matter of this raw material. The Commerce Minister was finding it difficult to save the small grower. He had a proposal to authorise the Board to put some funds in the hands of the Board to purchase this rubber to relieve the small producer but that was not possible to be done for want of necessary provisions in the Act. To meet such a contingency, in the Bill that we are now considering, there is a specific provision just to authorise the Board to purchase rubber. It has been specifically stated that it would be lawful for the Board to purchase rubber in the internal market.

**Shri V. P. Nayar:** Otherwise, was it unlawful.

**Shri A. M. Thomas:** No, it was not unlawful; there was no necessary provision authorising the Board (*Interruptions*) so that, it was with that object in view that the Government

[Shri A. M. Thomas]

wanted such a provision also to be incorporated in the Bill. There was a lot of criticism from the side of the growers regarding grant of the import licence, how there was manipulation after getting the licence, and that rubber was not imported within a particular period. In order to get rid of these complaints there is another provision which enables the Board to import rubber also so that there is no possibility of any abuse of the import licences got by the manufacturers.

I say that many of the objections that have been raised by Shri Gurusadaswamy and Shri V. P. Nayar have been attempted to be met in this Bill and the Bill has to be worked out. It is only a means to an end and it is not an end in itself. With these objects in view, it has been provided that the small producer must have a dominant voice in the deliberations of the Board and with that object in view, out of the 7 growers' representatives 3 have been given to the small holders. How the small holders can be helped is a more important thing and the pool fund has been constituted and the problem of distress prices has been attempted to be met in this Bill.

I think that if the Bill is worked out in the proper way, it would be in a position to solve the problems of the industry. I am glad to find that the Central Government has attempted to tackle the problems of the industry, though, in all humility, the hon. Commerce and Industry Minister has stated that he is unaware of the problems of the industry. I would say that the Government is bestowing its attention on the right lines with regard to the problems of the industry and it is enough if these lines are pursued and effect is given to the various provisions of this Bill (*Interruption*).

Mention has been made with regard to the fact that a research station has not been formed. The Commerce Minister was fair enough to admit that the blame cannot be placed on the Board

itself or that Government itself was not acting speedily or that it has not been acting with sufficient quickness. We think that with the passing of the Bill and the constitution of a new Rubber Board, a new era will be introduced in the industry and that a fair price will be obtained by the grower and we will be self-sufficient in the matter of rubber.

**Mr. Deputy-Speaker:** There is no time for the others.

**Shri A. M. Thomas:** I will finish soon, Sir.

Shri V. P. Nayar pointedly drew the attention of the House that the manufacturing concerns have been really ruining the growers at a particular period. The real solution to that is that where the raw material is available, there should a manufacturing concern.

I have already given figures to the effect that the largest concentration is in Travancore-Cochin and Malabar but the factories consuming this raw rubber are situated in Bombay or Calcutta so that that is one of the reasons why the grower has been exploited. Shri V. P. Nayar has been pleased to refer to some of the misdeeds of Dunlops. With regard to that, I have also certain facts with me, which will indicate that the policy followed by the present management of the Dunlop Organisation will never enable Indians to acquire the technical knowledge which is required for the development of this industry. The policy pursued by them is really an eye-wash in the matter. The kind of technical training which the Dunlops have so often given a lot of publicity to is the sending of two candidates each year to the U.K. for what is called training in U.K. It can be said that there are no Indians in the staff of Dunlops who can claim to have the knowledge to make a tyre. The Dunlops have been on the Indian soil for the last twenty years now.

I would, in all humility, suggest that the problem can to a great extent be

solved if an industrial concern is located near to the place where the raw material is available.

One other point is that it was considered by the Committee and sufficient attention was devoted by the Government itself with regard to that aspect. Although the duty that is now being levied on rubber is very low, it is being found difficult for the Rubber Board to collect it. I think some machinery has to be devised which will fix the source at which this collection has to be made, so that some satisfactory arrangement with regard to that may also be come to. Otherwise, there is no use of levying duty at the rate of one anna per lb. if we are not in a position to realise the amount at the proper time and utilise it for the various objects which the Board has in view.

With these observations, I support the motion moved by the hon. Minister and oppose the motion for circulation moved by Shri Gurupadaswamy.

**Shri Velayudhan:** I was listening to the speeches made here on the Bill and also to the comments made by the hon. Commerce Minister regarding the dissenting note I have added to the Bill. This Bill, which is on similar lines of the Coffee Bill which we passed yesterday had one fundamental opposition from the producers or growers. I think that is to a great extent now ironed out by the amendment moved by the hon. the Commerce Minister. As one coming from a rubber-producing area—and most of the rubber estates are confined to the constituency from which I come—I had the occasion to study this industry. I am grateful to the Chairman of the Select Committee, Mr. A. M. Thomas, and also to the hon. the Commerce Minister for taking all of us to the Travancore-Cochin rubber plantations with a view to give us first-hand information regarding the industry. Rubber industry is a vital economy of our State. Not only that, it has contributed to a great extent to the national economy of this country also. There was a lot of criticism or

even confusion regarding the rubber industry's development and also about the Rubber Board in the past. It was thoroughly justifiable, in my opinion, on the part of the Commerce Minister to bring this amending Bill in the form in which it was presented here. We must see wherefrom the opposition to the nomination of the Chairman and other members came. It came, not from the labour representatives, because two hon. Members who represent the Communist Party, Mr. Punnoose and Mr. Nanadas, have practically accepted the suggestion of nomination by Government. Therefore, the criticism and opposition came mostly from the growers who were practically controlling the Board till now. What is the history of the Board? My own esteemed friend, Mr. A. V. Thomas, was the Chairman of the Board for many years but when I read the report of the Rubber Board, I was surprised to find that on many occasions perhaps the Board had not met when convened, and when it met, only very few representatives were present for the Board meetings.

Regarding the other functions of the Board, namely, licensing and collecting of cess and supplying of seeds and giving technical advice, I may tell him that in my dissenting note I have given a suggestion. The Rubber Board, as it is constituted today, has got only a very limited function, and I thought that there was no necessity for keeping such a Board—an expensive Board—like this with a limited function. The functions that are being carried on by the Board like licensing, etc., can be handed over to the Commerce Ministry so that the Board may go into the actual development aspect of the industry in the country. The Board can do wonderful service if they have a first-class research station as suggested by the hon. the Commerce Minister. He has suggested a research station even some years ago, but the Board itself said that it had not any suitable buildings. What a flimsy argument it is! How negligent the Board was towards the exploitation of the industry in this country! It said that it had not enough buildings to have a research station.

