

# LOK SABHA

## THE SELECT COMMITTEE ON THE RUBBER (PRODUCTION AND MARKETING) AMENDMENT BILL, 1952

### EVIDENCE

*(21st and 22nd July, 1954)*



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LOK SABHA SECRETARIAT  
NEW DELHI

*November, 1954.*

Names of Associations and their representatives	Date	Pages Nos
1. The Rubber Growers' Association of India, Kottayam. <i>Representative:—Shri B. F. Varughese.</i>	21-7-54	2—12
2. The United Planters' Association of Southern India, Coonoor. <i>Representative:—Mr. M. S. Calderwood.</i>	21-7-54	13—36
3. The Association of Planters of Travancore, Kottayam. <i>Representative:—Shri M. M. Varghese.</i>	21-7-54	13—36
4. The Indian Rubber Board. <i>Representative:—Shri K. Srinivasan.</i>	21-7-54	37—53
5. The Indian Rubber Industries Association, Bombay. <i>Representative:—Shri Lalit Mohan Jamnadas.</i>	21-7-54	54—59
6. The Plantation Labour. <i>Representative:—Shri C. Bharathan.</i>	22-7-54	60—67

THE SELECT COMMITTEE ON THE RUBBER (PRODUCTION & MARKETING) AMENDMENT BILL, 1952.

Minutes of the Evidence taken before the Select Committee on the Rubber (Production & Marketing) Amendment Bill, 1952, at Parliament House, New Delhi.

Wednesday, the 21st July, 1954

(10 A.M. to 1-20 P.M. and 3 P.M. to 5-30 P.M.)

PRESENT

Shri A. M. Thomas—*Chairman*

MEMBERS

Shri Amarnath Vidyalkar.	Shri Balwant Sinha Mehta.
Shri Ramananda Das.	Shri I. Eacharan.
Shri A. Ibrahim.	Shri Sohan Lal Dhushiya.
Shri M. K. Shivananjappa.	Shri N. D. Govindaswami Kachiroyar
Shri C. R. Iyyunni.	Dr. Natabar Pandey.
Shri Piare Lal Kureel Talib.	Shri Y. Gadilingana Gowd.
Choudhary Raghbir Singh.	Shri Nettur P. Damodaran.
Shri Bulaqi Ram Varma.	Shri P. T. Punnoose.
Dr. M. V. Gangadhara Siva.	Shri Mangalagiri Nanadas.
Shri Hira Vallabh Tripathi.	Shri Sivamurthi Swami.
Shri U. R. Bogawat.	Shri M. R. Krishna.
Shri S. C. Deb.	Shri D. P. Karmarkar.
Shri M. Muthukrishnan.	Shri T. T. Krishnamachari.

Shri S. P. Sen Verma, *Draftsman, Ministry of Law.*  
Shri R. N. Kapur, *Under Secretary, Ministry of Commerce & Industry.*

SECRETARIAT

Shri M. Sundar Raj, *Deputy Secretary.*  
Shri A. L. Rai, *Under Secretary.*

WITNESSES EXAMINED

*Names of Associations:—*

1. The Rubber Growers' Association of India, Kottayam. *Representative—*Shri B. F. Varughese.
2. The United Planters' Association of Southern India, Coonoor. *Representative—*Mr. M. S. Calderwood.
3. The Association of Planters of Travancore, Kottayam. *Representative—*Shri M. M. Varghese.
4. The Indian Rubber Board. *Representative—*Shri K. Sirinivasan.
5. The Indian Rubber Industries Association, Bombay. *Representative—*Shri Lalit Mohan Jamnadas.

*Name of Association.*—The Rubber Growers' Association of India, Kottayam.  
*Representative.*—Shri B. F. Varughese.

(Date 21st July, 1954)

(Witness was called in and he took his seat)

**Chairman (Shri A. M. Thomas):** Yours is an Association which has been given recognition in the Act, as it stands now?

**Shri Varughese:** Yes.

**Chairman:** You state in your memorandum that yours is an association constituted to bring within its membership small growers of rubber in India. Can I know the total membership of your association?

**Shri Varughese:** I do not know the exact membership.

**Chairman:** Not even the approximate number?

**Shri Varughese:** No.

**Chairman:** Can you tell me the total area of rubber that your association represents?

**Shri Varughese:** I am sorry I do not know that.

**Chairman:** You say that yours is an association of small growers. Don't you have owners who have more than 100 acres?

**Shri Varughese:** It is not meant to cater to the needs of the larger holders. For example, a person may be having an estate of 50 or 25 acres and he becomes a member of the association. But he may have larger interests in some other company or firm. But that does not mean that he should not be allowed to be a member of this association.

**Chairman:** So your Association is at perfect liberty to take members who own more than 100 acres?

**Shri Varughese:** No, we are not allowed.

**Q.**—It takes only those who hold less than 100 acres?

**A.**—100 acres or less.

**Q.**—But he may be also entitled to proprietary interests in other concerns, and there is no bar to that. That is what you mean?

**A.**—Yes.

**Q.**—Yours is more or less an exclusive organisation, that is consisting of growers who hold 100 acres and less than 100 acres?

**A.**—Yes.

**Q.**—You mention that growers having 100 acres and below have to be classified as small growers.

**A.**—Small holders.

**Q.**—You have relied upon the definition that has been given in the Report of the Indian Tariff Board for that purpose?

**A.**—Yes.

**Q.**—You know that the persons who own between 50 and 100 acres are considerably small in number? It is only 207.

**A.**—Yes.

**Q.**—Considering the limited number of holdings between fifty and hundred acres, would you still hold the view that persons holding between 50 and 100 acres have to be considered as small holders?

**Shri Varughese:** This is something which has been recognised by the Government. In Ceylon and Malaya also a small holding has been 100 acres and less. And even in India that has been recognised. So the question of its division into two categories, fifty and hundred acres, or into different categories, does not arise.

**Q.**—The number of persons who have holdings between 50 and 100

acres is only 207, while those who hold less than 50 acres are considerably larger. So I was asking: Would you characterize these units even, that is from 50 to 100 acres, as small holdings, or would you characterize them as medium-size holdings or something like that?

A.—There is no reason why you should do that, because there is no need for it. This is what the Government has recognised. There is no need for a change.

Q.—Government has not recognised it. The Tariff Board has used the definition.

A.—The Indian Rubber Board has, even for statistical purposes, given small holdings as those of 100 acres and less.

Q.—Apart from that, Government has not held so in any rules or regulations.

Do you maintain that almost all the small growers in Travancore-Cochin are members of your association?

A.—No, not all of them, but our idea is to enlist as many of them as possible.

Q.—As the position is at present, are you in the majority?

A.—I do not think.

Q.—You mention in para. 6 of your memorandum:

“The representatives of planting interests that are to be nominated by the Central and State governments should be selected from panels submitted by the various planting associations, as we feel that the planters’ organisations will always be able to choose people who have practical knowledge of the industry and who could be of greater service to the industry in the Board, than if they were to be chosen by the governments.”

You know that there are associations of manufacturers as well as labour unions. Do you maintain that

their representatives also have to be selected from the panel submitted by these organisations, or do you restrict that right of submitting a panel only to the planting associations?

Shri Varughese: I am only speaking of the planting associations, but I do not restrict it to the planting associations alone. I maintain that every industry will be in a position to send its representatives and it will be of greater service to the Board than if they were just nominated at random by Government or by a Minister.

Q.—So you question the very right of nomination of the representatives by the Government?

A.—I do not question that. But I think this will be very much more useful.

Q.—The right of nomination has to be given to the association and not to the Central Government—is that what you mean?

A.—The Central Government’s and State Governments’ nominees must be selected from a panel of names submitted by the respective associations; and ‘association’ in turn means any association recognised by the Government.

Q.—You have stated (*re*: clause 5 of the Bill) that “Planters’ Association” should mean a body of the planters recognised by the Central or State Government as representing the rubber growers’ interests. What will be the criterion for recognition of a Planters’ Association, according to you?

A.—Any body of planters joined together and forming an association; and if the Government thinks they are doing any useful work, they can be recognised.

Q.—Would you insist on any minimum number of persons or area?

A.—I have not gone into that detail.

Chairman: You have suggested the appointment of a Research Director. You know the suggestion in the Bill is

[Chairman]

to appoint a full-time Chairman, and there is also provision for the appointment of a Development Commissioner. In view of the fact that there will be a full-time Chairman and the fact that the Development Commissioner can also attend to this research side, would you maintain that there is a necessity of having a Research Director? Will not the establishment be too top-heavy?

**Shri Varughese:** Well, what I meant was that the Research Director should not be disturbed with organisational matters. The Development Officer will have his hands very full if he is taking up the rehabilitation scheme; and there is going to be some subsidy for planting and all that, to be given out to about 14 or 20 thousand people. Then it may be difficult for him to handle. But that is something which the Board can decide later, probably—that is, if the same man can carry out the duties together. But if it is not possible, I think the Chairman can appoint a separate Development Officer later if he thinks that the two jobs cannot be done by the same person.

**Q.**—Another suggestion of yours is the appointment of a Small Holdings Development Commissioner. I believe you are aware of the provision in sub-section (2) of section 7 of the existing Act, which says:

“The Board may appoint such other Committees as may be necessary for the efficient performance of its duties and functions under this Act”.

According to the Amending Bill the word “other” is to be omitted, so that it will mean that the Board may appoint such Committees as may be necessary for the efficient performance of its duties and functions under this Act. So that, if necessary, the Board can appoint a small Development Committee or some other Committee. Is it necessary to put into the statute any provision for having a Development Commissioner?

**A.**—It is enough if it is done by the Board. But as a member represent-

ing the small holders I thought I should stress it here. This probably can be raised when the Rules are framed. But we do not get a chance to represent the matter when the Rules are framed. That is why I brought it up here.

**Q.**—According to your suggestion you want parity or equality of representation for small holders as well as other large holders?

**A.**—I have not said that we want equality.

**Q.**—I think you insist more or less on parity of representation, according to the amendment you have suggested to clause 6 of the Bill.

**A.**—In para. 5 of my memorandum I have said: “Since 98·24 per cent. of the total units that are engaged in rubber production are small holdings, we emphasise that small holdings should be given adequate representation in the new Board.”

**Q.**—In regard to certain matters under the existing Act, the Board has to be consulted before Government takes any decision. That has been done away with in the present Bill; it is up to the Central Government to consult or not to consult the Board. What do you say about it?

**A.**—I maintain that it is absolutely necessary that the Board should be referred to. Otherwise there is no point in having a Board at all. Government could as well run it as a Department.

**Shri T. T. Krishnamachari (Minister for Commerce and Industry):** In your memorandum you have referred to this question of calling for panels from Associations and Government selecting representatives out of them. Are you aware that that is the procedure followed in another body like this, namely the Tea Board?