[Shri Velayudhan]

It is not a research station like the huge National Laboratory that was asked for and such a huge building is not required for as laboratory for Rubber Research.

**Shrimati Kamleudu Mati Shah** (Garhwal, Distt.—Western Tehri Garhwal Distt. cum Bijnor Distt.—North): On a point of order. There is no quorum in the House now.

**Mr. Deputy-Speaker:** Hon. Members know that during lunch time we do not raise the question of want of quorum and the proceedings go on. That is the convention of the House. Hon. Members, if they want to go away and take lunch, may go.

**Shri Velayudhan:** There is no scarcity of buildings if you want to have a research station started in the Travancore-Cochin State. We can have any number of buildings in order to start this station immediately. I am very happy that the Commerce Minister has taken a very practical view about this particular thing, and I hope we shall have a first-class research station in South India, preferably in my State very soon.

Another aspect which I want to deal with is about the small growers, and a lot of criticism was made by my friend, Mr. Nayar about the small growers. Of course, it has become very conventional on his party's part to raise voice on behalf of the small growers. We had visited some of the small estates. Who are these small growers? We must understand the legitimacy of the pleading for the small growers. What is their economic position? What is their status? Are they poor people? Are they humble workers? No. They themselves possess between 25 and 150 acres.

**Shri Kottakappally:** Those are only a few, but the others are poor.

**Shri Velayudhan:** It is a matter of comparison only. When we have to understand the small growers, we must understand their economic capacity. We went to a small estate,

which belongs to my hon. friend, Mr. Punoose's brother-in-law, and more than 20 acres—about 50 acres—are owned by him and it was run well also. I was at that time mentioning in a humorous way that in the big estates, there is the capitalistic exploitation and here in small estates, in a small way, in a novel way, in a middle-class way, there is a middle-class exploitation. If the other is a capitalist exploitation, I might say this is a communist exploitation in a sense and we were mentioning this fact with great humour to our friends at the spot.

When we give help to the small growers, we must understand that the acquisitive spirit should not develop in them, so that it may be controlled or checked. Why I am coming to this argument to-day is that in my humble opinion, these estates, these big plantations owned by vested interests as well as small holdings should be taken over by the State and nationalised, and must be retained as the industry of the State. The rubber industry has earned millions of sterling in my State itself. It has not yet satisfied the capitalists in the State; it has not created satisfaction to the huge Estates owners. Still they are demanding protection, they are demanding subsidy from the Government with a view to exploit the blood of the poor people. What is the condition of labour in these plantations of big growers and small growers? We visited many of the labour quarters in the plantation. I will never forget the tragic picture I saw there. These huge Estates, earning dollars in millions, could not even find a single decent quarter, at least with one room and a kitchen, for a single employee.

**Shri Kottakappally:** The hon. Member must have gone to the wrong place.

**Shri Velayudhan:** I am telling especially about the Travancore-Cochin industry. We have gone to most of the rubber plantations there and



in fact, even in the best run factories, we found nothing much; no doubt we found a better housing provided in a factory run in South Travancore area, but even that did not meet the minimum standard. I think it was run by Mr. Kumaraswamy.

**Shri A. M. Thomas:** It was a very large estate and at the same time very efficient.

**Shri V. P. Nayar:** It was only 1200 acres.

2 P.M.

**Shri Velayudhan:** Comparatively, it is small.

The housing conditions of labour of the industry everywhere are simply appalling. What is the attitude of the management towards labour. That is what I am most concerned about. I can only describe it as uncivilised. I am sure the House is aware of the fact that the worst exploited section of the labour in India is the one engaged in the plantation industry. Why are they not given even a living wage? Why are they not properly housed? Why are they not given proper medical facilities? Why should their children be neglected in the forests, where millions of them die every year from malaria and various other diseases? Why should they not be given schooling facilities? These are things that should be considered very earnestly by Government. I am glad the Select Committee has in clause 9 made a provision for securing better working conditions and improvement of amenities and incentives for workers. I hope that in future at least Government will pay greater attention to the interests of labour.

Next, I come to the question of the pool fund. The pool fund is now intended for the small growers only. They can now develop their estates. One feature which we noticed in our visits to the plantations was that the bigger plantations have got surplus funds to develop their estates. They

also command easy credit. The small holders do not have funds to develop their estates. The Select Committee has therefore made a provision that the pool fund should be utilised for the benefit of the small holders.

In my State a new Bill of land reform has been introduced recently. Several of the witnesses who appeared before us said that the rubber industry will be affected if the 25 acre ceiling is fixed. The land Bill introduced in the State Assembly is a very revolutionary reform which has not been attempted in any country in Asia and is being sought to be passed by the Travancore-Cochin Ministry. I am not speaking on behalf of the Socialists when I praise this revolutionary measure. The situation in the State has compelled them to do so and I am very happy about it. Some people may not be happy about it. Both the capitalists and the communists are not very happy about it, because both of them had expected the bread of power in the State.

**Shri Kottukappally:** Are we discussing about the land reform Bill or the Rubber Bill?

**Shri Velayudhan:** The hon. Member himself raised this matter before the Members of the Committee at Kottayam. Several of the witnesses who appeared before the Committee stated that 25 acre ceiling will affect the industry. That is why I have brought in that issue.

I would at last like to deal with the responsibility of the Government with regard to the future action based on the Bill. After getting the Bill passed through the House, the first and foremost problem to which the hon. the Minister should direct his attention is the improvement in the conditions of labour. Government as I said yesterday is the trustee of the people. It is, therefore, its duty to protect the exploited section of society from the acquisitive interest of the capitalists. I myself come from the labour class. I know the appalling conditions in which labour live. The

[Shri Velayudhan]

condition of Estate labour is most miserable and Government should henceforth to do everything in their power to improve their lot.

**Mr. Deputy-Speaker:** How long will the hon. Minister take?

**Shri T. T. Krishnamachari:** About ten minutes.

**Mr. Deputy-Speaker:** I am trying to distribute the time. The hon. Minister wants ten minutes. It is now five minutes past two and 15 minutes more are left for Shri Kottukappally, and Shri Bogawat.

**Shri Kottukappally:** Sir, I wish to disclose in accordance with parliamentary practice that I am interested in the matter of the Rubber (Production and Marketing) Amendment Bill. I happen to be a rubber grower myself. I am returned to Parliament from an area where more than in any other place in India rubber is widely grown. I must be failing in my duty to my constituents if I do not make it known that the present amending Bill is viewed with some concern by all sections of the rubber industry, growers large and small, manufacturers, merchants and labour.

In the 1947 Act the growers' representatives to the Rubber Board were chosen by the Growers' Associations. The Manufacturers' representatives were chosen, two of them, by their own Associations. In the 1947 Act the Chairman of the Board was elected by the members of the Board from among themselves; so also was the Vice-Chairman. By the changes sought to be brought about by the new Bill, these members will be nominated by the Central Government or the State Governments and the Chairman appointed by the Central Government.

In the evidence submitted before the Select Committee, the representatives of growers, manufacturers and labourers all pleaded that their representatives should be left to be chosen by them. They want the con-

stitution of the Rubber Board something like that of municipal councils or corporations. In my State, Travancore-Cochin, governments change like the waxing and the waning of the moon. That is one of the reasons why we plead that the management and development of the rubber planting industry should be left as far as possible to the different sections of the industry itself.

On the West Coast no one would question the propriety of the United Planters' Association of Southern India, and the Association of Planters of Travancore-Cochin and the Rubber Growers' Association of India representing the interests they claim to serve. In fact, there has never been a divergence of interests between the big growers and the small growers.

Rubber growers are a set of persecuted people. The hon. Minister just now asked why the rubber industry is not being expanded and extended. The answer is simple. Well, the rubber growers were not getting a remunerative price for their crop. That is one answer. If only the rubber produced is given a price which is at par with the rise in prices of other commodities, without any outside help from Government. I am not ruling out that possibility, the rubber area will expand, production will increase and the raw rubber produced will be self-sufficient, so far as the requirements of the manufacturers in India are concerned.

Ever since 1934 when control on rubber was first introduced and the Indian Rubber Control Act, 1934 was passed the rubber growers were being persecuted. Raw rubber is produced by 14,000 poor or middle class people who own anything from one-fourth of an acre. As has been said by my friends here, they account for 40 per cent of the acreage. The balance of the acreage is owned by Indian and European joint stock companies and a few large owners, the two categories put together numbering, to be

exact, 14,463 units. The grievance of the small as well as large holders was that the rubber control was being manoeuvred to benefit the Government during the war years and then chiefly the four or five European managed manufacturing concerns. The second world war might have been a little less cheaply waged and won on account of lower price paid for raw rubber. But it deprived the rubber growers in Travancore-Cochin and in the Malabar District of a square deal and a fair price. If we compare the prices of foodgrains like rice, wheat, maize, etc. and of commercial crops like coconut, pepper, ginger, etc. and of metals like gold, silver and iron, with that of raw rubber during the war and post-war period, it would be found that the price of raw rubber alone was kept more or less stationary, while the prices of other commodities and goods had gone up over five to ten times and in certain cases fantastically more. During the war the rubber producer had to sell his crop around one rupee per lb. while at this time the black market price of rubber in Calcutta was in the region of Rs. 12 per lb. A couple of years back the price of rubber went as high as Rs. 3 per lb. in the world market, but the Indian rubber producer was deprived of his produce at 12 to 14 annas per lb. I am aware that various shrewd, subtle and hair-splitting arguments are being adduced for depriving the rubber grower of the fruits of his labour. But the outstanding fact remains that the only primary producer who could not benefit by the war and the post-war boom was the rubber grower. So far as the Indian joint stock rubber companies are also concerned, they could not also benefit by the inflation or the boom. Most of them were paying little or no dividends when rubber manufacturers were amassing profits. It is only since 1952 that the precarious condition of the rubber planting industry has been stabilised.

I am thankful to the hon. Minister for Commerce and Industry for the interests he is taking in its welfare.

I am also grateful to him that whenever a particular rubber grower found it impossible to sell his crop he was considerate enough as to interfere and set things right. I recollect that even as a private Member he had been one of the most active supporters of the rubber growers.

According to the rubber growers, even now they are not securing worthwhile prices. The large rubber plantations are from thirty to fifty years old and require replanting. The small holdings happen to be ill-tapped or slaughter-tapped. Raw rubber, as the Minister for Commerce and Industry has expressed time and again, is a strategic material. Rubber is as precious as thorium or uranium in times of wars. Wars can be lost from a lack of this material. The United States during the war years produced synthetic rubber as they had no suitable area to grow natural rubber. Fortunately for the Republic of India, we possess large areas where we can grow rubber. The only feasible way to promote production of raw rubber is to see that a better price is paid for it. It would be seen that in the years prices have been the best, the area opened up was the largest. For example in 1943 and 1944 around 12,000 acres were opened up; in 1945 and 1946 only around 6,000 acres. The total acreage under rubber in our country is 1½ lakhs, to be exact 167,816 and the total crop is around 20,000 tons. India's output of natural rubber is only a little over 1 per cent of the world's total production. By replanting with high yielding clones the production could be easily doubled within a period of six to eight years without taking up any more land. But with the price which is fixed at Rs. 138 per 100 lbs. since October, 1952, the rubber producer gets little margin to meet rehabilitation expenses and provide better conditions for labour. The production by the small holders is only 28 per cent of the total, although they own 40 per cent of the acreage. The sixty per cent of the acreage in larger holdings give an yield of more than 72 per cent.

[Shri Kottukappally]

The maximum yield per acre is around 1,000 lbs. as was mentioned by A. V. Thomas, and the minimum 200 lbs. The average yield is 272 lbs. The rubber estates employ in all 70,000 men and women as labour force. To extend cultivation or bring about rehabilitation the growers have to be subsidized, especially the small growers. Delhi is far away from Travancore-Cochin. The small growers are not well organised. The rubber growers' voice has not so far been heard in the councils of the Republic. They just work from the rising of the sun to the setting thereof and vote Congress and by the evenings everyday turn their moist, wet eyes to Heaven.