**Shri Varughese:** I am aware of it.

**Shri T. T. Krishnamachari:** And that is why you have suggested the same procedure here?

**Shri Varughese:** That is the procedure. But it is not provided in the Act. I want that to be in the Act.

**Shri T. T. Krishnamachari:** It is only provided in the Rules. I wanted to know whether you are aware of it.

The other question is, the Chairman asked you about this Director of Research. Is it your idea that there should be a Research Institute?

**Shri Varughese:** Yes.

**Shri T. T. Krishnamachari:** And naturally there will be a Director there?

**Shri Varughese:** Yes.

**Shri T. T. Krishnamachari:** Nothing more than that?

**Shri Varughese:** Nothing more than that.

**Chairman:** He wants him to be a member of the Board.

**Shri Varughese:** I want him to be a member of the Board. Then he will have a voice.

**Shri T. T. Krishnamachari:** He will be an official of the Board.

**Shri Varughese:** I thought it would be better.

**Shri T. T. Krishnamachari:** If he attends the meetings he can always express his point of view. He may not be able to participate in the decisions of the Board. But after all he is an expert and a scientist and his problems will be narrow compared to the vast problems that the Board will have.

**Shri Varughese:** As a member of the Board he will be able to express his expert opinion on matters.

**Shri T. T. Krishnamachari:** You have no objection to the appointment of a full-time Chairman?

**Shri Varughese:** We have no objection.

**Shri T. T. Krishnamachari:** You have suggested the appointment of a Small Holdings Development Committee. Was not such a move made by the Rubber Board?

**Shri Varughese:** The Board had appointed a Development and Marketing Committee, I think, 3 years ago.

**Shri T. T. Krishnamachari:** I think in their last meeting or in their last but one meeting, they thought of appointing a Committee like this with three representatives. Is that functioning?

**Shri Varughese:** I do not think that was taken up. They have shelved that.

**Shri T. T. Krishnamachari:** Are you a Member of the Board.

**Shri Varughese:** No.

**Shri T. T. Krishnamachari:** Probably it has not yet started functioning.

**Shri Varughese:** No. The Rubber Board had appointed a Development and Marketing Committee, 3 years ago, with the Rubber Production Commissioner as *ex-officio* Chairman. Even that is not functioning.

**Shri T. T. Krishnamachari:** What is your relationship with the Board. Do you meet the Members of the Board at any time or do they come to you, or do you make representations to the Board and they hear you? How often do you go to the Board office?

**Shri Varughese:** We go to the Board to pay the cess. Whenever I want some advice, I go to the Commissioner, and get his advice.

**Shri T. T. Krishnamachari:** How often do you or people like you go to the Commissioner?

**Shri Varughese:** I go quite often because I am in Kottayam and I know him personally. Probably a lot of the planters are going to him. I do not know. There is a Field Officer. He is going round.

**Shri T. T. Krishnamachari:** Leave alone the executive Committee. What about your connection with the Members of the Board? Have you made any representation to them? Have they heard you? Are you in touch with any of the Members, or are they in touch with people like you? Take an average small grower. Have the Members of the Board ever made any attempt to meet any of these small growers?

**Shri Varughese:** I do not think so.

**Shri T. T. Krishnamachari:** They have never made any attempt?

**Shri Varughese:** I cannot say that. I do not know anything about that. I had no occasion to know that.

**Shri T. T. Krishnamachari:** Can you tell me, if the Board, during your experience has done anything to develop the rubber estates in any manner or made any plans for development?

**Shri Varughese:** The Rubber Board had made the rehabilitation scheme in 1949 which was copied by Ceylon and Malaya. Only the Government did not approve that scheme at that time. That is why it did not work. If that scheme had been approved, probably a very great development would have taken place. I think there is quite a lot that could be done.

**Shri T. T. Krishnamachari:** So, nothing has been done.

**Shri Varughese:** I do not say that nothing has been done. Quite a lot more could be done.

**Shri T. T. Krishnamachari:** What is being done?

**Shri Varughese:** I do not know.

**Shri T. T. Krishnamachari:** What help did the Board give you when you approached them?

**Shri Varughese:** I got advise from them. Even otherwise, if we write to them, we get a reply immediately I had some pest or disease in my

estate. I wrote. He sent the Field Officer immediately and he gave us advice.

**Shri T. T. Krishnamachari:** You are in Kottayam.

**Shri Varughese:** Even if one is far away, if he writes, prompt attention is given.

**Shri T. T. Krishnamachari:** Whatever assistance is got, it is from the Executive. You are not in touch with the Board as such.

**Shri Varughese:** Yes; not with the Board as such.

**Shri T. T. Krishnamachari:** Do you think that there is much that the Board can do?

**Shri Varughese:** Certainly, I think.

**Shri T. T. Krishnamachari:** In what directions?

**Shri Varughese:** In the rehabilitation scheme; by distributing better seeds and budded stems and things like that, by giving advice through local papers as to how the planting should be done, what sort of seeds would be more suitable in the several districts, etc. They can do a lot like that.

**Shri T. T. Krishnamachari:** Within your memory or knowledge, have the Members of the Board visited any estates?

**Shri Varughese:** Most of the Members are connected with some estate.

**Shri T. T. Krishnamachari:** Some of them may be; some might not be. Have they gone round and seen any small estate?

**Shri Varughese:** I do not know.

**Shri Punnoose:** When was this Association started?

**Shri Varughese:** It has been functioning for about 10 years.

**Shri Punnoose:** Have you enlisted or is it your policy to enlist small holders having 1 acre, 2 acres or 5 acres, etc.?



**Shri Varughese:** Yes; that is our policy.

**Shri Punnoose:** Have you got a register of these people?

**Shri Varughese:** We have got a list of the Members.

**Shri Punnoose:** I want to know whether your association represents small growers. The motive of my question is this. I want to know whether you have got a general body in which the small rubber growers get together and consider their problems?

**Shri Varughese:** Yes.

**Shri Punnoose:** You have got a Working Committee, I hope.

**Shri Varughese:** We have the Executive Committee.

**Shri Punnoose:** Who is the Chairman of the Executive Committee?

**Shri Varughese:** Mr. M. C. Chandy.

**Shri Punnoose:** Mr. Chandy, you consider as a small grower? May I know who are the Members of the Executive Committee?

**Shri Varughese:** Shri M. M. Varghese, Shri A. V. George, Shri K. George Thomas, etc.

**Shri Punnoose:** You say that 98.24 per cent. are small holders and 41 per cent. of the entire production is from small holdings. Is it your view that when we speak about small holders, we mean Mr. Chandy, Mr. George, etc.? Is it not a fact that there is a larger number of small producers with 1, 2 or 5 acres, whose voice is never heard? Is it not morally due to them that they should also be heard?

**Shri Varughese:** The object of the association is to bring together all the small holders. There are practical difficulties in asking the small growers with 1 or 2 acres to devote a lot of their time for meetings, deliberations, etc.

**Shri Punnoose:** You have got an entrance fee for admission to your association?

**Shri Varughese:** Yes; I think we have.

**Shri Punnoose:** I would like to know what help the Rubber Board could give to a small holder who has 5 acres or 10 acres?

**Shri Varughese:** I think the Rubber Board could give a tremendous lot of help to the small holder, by giving him proper advice as to the best type of planting material to be used, such as better seeds or stems; by making them available to him either free of cost or on payment; by advising on area of the pit or removal of diseases. This could be done by organised propaganda.

**Shri Punnoose:** So, it is your view that the Rubber Board was of practical help.

**Shri Varughese:** I do not say that the Rubber Board had been doing that. The Rubber Board can do that.

**Shri Punnoose:** Have you got a plan for that? You spoke about having some full-time Development Officers. Could you give us some idea of how he could help the small producers; I mean small producers with 2 or 5 acres, not people like Mr. George, etc.

**Shri Varughese:** Do you want me to give all the details of the scheme?

**Shri Punnoose:** Do you visualise Development Officers for small divisions? Do you want these officers to visit the small holdings, inspect them and give advice to the people? Is it that type of work that you visualise?

**Shri Varughese:** Yes.

**Shri Punnoose:** May I know whether there are dealers in rubber in your association? People who purchase and sell rubber?

**Shri Varughese:** No. They may be doing it in a different capacity.

**Shri Punnoose:** Some may be doing some trade also?

**Shri Varughese:** Yes.

**Shri Punnoose:** What about the condition of labour in these estates? Do you give them minimum wages?

**Shri Varughese:** Yes. But, most of the small holders of 1 or 2 acres are doing their tapping themselves. They do not employ labour. They themselves cure it and smoke it in their own kitchen instead of smoking it in the smoke house.

**Shri Punnoose:** In the rubber industry, there are defined and organised associations. We have got a list of large producers. Why is it that you have suggested a panel? Why don't you suggest that these associations may be asked to elect their representatives to the Board?

**Shri Varughese:** I have suggested this so that the Government may choose from this panel instead of just nominating them, and asking them to take all the three persons.

**Shri Punnoose:** You have no particular use for this panel system?

**Shri Varughese:** No.

**Shri Punnoose:** You are not against election provided you get accredited representatives?

**Shri Varughese:** Yes. My point is that the representatives of the planters should be selected by the planting associations.

**Shri Punnoose:** Since this Bill has come up, was a general body meeting of the small growers called to find out their views?

**Shri Varughese:** Only the Executive Committee has met.

**Shri Punnoose:** There is a view that there are small cultivators with 1, 2 or 5 acres and naturally they have not got the facilities which the large producers have. They are able to produce only 120 pounds an acre while the larger formations are able to produce 1200 pounds. There is a view that, in the interests of the industry as well as from the point of view that Tranvancore is a densely populated area with small extent of

land for cultivation these small cultivators should be ousted and driven out of the field. What is your view about that? So that, that land which is not sufficiently cultivated may be turned for some other purpose.

**Shri Varughese:** On the other hand, I am of the opinion that the small holder should be encouraged to adopt better methods of cultivation. There is no reason why he should not be able to produce a thousand pounds per acre, if he is given proper advice and taught how to do it. In fact, he will be able to look after the one acre or two acres better than the large estates with their thousand acres, because he can give his personal attention to the estate.

The practice now for the small grower is to tap the trees twice or even thrice a day, because he is in need of money. This is bad for the trees, and the yield of trees is affected; within a short time the trees are of no use. This is because the small grower does not know the scientific method of cultivation. If the Rubber Board carries on propaganda and teaches people the improved methods of cultivation, there is no reason why the production of even the small grower will not go up.

**Shri Punnoose:** Is it not a fact that the small cultivator is in need of cheap credit and do you visualise any method by which it can be arranged?

**Shri Varughese:** I think Government have a scheme of rehabilitation, under which they propose to give some subsidy to the plantations. That is a scheme which the Sub-Committee of the Board drew up in 1949 and which was followed in Malaya and Ceylon. We are hoping that Government will do something on those lines here too.