The hon. Minister said.....

**Mr. Deputy-Speaker:** It appears the hon. Member has not finished even fifty per cent of his speech; there are a number of pages.

**Shri Kottukappally:** I will finish in two minutes.

The hon. Minister of Commerce and Industry said in the Select Committee:

"Government has been spending a lot of money on various development schemes. It is not so difficult to find money. We need about 25,000 tons of rubber annually, and progressively our needs will go up in geometrical proportion. We have to plan in such a way that we will be self-sufficient in about ten years. Development is imperative. Rubber is strategic material".

That is what the hon. Minister said. Moreover there is a new development in the use of rubber, that is the foam rubber by which cushions and mattresses are being manufactured. And this new development will make the requirement for raw rubber, I think, three times or four times in the next ten to twenty years. I suggest that a Rubber Plantation Development Corporation be set up by the Central Government

and the Madras and Travancore-Cochin States to grant loans to rubber growers to replant all the old, non-yielding areas. A Research Station should also be immediately set up.

I have also to commend to the hon. Minister the idea which we had put before him about the establishment of a rubber manufacturing factory in the South, in Travancore-Cochin, where actually the raw rubber is produced. He gave us all encouragement, and I wish to inform him that the idea is materialising.

I have no doubt that realising as he does, the vital role that rubber planting industry plays in the economy and in the strategic position of the country, the Ministry will do everything possible for the promotion and development of this industry.

I had tabled an amendment. In view of the speech made by the hon. Minister of Commerce and Industry I wish to say that I do not move that amendment.

**Shri Bogawat:** In the interests of the country the rubber industry must flourish. There is large scope for its development, and if it is properly planned the output or the production of the industry can be doubled in a short time.

I oppose the suggestion made by my hon. friend Mr. Gurupadaswamy. If he had read all the evidence, the examination and the searching cross-examination of all the persons interested in the industry, he would not have made the suggestion and asked for the appointment of some Committee. But unfortunately he appears to have not read the whole evidence and the points that were gone into thoroughly by the Select Committee and the Minister. Not only that. The Committee had an opportunity to visit the area and learn all the difficulties and problems of this industry. The Members of the Committee approached labour, small holders, vested interests and also all the big estates. I can say before the House that there

is no doubt that there has been exploitation of labour. In some estates, proper facilities are not given to labour and the conditions there are not proper. The arrogant reply is that there is no sufficient budget. We saw that the huts were not even properly thatched and there was no sufficient accommodation. There were no sufficient arrangements for the education of the children in some of the estates; not in all, I must say. We found that in the case of some estates, the market is several miles away, and they were required to go there. In spite of requests by labourers, no canteen was allowed and no society was allowed to be formed. I request the hon. Minister to go through all these points suggested by the Committee and force these vested interests to give all the amenities to the labourers.

Unless more research work is done and the Development Commission develops this industry, the small holdings cannot be properly improved. More attention should be paid to the smaller holdings. They are in need of assistance in various ways. There are old trees and it is necessary that these trees should be cut down because the yield of these old trees is not much. It is also necessary that the plantation should be by the budding process. We can see that the trees planted by the budding process yielded more than those planted by seeds. The seed may be got from Malaya or any other place. As regards other facilities to the small producer, the Committee has put in a new clause for the purchase of the produce. There should not be any difficulty in selling the rubber by the small holders. This clause is very material.

The House can see that the Committee has made several suggestions and also given more representation to labour and other interests, such as small holders. Representation given to the Government has been reduced. Not only has more representation been given to labour and small holders, but it has also been suggested that these persons should be nominated

from panels of representatives of their organisations.

As regards the Chairman, if there is an elected Chairman, a big gun, it is possible that he would take advantage of the situation. So, we were against an elected Chairman. The Committee felt that there should be a nominated Chairman who should be a whole-time worker. An elected Chairman cannot be a whole-time worker. We have had experience of that formerly. There were no meetings for several years and months. In order to avoid this, in order that there should not be any undue advantage taken by a big gun, in order that there may be efficient working, in order that the Chairman may be a whole-time worker, it is quite necessary that the Chairman should be appointed by the Government. There is an elected Vice-President. We have raised the number of Members from 20 to 25 and given full representation to all.

The produce can be increased to a large extent. In some cases it is from 1000 to 1500 pounds per acre; in some other cases, the yield is very low; only 200 pounds. This disparity must disappear. There must be development in each and every tree. If the industry is developed, in a very short time, production would be doubled and the consumers will get rubber at a very cheap price. If this industry is developed, it will not only be strategic material; but rubber is nowadays used for other purposes also. This has been mentioned by several Members and I need not repeat all that. The Committee has thoroughly gone into all the points by taking evidence of all the interested persons in the industry: small growers, labour, vested interests and so on. Not only that. The Speaker was kind enough to allow the Members of the Committee to visit the area. We had the fullest opportunity to see things for ourselves and the whole picture is before our mind's eye. We were in touch with almost all the persons interested in the industry. We had the best opportunity to learn all the problems of the industry. After learning all the

[Shri Bogawat]

problems and difficulties, the Committee has made several suggestions. I do not want to make a long speech. I wholeheartedly support this Bill and I request the House to accept it *in toto*.

**Shri T. T. Krishnamachari:** My task has been made easy by practically all the Members who spoke supporting the motion, I am particularly grateful to the last speaker who, not belonging to the area, has certainly no personal interest in the matter, except the national interests. His support is very valuable. I am also grateful to the support that has been given by all the Members who come from the rubber producing area. I must mention that my hon. friend Shri V. P. Nayar who is usually a harsh critic, had this time toned down his criticism considerably and instead of being critical, he has made several constructive suggestions, all of which I have made note of. Shri A. V. Thomas, with his great experience of rubber, has made a valuable contribution which, I think, would have to be scanned and studied not merely by the Government, but by the Board that is to come into being. Similarly, the House certainly owes a debt of gratitude to my hon. friend Shri A. M. Thomas, who so skilfully piloted the work of the Select Committee, for the many constructive suggestions that he has made.

The point is this. There is absolutely no difference of opinion amongst us in regard to the main objectives. The trouble really is to find some method by which we can achieve these things. Take the small grower. He is in an unenviable position. As Shri A. V. Thomas put it, the average production is 272 pounds per acre whereas certain estates produce more than 1000 pounds per acre. The divergence is so big. What happens is, any increase in the price goes to the benefit of the bigger estates. One of the persons that appeared before the Select Committee admitted that his firm controlled 12 per cent of the total acreage. I had made a calculation that

the increase in price that we gave benefitted some of these bigger estates to the extent of Rs. 65 lakhs.

**Shri V. P. Nayar:** You can take it back.

**Shri T. T. Krishnamachari:** The question is how to devise the method to take it back consistent with our Constitution. The other thing also is: suppose we buy up the production of rubber as we do in the case of coffee, unfortunately rubber is an article which perishes very rapidly and if the Board is to buy and stock it, well, it will drop down one grade after another and it would come to the "X" grade which nobody will touch. So, that difficulty in regarding to buying and stocking was there. I am very glad that my hon. friend Mr. A. M. Thomas did refer to the attempt that I made early last year to purchase rubber so as to help to ease the situation. And I had asked my colleague the Finance Minister to give me Rs. 15 lakhs for that purpose, but in spite of that ultimately it was found that it was some big person who had stocks would have got the advantage of it. We really kept back from purchasing a quantity of about 1,000 and odd tons in the hands of one big firm. But, this kind of thing does happen. So, we had to devise some means of getting at the small man, getting him to pool his stocks.

**Mr. Deputy-Speaker:** What about the co-operative society?

**Shri T. T. Krishnamachari:** There is again this difficulty. Rubber is a commodity which has to be processed. It cannot be cured and kept as in the case of coffee or tea. The smoking process is rather a difficult one, and the facilities that we can give for co-operative societies by providing them with the necessary amount of help would also be difficult. I do not say it cannot be done, but still it presents difficulties which I think cannot be solved by some offer of promise on my part or by some suggestions in the House. I think with a certain amount of goodwill which I think

Members of this House and the Government do possess towards the small man, we have to make an effort, a really serious and earnest effort, to see that the small man gets a little more. In fact, as Mr. A. M. Thomas had pointed out, I am aware of the fact that while our rubber producers have been suffering, particularly the small man, the tyre companies have been making enormous profits. That is why I referred the whole matter to the Tariff Commission and we have not had the report of the Tariff Commission yet. It will take some time for it to come. Probably it might come by the end of the year.

If, as Mr. A. M. Thomas suggested, the production is tied up to the manufacturer in that locality, as we have done in the case of sugar—the sugarcane is purchased by a factory which is in that vicinity; we can try some formula like the S.I.S.M.A. formula of making the manufacturer pass on a portion of the profit to the producer, but unfortunately even that is not possible. We cannot tie up the producer on to the manufacturer the same way as we can do in the case of sugar. The problems are baffling, but ultimately I think human ingenuity is not bankrupt of ideas to get a difficult situation. And that shall be the guiding motive of Government in this matter, and I hope that the Board that will come into being in future will be fully alive to this objective that the House and the Government have in promoting a Bill of this nature.

It would be futile for me to summarise all that has been said by the hon. Members. Of course, the point made not. If a same holding is a good hold-by Mr. Nayar was that the small hold-not. If a small holding is a good holding is not uneconomic. Perhaps it is ing and the trees there are good and the yield is greater, the small holding is not uneconomic, though one of the persons who gave evidence said the small holdings are no use. That is from the point of view of the man with the big holding, but I do not think I ever said that the small holdings are uneconomic, but it happens that the bulk of the small holdings

are run in a manner that makes them uneconomic.

**Shri V. P. Nayar:** That is my point also.

**Shri T. T. Krishnamachari:** That is true. The price also has certain limitations. If I can possibly give a little more price, I do not want much goading, I can tell the hon. Member. Even if it is a question of my having to give the price arbitrarily without making a reference to a Committee, I am prepared to do it, but I have got to think of the consequences also—the increase in the price of the ultimate product and how it can be related. That is why I am waiting for the Tariff Commission enquiry in regard to tyre prices. There are also some producers if rubber goods who might be affected. But I can assure the House that I am even prepared to be autocratic in this matter if it is possible for me to do so, without injuring the ultimate industry on which the producers depend, I am quite prepared to make a departure and give a higher price. But again, the point really is that unless I can devise a method by which the small man, the small producer can get a little more, there is no point in raising the price on the basis of one anna more or two annas more. It will happen that instead of Rs. 65 lakhs, they will make a profit of Rs. 85 lakhs.

**Shri V. P. Nayar:** You can have a slab system.

**Shri T. T. Krishnamachari:** That is the trouble. I have got to think of it.

The point was mentioned that there should be an industry in the rubber producing centre. If somebody will start it, Government is prepared to give all assistance, and it is not a question of their saying that it should not be there. If it is there well and good. We can certainly give all assistance to it. But I am happy to hear from Mr. Kottukappally that some move is being made in that direction and is likely to take fruit before long.

[Shri T. T. Krishnamachari]

A point was mentioned by Mr. Vela-yudhan and also Mr. Bogawat regarding labour conditions. The Select Committee has put in a specific provision that to a very large extent we should be guided by the Plantation Labour Act, and I suppose in regard to our general outlook as to how to deal with these estate problems, the Plantation Enquiry Committee would be able to give us some line. As I have said at the time I introduced this Bill,

I do not want to stop work merely awaiting that report. We have got to get a move on. But very possibly that report will more or less blaze the trail for us for future action.

I have nothing more to say except once again to thank hon. Members for the suggestions which they have made and I do hope to be able to put these suggestions in some form and convey it to the new Board if this Bill is passed finally into an Act and a new Board is brought into being.

**Mr. Deputy-Speaker:** I will first put the amendment of Mr. Gurupada-swamy to the House and then the motion itself.

The question is:

"That the Bill, as reported by the Select Committee, be circulated for the purpose of eliciting opinion thereon."

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That the Bill further to amend the Rubber (Production and Marketing) Act, 1947, as reported by the Select Committee, be taken into consideration."

*The motion was adopted.*

#### Clauses 2 to 5

**Mr. Deputy-Speaker:** Now, clause-by-clause consideration.

**Shri Tushar Chatterjea (Serampore):** Amendment No. 15.

**Mr. Deputy-Speaker:** Of course, as was already pointed out by the hon. Speaker yesterday, I am not allowing amendment No. 2 by Shri T. T. Krishnamachari.