**Shri Bogawat:** Can you throw any light so far as the import of rubber is concerned, and the advantages which the manufacturers are likely to get by such import?

**Shri Varughese:** As far as possible, as a planter we do not like the idea of Government importing rubber.

Of course, if the production does not meet with the industry's demand, they have to.

**Shri T. T. Krishnamachari:** I hope I will be able to explain that position better. Licences for the import of rubber are issued only on the recommendation of the Rubber Board. For instance, this year we expect a shortage. Our consumption is expected to be somewhere between 25,000 to 26,000 tons. Our production will be somewhere between 22,000 to 23,000 tons. So there is a clear shortage of two thousand to three thousand tons. This is a shortage which the Rubber Board has evaluated and they have recommended grant of licence for 2,300 tons. The Rubber Board keeps a careful watch of the stocks of the manufacturers. There should be at least eight weeks' stocks so that they may not suffer. It so happened that for some time there was no co-ordination. But, for the last three or four years there has been complete co-ordination and Government issues licences only on the recommendation of the Rubber Board. The Rubber Board carefully studies the situation with a view to ensuring that the manufacturer has rubber, seeing at the same time that the local producers do not suffer.

There has not been any complaint from the manufacturer during the last three or four years.

**Shri Nanadas:** I want to know the main handicap under which the small holders are working in the industry now and also the nature and scope of the rehabilitation scheme contemplated by the Development Boards as you envisage. How do you think these rehabilitation schemes and Development Boards would improve the lot of the small holders and also help development of the industry?

**Shri Varughese:** As I said about 90 per cent. of the small holders have estates which produce only about 200 to 250 lbs. per acre per year. They compare it with cash crops like tapioca or pulses and find them profitable. If they are able to use improved methods of cultivation they will be able

to produce as much as 800 lbs. and get better income from their one or two acre estates, than what they are able to get from cash crops like tapioca and pulses. If, for example, by propaganda they are shown that by using improved material they can increase their yield, they will certainly take to them.

Regarding the rehabilitation scheme, if Government could give subsidy either in the form of good planting material or even as cash, that will certainly go a long way to encourage these people to extend their plantations and plant better yielding trees.

**Shri Nanadas:** Is it not a fact that the small growers are not getting the price that is fixed, that is to say, about 4 annas to 6 annas per pound is taken away by the middlemen; which is not the case with the bigger growers.

**Shri Varughese:** To some extent it is true, but one has to take into consideration the quality of the rubber. As I said, most of them have not got good smoking house. They either dry it in the sun or smoke it in kitchen. At times it may be over smoked; at times it may not suit the industry, because it may contain more moisture. So, the dealer who buys it will naturally buy it at a discount, because of the moisture content and the poor quality of rubber.

**Chairman:** Is it due to the poor quality alone, or because middlemen enter the field and take away some profit?

**Shri Varughese:** There is no reason why he should go to the middleman, because he can go to the purchase depot.

**Shri Nanadas:** The small producer cannot naturally wait until his produce is sold. So, in the meanwhile he takes credit from the bankers or from the purchasers; that is why he has to sell his produce at a low price.

**Shri Varughese:** I do not think the small grower goes to a bank for credit, because he cannot sell his produce. I

[Shri Varughese]

think the usual practice is that he sells it every week. If he is producing good rubber, he might get a fairly reasonable price, I think. It all depends on the distance from the market, the quality of rubber, etc.

**Shri Nanadas:** Usually the small producer takes an advance from the trader.

**Shri Varughese:** Then also he need not sell his produce at a low price. I do not know whether there are individual cases like that.

**Shri Nanadas:** What is your suggestion for meeting such situations?

**Shri Varughese:** If you have in mind a co-operative system of purchase, it is worth trying, but it has its handicaps and difficulties too. The Board can experiment on that and open depots in several places.

**Shri Nanadas:** What would be the initial average expenditure per acre for planting as also the running expenditure every year on capital investment and labour?

**Shri Varughese:** Rubber takes from six to eight years to give yield. In Malaya and Ceylon they have sanctioned thousands of rupees.

**Shri Nanadas:** What is the average number of workers engaged by small holdings?

**Chairman:** He said that the owner himself taps it.

**Shri Nanadas:** Which is the minimum unit that will not employ labour?

**Shri Varughese:** It all depends on individuals. Even a two acre man can employ a tapping coolie. On an average about 250 to 300 trees are given as the task for a person per day. He has got to tap them, collect latex and take it to the smoker.

**Shri S. C. Deb:** Does your association represent all the small holdings scattered over different parts of India, or is it confined to the South?

**Shri Varughese:** Our activities are now confined to the South.

**Shri S. C. Deb:** Is it your ambition to get members from all over India, not merely from Travancore-Cochin State, but from Mysore, Coorg, Andamans, Assam and Bengal, or you envisage membership only in your area?

**Shri Varughese:** Our idea is to enlist members from all the rubber growing areas of India.

**Shri S. C. Deb:** By introducing high yielding varieties, do you think that the small holdings can be brought up to the mark?

**Shri T. T. Krishnamachari:** That is what he said—that small holdings can be made to produce 800 lbs. per acre, in which case it will be paying and also competing with the growing of other cash crops.

**Shri S. C. Deb:** Do you think that the small holdings will be affected by the proposed cess?

**Shri T. T. Krishnamachari:** I shall explain that. The cess is going to be collected on the sale; so, it will not affect the small holdings.

**Dr. Gangadhara Siva:** What is your objection to the Government nominating the representatives on the Board?

**Shri Varughese:** Because we feel that Government will not be able to find out the proper persons. These associations will always be able to send out people with practical knowledge. The Board will be served in a better capacity by their advice and their practical knowledge.

**Dr. Gangadhara Siva:** Do you mean to say that Government has not got knowledge of these at all?

**Shri Varughese:** We do not say that the Government have no knowledge of it, but the particular Secretary or Officer making the selection may not have that knowledge. We feel that we will always be able to do it better than the State Governments and the Central Government.

**Shri N. P. Damodaran:** Your association represents small holders, that is holders possessing less than 100 acres. Do you exclude people who possess more than 100 acres, from your association?

**Shri Varughese:** That question has been asked.

**Shri N. P. Damodaran:** From some of the names that you mention as members of the executive committee of your association, I find that many of them are having more than 100 acres.

**Shri Varughese:** Mr. M. M. Varghese has 60 acres in Calcutta. He is a small holder and a member of the executive committee. But he is working in A. V. Thomas and Co., which has a very big controlling interest.

**Shri N. P. Damodaran:** Is Shri A. V. Thomas also a member of your executive committee?

**Shri Varughese:** No.

**Shri N. P. Damodaran:** I mean Shri A. V. George.

**Shri Varughese:** Shri A. V. George also has a small holding; he comes in as a small holder. I may say there could be a lot of improvement in the personnel of the association, but the fact cannot be forgotten that it is not everybody who can devote time on this. So we have to take in people who can spare a little more time and who have practical knowledge of these matters.

**Shri N. P. Damodaran:** What is the representative character of your association? Does it represent more than 50 per cent. of the small holders?

**Shri Varughese:** This question also has been asked. I do not know the statistics actually.

**Shri Gadilingana Gowd:** Please refer to para. 7 of your memorandum. Is it the intention of your association that the Government should nominate the Chairman instead of his being elected?

**Shri Varughese:** We feel it would be better if the Government appoints a Chairman. Otherwise, if he is an elected man, he will naturally be a busy person who has a lot of other things to attend to. It is quite possible that the work might suffer. And if the Government is actually serious about this rehabilitation scheme, it means a lot of office and organisational work which only a full-time man will be able to do.

**Shri Gadilingana Gowd:** Suppose a full-time and experienced officer is appointed to look after all these things. Do you think that there will still be necessity for a Chairman to be appointed by the Government?

**Shri Varughese:** I am not particular about the designation of the Chairman. For presiding over meetings probably an elected man will do. But for organisational matters, I thought the idea in the Bill was that all these could be co-ordinated under one person and that his designation might be the Chairman. I am not insisting that the official's designation should be Chairman. It can be any other name.

**Shri Gadilingana Gowd:** What is the average produce per acre of well managed estates?

**Shri Varughese:** There are instances where we have a yield of about 1,000 to 1,200 lbs. per acre per year in India.

**Shri Gadilingana Gowd:** You know the United Planters' Association of Southern India. They say the maximum yield is about 472 lbs. per acre. You say it is 1,200 lbs.

**Shri Varughese:** They may be having old trees which are producing only about 200 lbs. to 300 lbs. So the average may be only about 400 lbs. If the old trees are cut off and new clones of rubber planted there is no reason why it should not go to 800 or 900 lbs.

**Shri Gadilingana Gowd:** What is the average yield?

**Shri Varughese:** It differs in different estates.

**Shri Gadilingana Gowd:** What is your opinion about the proposed enhancement of cess from eight annas to Rs. 6-4?

**Shri Varughese:** We have no objection to that—so long as the hon. Minister's assurance is there that it will be collected from the manufacturers.

**Shri Gadilingana Gowd:** Will it not affect the small growers?

**Shri Varughese:** It won't.

**Shri Gadilingana Gowd:** What is your designation in your association?

**Shri Varughese:** I am a member of the executive committee.

**Shri T. T. Krishnamachari:** Where are the headquarters of your association?

**Shri Varughese:** Kottayam.

**Shri T. T. Krishnamachari:** How often do the members of your association meet?

**Shri Varughese:** It depends on the business on hand. For this we met about three or four times.

**Shri T. T. Krishnamachari:** You mean the general body?

**Shri Varughese:** The executive committee. The general body meets only once a year.

**Shri T. T. Krishnamachari:** How many members attend the meeting?

**Shri Varughese:** Very few.

**Shri T. T. Krishnamachari:** Would it be ten?

**Shri Varughese:** Round about that.

**Shri T. T. Krishnamachari:** So ten people elect the executive committee. What is the strength of the executive committee?

**Shri Varughese:** Five.

**Shri T. T. Krishnamachari:** Suppose I give three representatives. Ten people will nominate the three representatives; or will it be the five who will do it?

**Shri Varughese:** Actually the membership has gone down a little recently.

**Shri T. T. Krishnamachari:** The number of people who are concerned in electing the representatives will be ten, because your attendance generally is ten.

**Shri Varughese:** That is what happened last year. Perhaps it may be 14,000 next time!

**Chairman:** What is your annual subscription?

**Shri Varughese:** I am sorry, I do not have the details.

**Chairman:** When was your association started?

**Shri Varughese:** About ten years ago.

**Shri Punnoose:** Is it not possible to have a large association of the small producers?—leave alone the present skeleton. We can enlist small growers from 1 acre up to 100 acres.