**Shri T. T. Krishnamachari:** I am not moving it.

**Mr. Deputy-Speaker:** And the consequential amendments to that amendment.

**Shri V. P. Nayar:** I want to clear a position there in respect of the amendment which is not allowed. Is it not competent for the Auditor-General, even under the present provisions, to audit the accounts when the accounts are in the Consolidated Fund of India?

**Shri T. T. Krishnamachari:** If you would permit me to answer the hon. Member's question, a suggestion came from the Auditor-General's office that there should be a provision of this nature in every enactment, and as I have said, I propose to take some action thereon, so that we might get one Bill covering practically all the other enactments. But in a matter like this I must only be advised by the concerned person. I cannot exercise my own judgment in this matter.

**Shri V. P. Nayar:** But the real difficulty is that as the constitutional provisions stand today, I do not think that a separate provision is necessary to direct the Auditor-General to conduct the audit, because the Auditor-General, by virtue of the Constitution, has the necessary right to audit all the accounts provided they fall within the ambit of the Consolidated Fund, and the collections made on behalf of the Government have necessarily to be accommodated within the Consolidated Fund, so that I do not think that a special provision is called for. That is my view.

**Shri T. T. Krishnamachari:** May be.

**Mr. Deputy-Speaker:** We do not know. I understand the Auditor-General to say that by executive orders



or otherwise he has no authority, and therefore an amendment is required. But it is before the hon. Members and the Auditor-General.

**Shri V. P. Nayar:** We think the amendment is not necessary.

**Mr. Deputy-Speaker:** I shall put clauses 2 to 5 to the vote of the House. There are no amendments to these clauses.

The question is:

"That clauses 2 to 5 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 to 5 were added to the Bill.*

**Clause 6.—(Amendment of section 4, Act XXIV of 1947)**

**Shri Tushar Chatterjea:** I wish to move my amendment No. 15.

**Shri A. M. Thomas:** Let the Government amendments also be moved.

**Shri Tushar Chatterjea:** I want to speak.

**Mr. Deputy-Speaker:** Let me take up the Government amendments first and then I will come to the hon. Member's amendment.

**Shri T. T. Krishnamachari:** I beg to move:

(1) In page 2, lines 18 and 19, for "to be nominated by the Government of Madras" substitute "to represent the State of Madras".

(2) In page 2, lines 22 and 23, for "to be nominated by the Government of Travancore-Cochin" substitute "to represent the State of Travancore-Cochin".

(3) In page 2, after line 32, insert:

"(3A). The persons to represent the States of Madras and Travancore-Cochin shall be elected or nominated as may be prescribed."

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**Mr. Deputy-Speaker:** This is the same as in the Coffee Market Expansion Act...

**Shri T. T. Krishnamachari:** Yes, Sir.

**Mr. Deputy-Speaker:**...where in deference to wishes that there ought not to be nomination exclusively and there ought to be some election also, provision has been made.

The question is:

In page 2, lines 18 and 19, for "to be nominated by the Government of Madras" substitute "to represent the State of Madras".

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is:

In page 2, lines 22 and 23, for "to be nominated by the Government of Travancore-Cochin" substitute "to represent the State of Travancore-Cochin".

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is:

In page 2, after line 32, insert:

"(3A). The persons to represent the States of Madras and Travancore-Cochin shall be elected or nominated as may be prescribed."

*The motion was adopted.*

**Shri Tushar Chatterjea:** I beg to move:

In page 2,

(i) for lines 15 to 28 substitute:

"(a) one member to be nominated by the Government of Madras;

(b) one member to be sent by such organisation of the rubber producing interests as the Government of Madras think to be representative of those interests;

[Shri Tushar Chatterjea]

(c) one member representing the small growers to be nominated by the Government of Madras;

(d) two members to be nominated by the Government of Travancore-Cochin;

(e) three members to be sent by such organisation or organisations of the rubber producing interests as the Government of Travancore-Cochin think to be representative of those interests;

(f) three members representing the small growers to be nominated by the Government of Travancore-Cochin;

(g) four members to be nominated by the Central Government;

(h) two members representing the manufacturers sent by such organisation or organisations as the Central Government think to be representative of those interests;

(i) six members representing labour sent by the different Central Trade Union Organisations of the country that are recognised by the Central Government, the proportion of representation being fixed by the Central Government according to the proportion of the membership of these Central Trade Union Organisations;"

(ii) line 29, for "(e)" substitute "(j)"; and

(iii) line 32, for "(f)" substitute "(k)".

In moving my amendment relating to the reconstitution of the Board...

**Mr. Deputy-Speaker:** How much of it is barred now?

**Shri Tushar Chatterjea:** In a nutshell, my suggestion is this, that this method of nomination should, to a large extent, be replaced by the method of election by organisations as

exist, and only in the case of small growers who do not have any organisation of their own should the method of nomination be resorted to. I have suggested also an increase of the number of representatives of small growers and labour. Also in my amendment, I have not made any provision for a nominated Chairman.

Now, I will just say a few words in support of my amendment. On this question of nomination generally, and of a nominated Chairman, much has been said yesterday in connection with the Coffee Board and today in connection with the Rubber Board. From the government side, or rather from the side who support the Bill generally, this argument has been advanced that in order to rid the present Board of the grip of the big interests, it is necessary to have more and more powers in the hands of the Government, and mainly to protect the interests of the small growers this sort of reconstitution is necessary. It is said that Government are not taking powers in their hands for their own sake, but for the sake of the small growers so that the Board will be able to function in a better way, in the interests of the small growers and of labour. This argument is a very good thing to hear, but if we analyse the composition of the reconstituted Board and the existing Board, we do not see any logic in the Government argument. If we analyse the composition of the existing Board, there are altogether 13 members representing big interests, 3 members representing labour interests and 8 nominated members. That is the composition of the existing Board. In the Board that is going to be formed according to this Bill, there will be 6 members representing big interests, 7 members representing the small growers and labour and 7 members representing Government; there will be 3 M.P.s. also. Now, if the question is to make the Board really function in the interests of the small grower and rid the Board of the control of the big interests, then the new