**Chairman:** That is their aim. He has already stated.

**Shri Varughese:** Our idea is to enlist the membership of all small holders.

**Chairman:** Have you got any further suggestions to make beside those contained in your memorandum?

**Shri Varughese:** I have nothing more.

**Chairman:** Thank you very much for coming and giving evidence.

*(The witness, Shri B. F. Varughese, then withdrew).*

**Chairman:** We shall now send for the representative of the United Planters' Association of Southern India. I have suggested to them that the Associated Planters' Association representative may also be examined. He has not submitted a memorandum, but he has stated that his views are on the lines of the memorandum submitted by the U.P.A.S.I. I think the Committee will have no objection to that representative being also present.

## II

1. *Name of Association.*—The United Planters' Association of Southern India, Coonoor.

*Representative.*—Shri M. S. Calderwood.

2. *Name of Association.*—The Association of Planters of Travancore, Kottayam.

*Representative.*—Shri M. M. Varghese.

(Date 21st July, 1954)

(Witnesses were called in and they took their seats).

**Chairman:** The United Planters' Association of Southern India has submitted a memorandum. The Association of Planters, Travancore has not submitted any. I think your views are analogous to those submitted by the United Planters' Association of Southern India.

**Shri M. M. Varghese:** Yes. In fact, our Secretary had written a letter to the Secretary of the Lok Sabha saying that the Association of Planters fully agrees with the memorandum submitted by the United Planters' Association of Southern India.

**Chairman (To Mr. Calderwood):** Your association represents various planting interests, rubber, tea, coffee and cardamom?

**Mr. Calderwood:** Yes.

**Chairman:** Is there any separate section for rubber in your association?

**Mr. Calderwood:** There was a separate section for rubber owners.

**Chairman:** Could you kindly give us an idea of the membership of the rubber section of your association—the total number of members?

**Mr. Calderwood:** The total number of members of the UPASI represent just over 58,000 acres. Through the affiliated associations which are not direct members, represent about another 40,000 acres.

**Chairman:** So, all together 98,000 acres.

**Mr. Calderwood:** Only 58,000 acres are direct members of our association. The rest are through affiliation.

**Chairman:** What is the qualification that you have laid down for membership of your association in the rubber section?

**Mr. Calderwood:** We have no particular qualifications. We admit small and large members equally. We have actually a lower rate of subscription to encourage small members to belong to UPASI if they wished to do so. Members who have less than 120 acres under rubber are admitted at the lowest rate of subscription.

**Chairman:** Having regard to the present membership of your association can it be said that your association represents small growers also?

**Mr. Calderwood:** No; not to any considerable extent. Through our affiliation, we have a large number of members who are small growers; but not through direct membership of the association in the case of rubber.

**Chairman:** From your memorandum I find that you are in general agreement with the objects of the Bill. The proposed amendments seek to extend the control to all the sections of the industry. What is your opinion?

**Mr. Calderwood:** The 1947 Act, as it stands, establishes control only so far as production and marketing are con-

[Mr. Calderwood]

cerned. There was no control possibly under that Act to the same degree as in the rest of industry. We see no reasonable objection to the extension of that control to cover the whole industry so that when the Government has a policy that they have to fulfil, the whole industry is covered and not just small producers.

**Chairman:** Are you of the opinion that under the present constitution of the Board, we have been able to give proper and adequate representation to the small growers of rubber?

**Mr. Calderwood:** Yes. I am of that opinion. Whatever adequate representation is possible through the Members who are nominated to the Board by the Rubber Growers Association and by the UPASI is given. We are anxious to see that our smaller members are given adequate representation. In fact, we give them weighted representation.

**Chairman:** You are given the power to nominate three representatives on the Board. Have you been able to send any person who represents the smaller holdings?

**Mr. Calderwood:** I am afraid I would require notice of that question. I cannot recollect all the Members.

**Chairman:** In your memorandum, you have suggested certain quotas to be given to the small growers. You have suggested three Members to be nominated by the Government of Travancore-Cochin, one to represent the small owners. You have also suggested seven members to be nominated by the Central Government, three to represent manufacturers and three to represent labour. Would you be in favour of giving representation by the Central Government to small growers out of the seven?

**Mr. Calderwood:** We do not expect the Central Government to have any more special representation than that provided, firstly by nomination and then secondly by the two nominations,

one by the Government of Madras and another by the Government of Travancore-Cochin.

**Chairman:** The main point in your memorandum is that the various Planters' Associations should be given direct representation in the Board. Your sister association, the Rubber Growers' Association of Kottayam has suggested that provision may be made in the Bill to the effect that the various Planters' Association may send up a panel out of which the Central Government may nominate. What do you say to that suggestion?

**Mr. Calderwood:** We think that that would be the second best thing. But, we would prefer that in a deliberative body of this kind, the Government and Parliament would be right in accepting the nominees of the representative bodies of the industries. In that way we ensure that the representatives that we choose are the people who are elected to the Board and our industry is represented by them. In that way, we will have greater confidence in every action that is taken by the Board.

**Chairman:** So long as you include in your panel persons in whom you can have confidence, does it make any difference? Under the present Act, you send three members to the Rubber Board. How do you elect those representatives? Does your Executive Committee elect or does the general body elect?

**Mr. Calderwood:** Members are usually selected by the Executive Committee and then put up to the general membership for approval. If any other member is put up, the general body will choose from the members. Any one may nominate.

**Chairman:** According to your memorandum page 2, para. 8 sub-para. 2,

"These changes will allow an ill-considered decision taken in the depth of the Government



Secretariat to flow down to the Board's executive without resistance all the way through, and without any of the checks and balances....".

That is to say that in the case of a Board solely nominated by the Central Government, the views of the Central Government will prevail. Even under the existing Act, section 8(3), it shall be the duty of the Board to advise the Central Government on all matters. The Board is given only an advisory capacity. It is up to the Central Government to accept your recommendations or veto it. How can you now object that because of a change in the constitution of the Board, the situation will change?

**Mr. Calderwood:** We know that the Government may or may not approve what we would like to see done. But, we want to be sure that the Board in itself will reflect the views of the industry and the people who have the best possible knowledge. As long as that is done, if the Government finds it expedient not to carry out, that is already provided in the Act and we cannot help it. It exists today and it will exist in the future also.

**Chairman:** Over and above section 8, there is section 22 in the present Act. I can understand your point of view that the persons selected by you should represent the growers on the Board.

**Mr. Calderwood:** May I submit that these two sections in themselves very greatly justify our claim that the Board should be a purely elected body. Government have already powers to override it completely if they so think fit. If in their superior knowledge of the requirements of the country, they cannot accept the Board's recommendation, that cannot be helped. But, it is surely a very great argument that the Board should be freely elected by the industry so that the opinion and advice given to the Government, at any rate, is the advice according to the will of the industry in the matter. If that is ignored, we cannot help it. But,

if the Government want to take dual powers of nominating to the Board and also the power to override the Board, to my mind, it tends to become a possible tool of the Government instead of being a good and sound adviser.

**Chairman:** You have no objection to a full-time Chairman, I suppose?

**Mr. Calderwood:** I am sorry, I think that is also a mistake. We are not in favour of a full-time Chairman.

**Chairman:** In the Board, there are many interests: manufacturers, growers, labour, etc. In case the Committee feels that a full-time Chairman would be necessary, will it not be better to give that power to the Central Government to appoint him, in the interests of proper administration and development of the industry?

**Mr. Calderwood:** You are putting a hypothetical question. Our stand, of course, is, that there is no necessity for a full-time Chairman and that it would be harmful to the work of the Board, that it would restrict its functioning and that it would not be able to give the Government the advice that we feel ought to be tendered. That would come more rightly through an elected Chairman. If an official of the Government is necessary in addition to our Production Commissioner, another permanent, high executive official, instead of being the Chairman, we would prefer to see him as the Deputy Chairman or the Vice Chairman. The representative spokesman of any deliberative body should be elected by that body. This is the general principle. That applies to your own Parliament. I suggest that your Speaker holds his position today by election.

**Chairman:** That analogy cannot hold good here.

**Mr. Calderwood:** It should be allowed throughout our constitution. In a deliberative body, the members should have the right to elect their own Chairman.

**Chairman:** Are you aware of the feeling that the Rubber Board has not been able so far to do anything substantial for the benefit of the small growers or for the development of the industry especially on the research side?

**Mr. Calderwood:** I feel that the Rubber Board has had a long struggle in order to stabilise its position. The first battle was the battle of stabilisation. Until that was achieved, it was difficult to start work. Moreover, immediately after the war, everything had gone chaotic and in fact we had been mis-trading rubber for one thing. We had to arrest the trade to recover from the war time over-production. We had to do many things and I think it would be hardly fair to judge the Rubber Board's record from the first few years after the war. Recently we have been making great strides in the directions you have indicated, strides which are most helpful to the improvement of the industry.

**Chairman:** I believe you are aware of a Development Committee constituted by the Central Government to suggest measures for the expansion of the industry. Has the Rubber Board been able to do anything on the lines suggested by the Development Committee? If not, what is the reason?

**Mr. Calderwood:** We have already planned to start development on these lines.

**Chairman:** I am referring to the Committee with Shri K. G. Menon as the Chairman. That Committee suggested certain measures to be taken by the Board. The Board has not been able to take any steps in that direction.

**Mr. Calderwood:** I think we have initiated very definite steps in that direction towards the development of the industry. It has, however, to be understood that trees take many years to grow. If during that time market rates fall, small holders lose their interest. He tries to switch over to tapioca or pepper.

I consider that rubber plantations have to be in big holdings if the industry is to be successful. The small holder can only regard it as an adjunct. His usefulness to the country from an industrial point of view is very low indeed.

**Chairman:** You are aware that in spite of price control, the small holders especially have not been able to get the price fixed by Government?

**Mr. Calderwood:** That has happened because of accumulation of stocks from time to time, because the manufacturers are not in a position to absorb the stocks. When stocks became a drag on the market, the small holder who had to realise money quickly was forced to sell at whatever price he could.

**Chairman:** You know that we do not produce the rubber that is necessary for us. In spite of that the forces of supply and demand work to the detriment of the small man. Can you account for that? Have you got any remedy to suggest in that line?

**Mr. Calderwood:** So far as the small holders are concerned, I think it is possible that cooperative societies could be set up which in conjunction with the big holders could easily give them the same privileges that a big holder enjoys, provided of course they are supplied with that amount of capital which enables them to hold up supplies when there is a stock lag. That is what a big company tries to do. But even the big companies have been seriously embarrassed on several occasions and were it not for the fact that they have other interests in many cases, they would not have survived. My own company is the biggest producer of rubber in India, and had it not been for our tea interests which capitalised and financed it, we should have been in a very serious situation indeed. But because we were able to deflect money from other sources, we managed to survive that period of distress.

**Chairman:** What do you say about the suggestion to create a common rubber pool on the lines of the coffee pool?

**Mr. Calderwood:** We would not like that idea at all. We believe private industry today can always manage affairs of that kind best when there is the least degree of control and influence from outside. There is also great difficulty in creating a satisfactory organisation which will work. It leads to a kind of recrimination which we viewed with great regret and sorrow in the case of the Coffee Board. We would rather wish ourselves to sell our rubber to the manufacturers. We would, of course, have no objection to one or two co-operatives working in conjunction with us and help the small holder.

**Chairman:** Apart from the formation of co-operatives for the purchase from the small holders, you do not approve of the creation of any marketing organisation?

**Mr. Calderwood:** We do not. Whenever an organisation of that kind intervenes, it means delay, loss of capital and interference with stock position.

**Shri T. T. Krishnamachari:** Will you please tell us where you come from—which is your firm?

**Mr. Calderwood:** I come from Travancore, Sir. I belong to the firm of Malayalam Plantations, Ltd.

**Shri T. T. Krishnamachari:** Which names does that conceal? Who are the Managing Agents?

**Mr. Calderwood:** I am sorry, it does not conceal any firm. Messrs. Harrison and Crossfield have no actual interest in my company. My company is controlled by a Board of Directors in London who give my managing agents their instructions and orders.

**Shri T. T. Krishnamachari:** So, Messrs. Harrison & Crossfield take their instructions from London?

**Mr. Calderwood:** So far as the management of my company is concerned.

**Shri T. T. Krishnamachari:** You control about 20,850 acres of rubber plantation?

**Mr. Calderwood:** Yes.

**Shri T. T. Krishnamachari:** That is about 12 per. cent. of the total acreage?

**Mr. Calderwood:** Yes, Sir, it will be about that.

**Shri T. T. Krishnamachari:** Or more?

**Mr. Calderwood:** I do not think it is more.

**Shri T. T. Krishnamachari:** Your stake in rubber is very high, I take it?

**Mr. Calderwood:** It is, Sir.

**Shri T. T. Krishnamachari:** Therefore, your interest is very vigorous?

**Mr. Calderwood:** Most extremely, Sir.

**Shri T. T. Krishnamachari:** The Chairman asked you whether you know who represents the United Planters on the Rubber Board. You said you do not remember. May I help you to recollect, Mr. Calderwood—the three names are:

Mr. whitehorn,

Mr. Srinivasan, and

Mr. Aldred.

**Mr. Calderwood:** That I knew. I was only trying to recall who were the members formerly.

**Shri T. T. Krishnamachari:** Do any of them represent small holders?

**Mr. Calderwood:** Mr. Srinivasan could be said to represent small holders in a sense.

**Shri T. T. Krishnamachari:** Does he own any estate?

**Mr. Calderwood:** He does not own any estate as far as I know.

**Shri T. T. Krishnamachari:** Whom does he represent—he must be representing some company?

**Mr. Calderwood:** A. V. Thomas & Company.

**Shri T. T. Krishnamachari:** Do they have estates which are small estates, say under hundred acres?

**Mr. Calderwood:** Yes, they have some quite small estates.

**Shri T. T. Krishnamachari:** In the aggregate they are all big. I put it to you, Mr. Calderwood—are not these three representatives of the UPASI big estate representatives?

**Mr. Calderwood:** Probably, UPASI represents the large growing interests. Of course the RGA can suggest representative whom we consider as representing the interests of small holders. In fact, we find it very difficult to get the small holders to come and attend our meetings, as to give us confidence to send them to the Board.

**Shri T. T. Krishnamachari:** You will neither send a small grower yourself, nor will you permit Government to send any small holder on the Board?

**Mr. Calderwood:** In fact, we have suggested that Government should have the power to nominate such growers: we have no objection to that. Our memorandum says that both the Madras Government and the Government of Travancore should have the power to nominate, so as to make quite sure that the small holder is represented.

**Shri T. T. Krishnamachari:** Can you tell me when you came to India?

**Mr. Calderwood:** In 1922.

**Shri T. T. Krishnamachari:** I suppose you are aware that many changes have taken place since 1922 in the set-up in India? I suppose you do not approve of any of them?

**Mr. Calderwood:** On the contrary, I am very proud, indeed, to find we have advanced so much in the thirty-three years I have been in this country,

**Shri T. T. Krishnamachari:** You mean Harrison and Crossfields have advanced?

**Mr. Calderwood:** The question you put to me was about the country, not the industry.

**Shri T. T. Krishnamachari:** I suppose, since 1947 we have been going backward: is that your impression?

**Mr. Calderwood:** I do not think so, Sir. Are you asking in connection with the rubber industry?

**Shri T. T. Krishnamachari:** I am asking Mr. Calderwood who has been in India since 1922. Rubber is part of the country's economy. Do you think we are going backward since 1947?

**Mr. Calderwood:** Most emphatically not.

**Shri T. T. Krishnamachari:** I would like to ask another question before I go into details: Obviously you feel you have no faith in the Government; is it correct?

**Mr. Calderwood:** I do not remember to have given any such indication.

**Shri T. T. Krishnamachari:** Your memorandum indicates that not merely have you any faith in Government, but you have no faith in Government's drafting of this Bill. May I refer you to paragraph 5 of your memorandum where you say:

"The proposals seeking the right to appoint the Chairman to nominate growers" representatives and to do away with the obligation to consult the Board would inevitably:

etc., etc."

I suppose we, not knowing your language, have not been able to make ourselves correctly understood to Messrs. Harrison and Crossfield.

I put it to you Mr. Calderwood, that is not our idea; or, obviously you have not been able to make yourself understood. We speak Indian English, Mr. Calderwood, unfortunately.

- (a) restrict the scope of the discussions and influence decisions at Board meetings through an official Chairman;
- (b) deny long established organisations within the industry the inherent right conceded in the existing Act of the interests represented to choose their own representatives;
- (c) initiate and implement measures irrespective of the views of the Board."

These are your interpretations of the provisions of the amending Bill.

**Mr. Calderwood:** I am afraid that is the opinion we hold of the Bill,—that it is designed to take away from us some of the rights we enjoy. Of course, we are making these comments in the light of the fact that we are aware that Government has over-riding powers in this matter. Therefore, the Board as constituted should be of such a representative character that it will represent the opinions of members, opinions of the people in the industry and of the people who are represented on that Board.

**Shri T. T. Krishnamachari:** Mr. Calderwood, you have some tea interests?

**Mr. Calderwood:** Yes, Sir.

**Shri T. T. Krishnamachari:** Do you send any representative to the Tea Board?

**Mr. Calderwood:** Yes, Sir.

**Shri T. T. Krishnamachari:** Is that representative nominated by Government?

**Mr. Calderwood:** No.

**Shri T. T. Krishnamachari:** Nominated by Government on their own volition, because you suggested some names to the Government and they were appointed by Government? Government have not nominated anybody outside the names suggested by UPASI?

**Mr. Calderwood:** Unfortunately they did not.

**Shri T. T. Krishnamachari:** Why is it unfortunate?

**Mr. Calderwood:** Because we would have liked some of our brethren in the APT associated. We put up a panel of three names, under the impression that one or two would be taken from elsewhere?

**Shri T. T. Krishnamachari:** What are the names suggested by APT? Do you know anything about the names suggested by APT?

**Mr. Calderwood:** Mr. Howe, Mr. Silus and Mr. R. E. C. James. Barring Mr. Silus, the other members suggested by APT refused.

May I be allowed to explain the matter?

We did put up, I think, in the first instance two gentlemen, Mr. McKay and Mr. Maden. Both these gentlemen had gone home on leave or furlough and we did not consult them. When on return they came to know that they had been chosen, they begged leave to decline, one on grounds of health and the other because he had taken over General Managership of his company. As a result of that we had to find quickly two more substitutes. We immediately wrote that we regret that Mr. McKay and Mr. Maden would not be able to serve and we have to substitute Mr. Howe and Mr. R. E. C. James.

**Shri T. T. Krishnamachari:** The UPASI representatives have only in theory been nominated; in practice they have been elected. With a full-time Chairman functioning, have you any reason to feel that their views will not be heard?

**Mr. Calderwood:** Under the Ministry as constituted at present that might be perfectly legitimate. But suppose these powers are abused. We have no protection in law.

**Shri T. T. Krishnamachari:** I appreciate your fondness for the Ministry and I am very grateful to you for it. But I want an answer to the question. It is a different thing whether the Ministry functions on the sufferance of Harrison and Crossfields or Mr. Calderwood. But I would ask you whether the UPASI's views will be ignored as such.

**Mr. Calderwood:** At the present moment we have no reason to believe so.

**Shri T. T. Krishnamachari :** How do you translate that experience into paragraph 5 of your memorandum?

**Mr. Calderwood:** Well, Sir, it can be translated by the fact that when there is a law on the subject, that law must hold control. You were kind enough to interpret that law in a certain way, and you permitted us to put forward our representatives. But suppose another government came into power. The law is there. There is no necessity to consult us.

**Shri T. T. Krishnamachari:** As a matter of fact, under the rules various bodies who are engaged in the industry should be asked to nominate panels. In the Tea Board Rules there is such a provision. I suppose the UPASI did not tell you that?

**Mr. Calderwood:** I was completely briefed on this; I was not informed about the Tea Board.

**Shri T. T. Krishnamachari:** I suppose even a successor government, which is as friendly to you as I am,

will have to follow the rules and ask the associations to name the representatives?

**Mr. Calderwood:** I agree, yes.

**Shri T. T. Krishnamachari:** Will you, in the light of the subsequent knowledge that you have acquired, still feel that paragraph 5 of your memorandum is a correct representation of the intentions of Government?

**Mr. Calderwood:** Yes, I still feel that it is not a proper method of achieving that degree of co-operation with the industry as, I think, is to the value of Government and to the good of the industry.

**Shri T. T. Krishnamachari:** It is one thing for you to think that it is not a proper method.....

**Mr. Calderwood:** It is not my own opinion. If you think it is my opinion, I am very sorry. I have been sent here by an association of industries to represent them. It would be quite impossible for me to go back on the briefing which I have received from my association which I must uphold at all costs.

**Shri T. T. Krishnamachari:** You can uphold it. But your answer in that case should be; I have been briefed in a particular way, the subsequent knowledge cannot be absorbed by me, I cannot give an answer. That should be the proper answer. You say: I have been briefed and I have to stick to that brief to condemn Government by bell, book and candle and any further knowledge that you import to me will not change me. In that case your evidence might be just what you have put in the memorandum.

**Mr. Calderwood:** I do not think there is any measure of condemnation in our memorandum. Our memorandum suggests what we believe to be the best method of achieving the objects of the Government.

**Shri T. T. Krishnamachari:** You know the mind of the Government better than the Government itself, I suppose!

Well, will you kindly tell us something about the United Planters' Association. What is the membership, the number?