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set-up is already there. The balance of power will be held not by the big interests but by the small growers and labour representatives. So why unnecessarily introduce this sort of a bureaucratic way of constituting the Board. When there are larger number of members representing small growers and labour and when the big interests will be in a minority, why unnecessarily bring in this nomination question and do away with the earlier provision of representation? Why do you unnecessarily thrust upon the Board a nominated Chairman? I could have understood the point had it been the position that unless Government nominated a Chairman, unless Government kept with them the power to nominate the different members, the Board would be run by the big interests alone. But that will not be the position of the Board according to this Bill. Instead of introducing this sort of bureaucratic method, I would rather suggest that in order to be more sure about the position of the small growers and labour, you better increase the number of representatives of the small growers and labour. Therefore, I have suggested that in the case of the small growers of Travancore-Cochin, they should have one more representative so that their representation will be at par with the big growers' representation. For labour, I have suggested two more representatives so that labour interests are properly protected. Labour interests have to be protected with particular care mainly because, as we have already heard from Mr. Velayudhan and from some others also, labour in our plantations is exploited to the extreme. They do not enjoy any housing facilities. They get only Rs. 1-9-0 as daily wage, they do not enjoy any welfare measures or any right of organisation. This is the condition of the labour. In the Bill provision has been made that one of the functions of the Board will be to look after the labour conditions and to give proper protection to labour. That cannot be done unless you allow more representatives of labour on the Board. I have also suggested that in

getting representatives of labour, all the central trade unions should be asked to send their representatives. I have a particular object in suggesting so, for there are central trade union organisations which are recognised by Government, and which are generally consulted on all policy matters by the Labour Ministry. So, these organisations function with some responsibility, and with some authority. It is but proper that Government while setting up this Rubber Board invite representatives of all these central labour organisations. I particularly mention all these central labour organisations, because there are instances where Government have left out this or that central labour organisation, and have only taken representatives of one or two. I can mention the instance of the Tripartite Committee for the cement industry, and the Tripartite Committee for the coal transport affairs, in which representatives from the All India Trade Union Congress have not been taken. Therefore, I have specially mentioned that point in this amendment. That is all that I have to say in regard to my amendment.

**Mr. Deputy-Speaker:** Amendment moved:

In page 2,

(i) for lines 15 to 28 substitute:

"(a) one member to be nominated by the Government of Madras;

(b) one member to be sent by such organisation of the rubber producing interests as the Government of Madras think to be representative of those interests;

(c) one member representing the small growers to be nominated by the Government of Madras;

(d) two members to be nominated by the Government of Travancore-Cochin;

(e) three members to be sent by such organisation or organisations of the rubber producing interests as the Government of Travancore-

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Cochin think to be representatives of those interests;

(f) three members representing the small growers to be nominated by the Government of Travancore-Cochin;

(g) four members to be nominated by the Central Government;

(h) two members representing the manufacturers sent by such organisation or organisations as the Central Government think to be representative of those interests;

(i) six members representing labour sent by the different Central Trade Union Organisations of the country that are recognised by the Central Government the proportion of representation being fixed by the Central Government according to the proportion of the membership of these Central Trade Union Organisations;"

(ii) line 29, for "(e)" substitute "(j)"; and

(iii) line 32, for "(f)" substitute "(k)".

Shri A. M. Thomas: One or two points have been made by Shri Tushar Chatterjee with regard to the representation of small holders. According to the definition that we are now adopting, persons holding 50 acres and below are considered to be small holders. You will find that out of 1,73,643 acres, the small holdings will be represented only to the extent of 57,606 acres. According to the clause as it stands, out of seven growers' representatives, we give a representation of three for the small holders. 57,606 acres out of 1,73,643 acres, get a representation of three out of seven. So, I do not think there is any necessity to make any modification in this regard.

With regard to the representation of labour, which my hon. friend has

referred to, I would submit—of course it is not strictly within the ambit of this Bill to provide for the benefits of labour, but even then—having regard to the conditions of labour in this plantation industry, we have increased the strength of their representation from three to four. I think that will be sufficient to satisfy friends, including myself, who have pleaded for more representation for labour.

The other fact which has been pointed out is the appointment of a full-time Chairman. With regard to the representation of the various interests, I have my own views, and I have given expression to them in this House. But with regard to the appointment of the Chairman, I should think that if a full-time Chairman is found necessary, the other corollary more or less logically follows, namely, that he must be an appointed Chairman, and that too by the Central Government.

In the course of the evidence, I specifically put the following question to one of the persons who advocated for an elected Chairman:

"Having regard to the ambitious plan that we have, especially according to the amending Bill, would it not be desirable to have a full-time Chairman? My opinion is that as far as our Rubber Development Commissioner is concerned, he has very little time to look to the research side or to the development side. He has to look to the administrative side more than to the other sides for which he has been appointed. Will it not be better to have a full-time Chairman?"

The answer was—and this was given by a person who perhaps fared more than anybody else who came to give evidence on this matter—

"My view is that the Rubber Production Commissioner's services are not available for the purpose for which he has been appointed,

since in all circumstances his valuable time is taken away by administrative work. Administrative work can be carried on by a Secretary in the Secretariat with any non-official Chairman. It is not a matter which will affect the day to day administration."

So, in a way, he has conceded the assumption that has been there in the question.

But with regard to the representation of the various interests, there is a psychological aspect which has to be respected more than any democratic principle that is involved. I hold very strong views on that, and the hon. Minister has in a way conceded that principle by saying that a definite quota of representation will be by election.

I oppose the amendment.

**Shri V. P. Nayar:** Since this amendment also stands in my name, I would like to say one or two sentences.

**Mr. Deputy-Speaker:** We have only three minutes left to three o'clock.

**Shri V. P. Nayar:** Therefore, we will not speak at length on the other amendments.

**Mr. Deputy-Speaker:** There is no question of any length now.

**Shri V. P. Nayar:** Shri A. M. Thomas was saying that our proposal was that the number of representatives for the small holders will not be proportionate to the acreage which they hold. Now, our idea was not to give representation on the basis of acreage, but that the representation should be more in conformity with the number of interests involved. You will find that according to the Tariff Commission's figures, small holders having below 100 acres number about 73,500, while those having above 100 acres will be only a few hundreds, and in any case, less than a thousand. So, there is no harm in increasing the number of the quota for small holders. It is not because they hold only 30 per cent. of the entire

acreage under rubber cultivation, that we want more representation, but it is because of the thousands of interests involved. And among the small holders also, all the small holders do not have the same interest. You cannot say that a man who has half an acre has the same interest as a man who has 50 acres. That is the point.