**Mr. Calderwood:** The actual number of individual members?

**Shri T. T. Krishnamachari:** Well, individuals, companies.

**Mr. Calderwood:** I think it runs to about 170 or 180, somewhere about that.

**Shri T. T. Krishnamachari:** How many are Indian nationals?

**Mr. Calderwood:** So far as acreage is concerned, all but 23 per cent.

**Shri T. T. Krishnamachari:** Let us go by individuals. Out of 174 how many are Indian nationals?

**Mr. Calderwood:** I would require notice of that question. I am sorry, but we can find that out for you quite easily.

**Shri T. T. Krishnamachari:** I could also find out. But what I want is for the enlightenment of this Committee. Your not being able to answer is different. Suppose I put it to you that 85 per cent. is European, not Indian?

**Mr. Calderwood:** I am sorry, I could not agree to that.

**Shri T. T. Krishnamachari:** Suppose I say 75 per cent.?

**Mr. Calderwood:** Not even then.

**Shri T. T. Krishnamachari:** Suppose I say 65 per cent.?

**Mr. Calderwood:** I think it would come very nearly to fifty/fifty so far as representation is concerned.

**Shri T. T. Krishnamachari:** To go into the merits of the problem. You said that the Chairman should not be nominated. The Chairman of the Committee asked you whether that means that you do not want a full-time Chairman. May I ask your views once again on that? Suppose Government feel, so far as the Rubber Board is concerned, that there should be a full-time Chairman. Do you think it won't be a proper feeling?

**Mr. Calderwood:** Well, as regards all executive functions of the Board, we have no objection to a paid official being there when a paid official is required for the purpose. But in the administration of the Board itself as a Board, we would prefer to see an elected Chairman.

**Shri T. T. Krishnamachari:** You would prefer?

**Mr. Calderwood:** Yes.

**Shri T. T. Krishnamachari:** Suppose the Committee ultimately decides to approve of the present Bill, would the UPASI send its representatives or would it decline to send representatives?

**Mr. Calderwood:** Certainly we would not decline. That is a hypothetical question. It is very difficult to answer. But I am perfectly sure that no such occasion would ever arise.

**Shri T. T. Krishnamachari:** You know about the working of the Board. So far as the working of the Board is concerned, how does it affect you? You have to take a licence from the Board and you have to send statistics. But does the Board prevent you from selling to whomsoever you like?

**Mr. Calderwood:** No.

**Shri T. T. Krishnamachari:** Suppose you keep out of the Board completely, except in so far as you have to take a licence from the Board and send statistics to it, would it affect you in any way?

**Mr. Calderwood:** As far as collecting a large fund is concerned, much of it will come from my company.

**Shri T. T. Krishnamachari:** Which fund?

**Mr. Calderwood:** The cess.

**Shri T. T. Krishnamachari:** The cess is on what you sell. If the price is Rs. 138, we make it Rs. 144. It is coming from the manufacturers, not from you.

**Mr. Calderwood:** If that were the case then we would not have any reasonable grounds.

**Shri T. T. Krishnamachari:** Why don't you completely ignore it? Why do you bother about it? It is no matter to you what the Board does.

**Mr. Calderwood:** I am sorry. The Board will have a great influence on the industry.

**Shri T. T. Krishnamachari:** It cannot come and worry you in any matter except in the matter of your taking out a licence and sending statistics. And then you do subscribe at the bottom that the statistics are true. Barring that, you are not really concerned with the working of the Board.

**Mr. Calderwood:** I think we are very much concerned. I think any producer must be concerned.

**Shri T. T. Krishnamachari:** Why?

**Mr. Calderwood:** Because the Board is for the control of marketing and production.

**Shri T. T. Krishnamachari:** It does not control you. You can sell to anybody.

**Mr. Calderwood:** It has controlling factors which would make it impossible for us as producers in the country not to take an interest, especially when Government invites us.

**Shri T. T. Krishnamachari:** It does not matter two hoots to a big planter like Harrison and Crossfields, with over 20 thousand acres and producing very nearly 3,500 tons of rubber. You can completely ignore the Board. Other firms like you who dominate, UPASI can do so and say "we shall keep out of this Board". Suppose we say we shall only be concerned with the small growers and we leave you out completely from the Board?

**Mr. Calderwood:** I do not think it is possible, except theoretically or hypothetically, to leave us out when we form part of what is an organised major industry.

**Shri T. T. Krishnamachari:** UPASI has a research association. They can help you. In effect I am suggesting

that the Board's activity will be restricted to the small grower, who according to you is not useful and who you think is a pernicious element in the rubber industry.

**Mr. Calderwood:** I did not say that I do not think I could be misinterpreted.

**Shri T. T. Krishnamachari:** You think the small grower is of no value.

**Mr. Calderwood:** I think he is of value to himself.

**Shri T. T. Krishnamachari:** He is of great value to his wife and children!

**Mr. Calderwood:** Most acceptably so.

**Shri T. T. Krishnamachari:** Suppose we agree to leave you out of the Board completely, except for statistical purposes, which, even if the Board does not exist, Government has a right to demand; what is the position of the UPASI?

**Mr. Calderwood:** I am sorry, that kind of question was not before my constituents at all. It puts a new picture entirely in our mind. And before I commit my association, which I stand here to represent, it will be difficult for me to answer.

**Shri T. T. Krishnamachari:** I will put the question in a wider form. Suppose we abolish the Board. Will Harrison and Crossfields be concerned about it?

**Chairman:** We are on the amending Bill. We are not discussing the question of abolition of the Board. The very object of the Select Committee is to reconstitute the Board. I do not think it will be a fair question. I feel we are going beyond the scope of the amending Bill.

**Shri Bogawat:** I think that is a relevant question.

**Chairman:** I am not ruling out the question.

**Shri T. T. Krishnamachari:** You have not been briefed on this?



**Mr. Calderwood:** I have not been briefed. I am not speaking here on behalf of Messrs. Harrison and Crossfields or my own company. I am speaking on behalf of an association of many varied interests.

**Shri T. T. Krishnamachari:** I am afraid you have not been briefed on behalf of varied interests. Your views are those of a group which is big estate. I am asking for the views of the big estate. You have suggested alterations and amendments in regard to the formation of the Board. The Board has a certain pattern. The pattern is such that representation of the Central Government is more or less eliminated. You have suggested the powers to be given largely to the Chairman and you have suggested that the Chairman should be an elected man in which case he cannot be a Government man. I suppose it does not affect you if we made no provision for Government views to be represented on the Board.

**Mr. Calderwood:** There are two members nominated by the Central Government. There is another additional member under the seven Members of whom three are relegated to the manufacturers and three for labour. Government are also indirectly represented through the Indian Council of Agricultural Research.

**Shri T. T. Krishnamachari:** The ICAR does not represent the Government; it represents Agricultural Research.

**Mr. Calderwood:** There is one Member *Ex-officio*, the Rubber Production Commissioner.

**Shri T. T. Krishnamachari:** You think that the Rubber Production Commissioner is adequate?

**Mr. Calderwood:** There are four nominees, representatives of the Central Government on the Board. In addition, there are the State Government nominees.

**Shri T. T. Krishnamachari:** The State Government is not the Central  
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Government. After all, the responsibility for this industry is that of the Central Government. Anyway, it seems to have escaped the attention of the UPASI. Let me go to clause 11. You suggest that a proviso may be added limiting the powers of the Central Government to collect a cess of not more than 6 pies per pound without the sanction of Parliament. Are you aware that the Central Government functions under Parliament and everything that it does must have the sanction of Parliament? A Budget has to be presented and all moneys received as cess and all expenditure has to be shown therein. I suppose the UPASI is not aware of that.

**Mr. Calderwood:** All amounts to be collected have to be budgeted under the Finance Act for the year.

**Shri T. T. Krishnamachari:** Suppose we propose to levy three pies and not one anna. We have to put three pies as income in the Budget and it has to be approved by Parliament. We cannot spend a pie out of that without the sanction of Parliament. I suppose the UPASI is not aware of that.

**Mr. Calderwood:** I do not think we were aware. If you had powers to collect one anna under the Act as passed by Parliament, you can put the cess at one anna. As powers have been voted by Parliament, there can be no exception taken to the exercise of the powers.

**Shri T. T. Krishnamachari:** All moneys which come in and go out will have to be approved by Parliament. Even if you collect, if you want to spend, you have to submit a supplementary Budget and get Parliament's approval.

**Mr. Calderwood:** I did not understand that.

**Shri C. R. Iyyunni:** What is the total number of membership in the UPASI?

**Mr. Calderwood:** About 170. I must have the figure verified.

**Shri C. R. Iyyunni:** What would be the total acreage cultivated by the Members of the UPASI?

**Mr. Calderwood:** Including all products? 151,000 acres under tea, 70,700 acres under coffee, 50,148 acres under rubber, and 12,075 acres under cardamom, total about 293,221 acres.

**Shri C. R. Iyyunni:** May I know whether the small growers of rubber entirely depend upon rubber for the maintenance of their family? I refer to owners below 5 acres.

**Mr. Calderwood:** In very few cases. I should think that they depend entirely on rubber. In the old days, when we had uncontrolled prices, one of the immediate responses of the small holders to a drop in the prices was to throw out the area out of tapping; so that they must have had other means of livelihood and other ways of carrying on. He would wait until prices recover sufficiently to make it remunerative and then he will tap.

**Shri C. R. Iyyunni:** I wanted to know whether in these small plantations of rubber, other trees are also planted.

**Mr. Calderwood:** Yes, in many instances. Sometimes we note with distress that this interplantation among young stuff retards the growth of rubber.

**Shri C. R. Iyyunni:** May I know whether these small holdings employ other people, that is labourers other than the members of their family?

**Mr. Calderwood:** That would depend on the size of the estate. Five acres is a holding. That cannot be worked without employing outside labour.

**Shri C. R. Iyyunni:** May I know whether these small plantations adhere to all the rules and regulations observed by big estates: with regard to the planting, the space between two plants, etc.?

**Mr. Calderwood:** They have done so in the past. In the past many of these small holders were in close touch with

big planters and I think in many instances they have endeavoured to improve their methods of cultivation and follow the methods of the big holders. Others were isolated and in many instances, they do not appear to pay much attention.

**Shri C. R. Iyyunni:** May I know whether under the old Act, any difficulties were experienced either by the Central Government or by the planters as to the development of the industry? In the Statement of Objects and Reasons, it is said:

"The constitution of the Indian Rubber Board requires to be radically altered. In order to ensure proper co-ordination between the Board and the Central Government, it has become necessary to effect a change in the method of representation of the interests concerned by vesting more powers in the Government in regard to nomination of members of the Rubber Board."

Have you experienced any difficulty with regard to non-cooperation or non-coordination between the Government and the Rubber Board?

**Mr. Calderwood:** No. We were under the impression that we are working more amicably. We are not aware of any such lack of coordination.

**Shri A. N. Vidyalkar:** Would you like us to alter the definition of small growers to say that the maximum of a small holding would be 50 acres?

**Mr. Calderwood:** I think that 50 acres and under is definitely a small holding and will require more assistance than anything which is larger than that. Whenever we get more than 100 acres, we regard it as a plantation. In between 50 acres and 100 acres, it is a little bit difficult to classify.

**Shri A. N. Vidyalkar:** Could you give us an idea of the average per acre production?

**Mr. Calderwood:** The average over the whole industry is nearly 272 pounds.

**Shri Dhusiya:** Please let me know whether people are more interested in small holdings or big ones?

**Mr. Calderwood:** Which people?

**Shri Dhusiya:** Rubber cultivators. There are a larger number of people concerned with small holdings and a smaller number of people concerned with big holdings. So, there are more people interested in small holdings.

**Mr. Calderwood:** There are about 14,000 people interested in small holdings in Travancore. Outside Travancore, I do not know. I do not know whether this answers the question.

**Shri Dhusiya:** If more people are interested in the small holdings, do you think that in order to have more land we can take land from the big holdings?

**Mr. Calderwood:** I think that that would be a disastrous course from the point of view of production of rubber. As pointed out, it is a plantation product and it will be grown and worked and developed most rationally on a big size plantation basis.

**Shri S. C. Deb:** You say that your association has in its purview tea, coffee, rubber. Has your association any connection with the Indian Tea Association?

**Mr. Calderwood:** No direct connection.

**Shri T. T. Krishnamachari:** It is a factual matter. These are complementary bodies. Membership of the UPASI is something different. The Northern Indian tea interests have organised and called themselves the Indian Tea Association. The UPASI plays a part which is similar to the Indian Tea Association in regard to the tea interests of South India.

**Mr. Calderwood:** That is the right answer. There are no members of the Indian Tea Association as such in the South Indian Association. All the members there are members of the UPASI.

**Shri S. C. Deb:** May I know whether your association works in collaboration with the Indian Tea Association, as far as tea is concerned?

**Chairman:** How is it relevant here? We are dealing with rubber. They have a separate section for rubber.

**Shri T. T. Krishnamachari:** They are bound to work in collaboration.

**Shri S. C. Deb:** If they can work in collaboration with the Indian Tea Association, if the Government propose to have same organisation for rubber, they can work. That is my point.

**Shri T. T. Krishnamachari:** As a matter of fact, he has answered my question in a slightly different form. I asked about the Tea Board. He said that it was satisfactory.

**Shri S. C. Deb:** Is your Association interested only in plantation, or in manufacture?

**Mr. Calderwood:** We are only interested in the production of rubber up to the crude rubber stage. We are not interested in the processing of rubber beyond the raw product stage.

**Shri S. C. Deb:** Do you approve of the Development Scheme proposed by Government?

**Shri T. T. Krishnamachari:** You are referring to some old matter. There has been no development scheme put before them recently.

**Chairman:** Moreover, this Bill is only an enabling measure to undertake such development schemes.

**Shri S. C. Deb:** If any development scheme is taken up by Government will you approve of it?

**Mr. Calderwood:** I am sorry I regard that as a hypothetical question.

**Shri S. C. Deb:** In that case is it not proper that Government should have control for the purpose?

**Shri T. T. Krishnamachari:** The idea underlying the question is that if you approve of development which is con-

[Shri T. T. Krishnamachari]

templated in the Bill, is it not proper that Government should have some control for the purpose of ensuring it?

**Mr. Calderwood:** My only answer to that is that Government is assured of control under the clauses mentioned by the Chairman. We cannot raise any objection to that. We want merely that Government should allow people who are running the industry to give them unqualified and unbiassed advice.

**Shri Sivananjappa:** How do you appreciate the idea of composite estates, so that the loss in one crop may be made up in another?

**Mr. Calderwood:** South India is fortunate enough in that respect. It has been the object at any rate of the bigger concerns to grow more than one crop in order to try and even out the difficulties. But it all depends on the land and weather. For example, we grow tea alongside of rubber. But it is not the best tea, so that it is not always the right thing to do. Where, however, it is possible, it is a very sound procedure.

**Shri Bogawat:** What are the minimum wages paid by your association?

**Mr. Calderwood:** In accordance with the rates laid down by Government in the various estates. The United Planters' Association of Southern India is a conglomerate body of associations.

**Shri Punnoose:** You represent the United Planters' Association of Southern India and Mr. Verghese represents?

**Mr. Calderwood:** Associated Planters of Travancore.

**Shri Punnoose:** What is the difference? Are they not the same organisations?

**Shri Varghese:** The Associated Planters of Travancore have in its membership almost all the plantations in Travancore territory and not outside. The United Planters' Association of Southern India have got in their

membership estates and companies functioning in Madras as well as in Travancore State.

**Shri Punnoose:** It is quite possible that members of one association are members of the other association also.

**Shri Varghese:** There are cases like that, but it is not universally applicable.

**Shri Punnoose:** You mentioned about APT. What is the relation between APT and UPASI?

**Mr. Calderwood:** The relationship has always been excellent.

**Shri Punnoose:** What is the nature of the relationship?

**Mr. Calderwood:** The nature of the relationship is that of, say, mother and daughter.

**Shri Punnoose:** Of mother-in-law?

I want to know, Mr. Calderwood, whether individual estates of your company are members of the APT and for dealing with the State as well as with the workers you function through the APT?

**Mr. Calderwood:** In matters affecting plantations which are in the State of Travancore, we function very largely through the APT, who are our representatives to the State Government. If, however, we wish to go and make representations to the Union Government, we would as APT members go to the United Planters' Association and say we would like representation made on certain points or we make it direct, if we choose. We follow both the methods in the case of the Union Government.

**Chairman:** Perhaps it is a kind of loose federation of bodies.

**Mr. Calderwood:** In fact, we have district planters' associations also. There are about 12 or 13 such district planters' associations in Travancore and their members are the people who send the executive members to the APT and to a large extent the APT and those associations together are the people who send representatives from Travancore to the UPASI.

**Shri Punnoose:** Suppose representation is given either to the United Planters' Association, or to APT—almost all your members are members of the APT?

**Mr. Calderwood:** Had it been understood that the UPASI was being approached not on behalf of the whole of South India we alone should have been able to do it.

**Shri Punnoose:** In all labour disputes as well as with regard to facilities received from the Government the APT is represented on councils on committees.

**Chairman:** The sum and substance of the question is this: is there any separate representation necessary for the APT and the UPASI—will it not be sufficient to give representation to one association.

**Mr. Calderwood:** In fact our State Associations are proud of their standing. Now there is a new one called the APM—Associated Planters of Madras. In all probability the UPASI will simply ask those associations to put forward their members for individual States.

**Shri Punnoose:** In your memorandum you speak of the control and Constitution and rights of individuals and corporate bodies under the Constitution and all that. Do you concede, Mr. Calderwood, that the Government have to protect certain interests: for instance the interests of thousands and thousands of workers who are engaged in the estates, then there is the small producer with one acre and two acres, does your association consider it the duty of Government to protect these interests?

**Mr. Calderwood:** We fully appreciate that fact. We do not want in any way to take away Government's right to protect the workers and others.

**Shri Punnoose:** You said you came in 1922. Can you tell me the highest price that rubber fetched in India after your coming here?

**Mr. Calderwood:** I think in 1927 we must have touched about Rs. 4 a lb.

**Shri Punnoose:** Can you tell me from memory the wages you used to pay at that time?

**Mr. Calderwood:** Six annas, I think, was paid to a working coolie at that time.

**Shri Punnoose:** May I know the approximate quantity a worker used to collect then?

**Mr. Calderwood:** At that time an average collection was five to six pounds per day.

**Shri Punnoose:** Now you have got the Minimum Wages Act. Are the Malayalam plantations enforcing it in all their plantations uniformly?

**Mr. Calderwood:** I am not here to represent the Malayalam plantations.

**Shri Punnoose:** Then, I shall broaden the question and put it as UPASI.

Is it a fact that women tappers in your estates now get three annas less than they used to get before the Minimum Wages Act was implemented?

**Mr. Calderwood:** No, Sir.

**Shri Punnoose:** Is it not a fact that they used to get Rs. 1/6 and now they get only Rs. 1/3?

**Mr. Calderwood:** In no case.

**Shri Punnoose:** Is it a fact that the estates belonging to the United Planters' Association have, after the implementation of the Minimum Wages Act, done away with certain facilities that they used to give to their workers, like medical relief, etc.?

**Mr. Calderwood:** In so far as minimum wages were fixed in such a way as to provide for all extraneous payments, and in accordance with the Payment of Wages Act which lays down that payment will not be made

[Mr. Calderwood]

in kind, it is a fact that certain payments in kind were withdrawn and substituted by minimum wages.

**Shri Punnoose:** What kind of experts are you getting from the U.K. nowadays? Has the number of such people increased or decreased since 1947? Suppose I propose that there shall be a clause which lays down that plantations in this country should on no account, except when it is needed for expert purposes, get anybody from outside. What is your opinion?

**Chairman:** That is foreign to the scope of this Bill.

**Shri Punnoose:** It is open to any Member to move an amendment. I would like to know his views.

**Chairman:** With regard to the nationality of the people whom the estate owners should employ—that is beyond the scope of the Bill.

**Shri Punnoose:** That is a very academic approach, because Parliament knows that it is a question of British vested interests.

**Chairman:** Moreover, we are not on a consolidating Bill but only on an amending Bill the scope of which is limited.

**Shri Punnoose:** Do you mean to say, Sir, that I cannot move an amendment that there should be such and such a stipulation?

**Chairman:** No. You can move an amendment only if it is within the scope of the amending Bill.

**Shri D. P. Karmarkar:** He can move; it will be out of order!

**Shri Punnoose:** May I know, Mr. Calderwood, what position the small grower will occupy in your plan of things? You are against Government nominating people. You are against Government appointing a Chairman. What facilities will the ordinary small grower get in your plan?

**Mr. Calderwood:** We are not against nomination by Government. We have provided a considerable scope for

nomination by Government in what we have suggested. We have only asked that when Government nominates, the Associations as recognised by Government may be permitted to elect or nominate certain members. But we have still left scope for representation by the Central Government, representation by our Madras Government, and representation by our Travancore-Cochin Government. We lay great stress on the representation of those State Governments, because this industry is of such vital importance to the respective States. We feel that if our local members are well and strongly represented, we shall get a common interest in this matter and present a common front.

**Shri Punnoose:** Taking into consideration the price scales, that is the world rubber price and the Indian price, is it on the whole beneficial that price is controlled and a minimum price fixed by Government?

**Chairman:** His question is: are you in favour of price control or not?

**Mr. Calderwood:** In the present stage of rubber production in South India my association believes that the Government have helped us very much by the control of price, because where production does not yet compete with countries outside India and we are in difficulties, unless there is price control we cannot work.

**Shri Punnoose:** Do you agree that in the collection of the cess some latitude should be shown to the small producer?

**Mr. Calderwood:** No. If there is a cess, it should be a cess equally on everybody.

**Shri Punnoose:** What is your argument for it? The big estate owners who are at an advantage may be asked to pay in full and others may be asked to pay a little less. What is your objection to that?