**Shri T. T. Krishnamachari:** The whole scheme of representation has been carefully worked out by the Select Committee, and I think my hon. friend Shri A. M. Thomas has answered all the points raised. I am afraid we cannot accept the amendment.

**Mr. Deputy-Speaker:** The question is:

In page 2,

(i) for lines 15 to 28 substitute:

"(a) one member to be nominated by the Government of Madras;

(b) one member to be sent by such organisation of the rubber producing interests as the Government of Madras think to be representative of those interests

(c) one member representing the small growers to be nominated by the Government of Madras;

(d) two members to be nominated by the Government of Travancore-Cochin;

(e) three members to be sent by such organisation or organisations of the rubber producing interests as the Government of Travancore-Cochin think to be representative of those interests;

(f) three members representing the small growers to be nominated by the Government of Travancore-Cochin;

(g) four members to be nominated by the Central Government;

(h) two members representing the manufacturers sent by such organisation or organisations as the Central Government think to be representative of those interests;

[Mr. Deputy-Speaker]

(i) six members representing labour sent by the different Central Trade Union Organisations of the country that are recognised by the Central Government, the proportion of representation being fixed by the Central Government according to the proportion of the membership of these Central Trade Union Organisations;"

(ii) line 29, for "(e)" substitute "(j)"; and

(iii) line 32, for "(f)" substitute "(k)".

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That clause 6, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 6, as amended, was added to the Bill.*

*Clauses 7 to 9, were added to the Bill.*

**Clause 10.**—(Insertion of new sections after section 8 in Act XXIV of 1947)

**Shri Tushar Chatterjea:** I beg to move:

In page 4, for lines 6 to 8, substitute:

"Provided that in case of emergency suitable action may be taken by the Central Government even without such consultation, which matter, however, shall be placed before the Board for its opinion at the earliest opportunity."

My amendment suggests some change about the proviso in connection with the consultation with the Board. The proviso as it stands is very peculiar. In the main clause, it is provided that the Board shall be consulted by the Central Government. But the proviso as it stands suggests that even if Government do not consult the Board, any action taken by Government cannot be called invalid. In one part, consultation with the Board has

been provided for, while in the other part, the right of the Board to be consulted has been taken away. This is clearly a very peculiar attitude on the part of Government. I do not know why the Board has not even the right to be consulted. If the Board is not to be consulted, then why at all do Government set up this Board? Why at all should this Board function in that case?

Therefore, in my amendment, I have suggested that only in case of an emergency, suitable action should be taken by the Central Government even without consulting the Board, and that such matter should be placed before the Board for its opinion at the earliest opportunity. I think my amendment is a very reasonable one, and should be accepted by Government.

**Shri T. T. Krishnamachari:** This follows the usual pattern in legislative enactments to save justiciability, if some occasion arises in which Government have to act. The question of emergency would mean that the emergency will have to be proved. Since Government are responsible to the House, if we take any action which is of a serious nature, we shall have to explain to the House why we have not consulted the Board. I do not think any Government could take that risk. 'Ordinarily' means that you have to put in this proviso.

I do not think that we can accept this amendment.

**Mr. Deputy-Speaker:** The question is:

In page 4, for lines 6 to 8, substitute:

"Provided that in case of emergency suitable action may be taken by the Central Government even without such consultation, which matter, however, shall be placed before the Board for its opinion at the earliest opportunity."

*The motion was negatived.*

**Mr. Deputy-Speaker:** We have reached three o'clock now. I shall put the other clauses to the vote of the House.

The question is:

"That clause 10 stand part of the Bill."

*The motion was adopted.*

*Clause 10 was added to the Bill.*

**Shri T. T. Krishnamachari:** I have an amendment to clause 18.

**Mr. Deputy-Speaker:** Guillotine will not apply to the Government amendment. I will now put clauses 11 to 17 to the House.

The question is:

"That clauses 11 to 17 stand part of the Bill"

*The motion was adopted.*

*Clauses 11 to 17 were added to the Bill.*

**Clause 18.** (Amendment of section 25, Act XXIV of 1947)

**Amendment made:** In pages 5 and 6, for lines 44 and 45 and lines 1 to 8 respectively, substitute:

"(i) principles regulating the nomination of members of the Board by the Central Government under clause (d) of sub-section (3) of section 4, and the election or nomination of the members referred to in clauses (b) and (c) thereof:

Provided that before making any nomination in the exercise of its powers the Central Government shall call for panels of names from the respective associations recognised by it of the interests referred to in clause (d)."

—[**Shri T. T. Krishnamachari.**]

**Mr. Deputy-Speaker:** The question is:

"That clause 18, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 18, as amended, was added to the Bill.*

*Clauses 19 to 22 were added to the Bill.*

*Clause 1 was added to the Bill.*

*The Title and the Enacting Formula were added to the Bill.*

**Shri T. T. Krishnamachari:** I beg to move:

"That the Bill, as amended, be passed."

**Mr. Deputy-Speaker:** The question is:

"That the Bill, as amended, be passed."

*The motion was adopted.*

**CODE OF CRIMINAL PROCEDURE  
(AMENDMENT) BILL—Contd.**

**Clauses 2 to 15**

**Mr. Deputy-Speaker:** The House will now take up clause by clause consideration of clauses 2 to 15 of the Code of Criminal Procedure (Amendment) Bill, 1954. As the House is aware, three hours have been allotted for the disposal of this group. A Key to the amendments relating to these clauses has already been circulated to Members. The Key will be found useful by Members in moving their amendments at the appropriate time and also for following the disposal of amendments in the House.

As regards the procedure for moving of amendments, the procedure which was adopted with respect to the Special Marriage Bill during the last Session will be followed in the case of this Bill. When a clause or group of clauses is taken up for consideration, Members will please hand in within 15 minutes to the Officer at the Table slips intimating the numbers of the amendments in their name which they wish to move. When sending intimation to the Table, Members may kindly specify in the slip the number