**Mr. Calderwood:** My main objection is that the object of the cess is particularly to assist the small estate owners, and surely they should make a contribution as big as anybody else.

**Chairman:** He means a graduated scale.

**Shri Punnoose:** Yes, the incidence may be small on him.

**Chairman:** Mr. Calderwood wants a uniform scale.

**Shri Nanadas:** In your memorandum it is suggested that if the proposed cess is collected, it would be nearly Rs. 29 lakhs. Do you think that this amount would be adequate for developing the industry?

**Mr. Calderwood:** I am afraid we regard it as quite an unnecessarily large sum to expend on the small industry which has been showing great signs of developing itself and progressing favourably. We feel the greater the burden you put on it the more you make the difference between the foreign price and the price inside India. It should be our object in order to help the industry that we should be able to bring down the price to compete with world prices. And we do not want any substantive burden put on the manufacturer or ourselves. We do not want the manufacturer to charge high price for his rubber.

**Shri Nanadas:** Do you agree that there are nearly 14,000 small holders who are not able to produce as much as the big estates are producing, per acre?

**Chairman:** In the interest of increased production he says that it is better to have larger holdings. That is the point of view put forward.

**Shri Nanadas:** What sort of help do you, that is to say, the large estates expect from the Cess Fund?

**Mr. Calderwood:** We hope that the funds will be so administered that there will be a certain amount spent

on research and development of genetics, production of good clones of rubber in our own territories, etc. There are many directions in which there can be favourable progress made.

**Shri Nanadas:** It is evident from your memorandum that you doubt very much whether this Cess Fund would be spent usefully on the industry, and therefore you do not like that the powers should be given to Government for spending it. May I know your scheme of spending the Cess Fund?

**Mr. Calderwood:** We have not gone the length of preparing a scheme. There is no scheme.

**Chairman:** Why should we enter into those details?

**Shri Nanadas:** Here they have stated that if the Chairman and others are nominated by the Government, the Board will take independent decisions which will not be in the interests of the industry; so much so that they have raised a doubt. That is why I want to know whether he has got any separate plan for spending this Cess Fund.

**Mr. Calderwood:** I do not think we have said that that will happen. We have suggested that if the power is put there in the Act in the hands of anybody it can be abused. That is all that we have suggested. Not that it will be abused. But we suggest it is possible. And we do not feel it is a right provision.

**Shri Nanadas:** It appears you are the representative of a very big company in India?

**Mr. Calderwood:** No, not here; I am representing the United Planters' Association of Southern India.

**Shri Nanadas:** May I know whether your company has got any rubber estates in other countries like Malaya and Indonesia?

**Mr. Calderwood:** No, it has interests only in India.

**Shri C. R. Iyyunni:** May I know whether the average yield per year per acre of estates of more than 100 acres will be much more than the average yield per year per acre of small holdings, that is those below 100 acres?

**Mr. Calderwood:** Yes.

**Shri C. R. Iyyunni:** What will be the difference?

**Mr. Calderwood:** I would require notice for that. But if the Chairman and Members of this Committee would like, I could give you statistics about that. But I would not like to answer a question like that roughly. I would say, however, that on an average your small holder may produce 200 lbs., though there are good ones among them, but that would be the average.

**Shri A. N. Vidyalkar:** What do you think would be an economic holding?

**Shri T. T. Krishnamachari:** He definitely says that small holdings are not economic, it is only the big estates.

**Chairman:** It will be difficult for him to define what will be an economic holding.

**Shri C. R. Iyyunni:** May I know whether it will be more advantageous in your opinion to amalgamate some of the smaller holdings into bigger ones, so that the yield can be better?

**Mr. Calderwood:** That would be, from the point of view of the nation's rubber production, a desirable aim.

**Shri T. T. Krishnamachari:** I would like to ask what the UPASI was doing, or rather what their reactions were, when the price of rubber in India was somewhere about Rs. 90 or 100 and when foreign prices were much higher. Have you any recollection of what your association did at that time?

**Mr. Calderwood:** We pleaded before Government to raise the price.

**Shri T. T. Krishnamachari:** For how many years or how many months did you do it?

**Mr. Calderwood:** I think the negotiation over the matter went on for nearly three years.

**Shri T. T. Krishnamachari:** Your prices were lower, was it?

**Mr. Calderwood:** Yes. It was the Tariff Board sitting which ultimately gave Government a line of what was required and which resulted in the publication of a price. But it took some time.

**Shri T. T. Krishnamachari:** Do you mean to say that the UPASI itself is very keen on the increase in price, considering that the manufacturers benefited by the lower price?

**Mr. Calderwood:** The UPASI is an association of producers, and we knew well that we could not continue to develop or do anything with the industry if we continue at that price and at the yield which is possible today. But the day is coming and I do hope that we can compete with foreign goods.

**Shri T. T. Krishnamachari:** Do you believe so?

**Mr. Calderwood:** Yes.

**Shri T. T. Krishnamachari:** Suppose prices were reduced to 1 shilling 9 pence, do you believe that the bigger estates will be able to compete?

**Mr. Calderwood:** I do not think at the present moment. We have to make a tremendous leeway in the matter of rehabilitation. Money must come for that from somewhere. We are doing planting and re-planting. When it comes—it is a matter of some years ahead—but when the rubber comes it is going to give double the yield that we have had in the past. And when that position is established, although we would have then spent a tremendous lot of money and must find more income to gather additional capital, at the same time we fully believe that we will be able to compete with world prices.

**Shri T. T. Krishnamachari:** You might or might not answer this question, because it might not be within



your knowledge. There is a Rubber Prices Committee operating in the Rubber Board. When prices were fixed or raised in two stages from Rs. 90 to Rs. 138, the average estate that was taken was an estate yielding 400 lbs. But at the same time it put into the hands of the bigger estates controlling nearly 40,000 acres (four groups controlling 40,000 acres) something like Rs. 65 lakhs per year. Do you think the Rubber Prices Committee did anything to see that the persons who were producing less than 400 lbs. were compensated in any way? I am merely asking you whether the Rubber Prices Committee did exercise itself in regard to the somewhat inequitable method of pricing so far as small growers were concerned.

**Mr. Calderwood:** We definitely made a protest and pointed out that 400 lbs. was not anywhere near the producing rate at which our small producers were producing. We stated it very emphatically.

**Shri T. T. Krishnamachari:** May I know whether the protest was to augment the 400 lbs. still further or to help the small man?

**Mr. Calderwood:** The protest was to get it based on a truly average figure, so that there would not be that discrepancy. After all it is very difficult for the small man to produce in competition with us, in the matter of his methods and his type of stuff, unless he has money behind him.

**Shri T. T. Krishnamachari:** Don't you think that it is the duty of the Rubber Board to make a recommendation to see that there is some kind of price equalisation by which the bigger estates get less and the smaller estates get more?

**Mr. Calderwood:** That is a disastrous attitude from the point of view of development of the industry. The basic thing is who can develop the industry most effectively.

**Shri T. T. Krishnamachari:** Just slightly outside the scope of the Bill, I ask for this information as an ad-

ministrators. Suppose I raise the price of rubber by another Rs. 6/- and I ask you to pay it back so that I can compensate the small man. Would you object? You would not pay out of your pocket. The manufacturers will pay. I take the amount and place it in a pool to help the small man who produces between 200 and 400 pounds. Would you object as the UPASI?

**Mr. Calderwood:** You must allow me to speak for myself.

**Shri T. T. Krishnamachari:** If you cannot speak for the UPASI, you can speak for yourself.

**Mr. Calderwood:** Put in that way, it would be difficult for the big producers to raise any objection at all. Our feeling in the matter is this. Our aim must be to bring the prices down. Our manufacturers must not be handicapped and they should be able to compete in the world markets. Anything that tends to handicap them is a bad thing. If the price is kept down, he could send his manufactured goods to any part of the world without any difficulty.

**Shri T. T. Krishnamachari:** We are operating in a close market. We import 3000 tons of rubber. Suppose the Board imports itself and sells the rubber to the manufacturers at Rs. 138 and uses that for the purposes of helping the smaller man?

**Mr. Calderwood:** I would not object.

**Chairman (To Mr. Varghese):** Your association is confined to Travancore and Cochin?

**Shri Varghese:** Yes.

**Chairman:** Does your association take in small holdings?

**Shri Varghese:** Yes; we do take in small holdings.

**Chairman:** Can you give us an idea of the nature of the membership, having regard to the size of the holdings?

**Shri Varghese:** We take in anything up to 50 acres.

**Chairman:** Not below 50 acres?

**Shri Varghese:** Not below 50 acres at the moment.

**Chairman:** Having regard to the fact that your association is affiliated to the UPASI, may I know whether any separate representation is necessary for the Association of Planters of Travancore as well as the UPASI?

**Shri Varghese:** I submit that separate representation for the Association of Planters is necessary because there are certain questions which are peculiar to the Travancore-Cochin State that this association will have to tackle.

**Shri S. C. Deb:** Has he submitted any memorandum?

**Chairman:** Questions can be put to this witness with reference to the memorandum submitted by the UPASI.

Are the Members of the Rubber Growers Association of Kottayam members of your association?

**Shri Varghese:** Some of them are.

**Chairman:** The Rubber Growers Association suggested that in appointing the growers' representatives, panels may be called for from the various planters' associations and that Government may select out of the panel. What have you to say about that?

**Shri Varghese:** The view of the association which I represent is that we should be given the privilege, if I may say so, of nominating our own representatives to the Board.

**Chairman:** You have suggested that the definition of planters' associations also may be added to the Bill. What would be the standard which can be adopted in recognising the planters' associations?

**Shri Varghese:** The representative character of an association will depend on its membership

**Chairman:** The difficulty is this. If there are comprehensive associations taking almost all the planters, there may not be much difficulty in giving representation to the various associations. In cases where the majority of the small holders are left out, and they have also an organisation, how can you lay down in the Bill that such and such Associations may be given representation? Will it not be difficult to specify the Associations? Suppose some other organisation of small holders comes up, will it not be difficult if some of the Associations are specified only in the Act itself?

**Shri Varghese:** The existing Board which is functioning now has given due representation to the three Associations mentioned. If there are going to be new Associations, it is a matter for consideration of the Government depending upon the membership of that Association.

**Chairman:** How do you elect your representatives to the Board? Is it by your Executive Committee or by the general body?

**Shri Varghese:** We follow the same procedure detailed by Mr. Calderwood. The Executive Committee in the first instance nominates the representatives and subsequently the general body approves of them.

**Chairman:** Could you give us an idea of the total membership of your association?

**Shri Varghese:** My association represents 158,000 acres.

**Chairman:** The number of units?

**Shri Varghese:** I think it will be about 120. I am not so definite. There are small units also. I think it would be about 700.

**Chairman:** One of the reasons urged for giving representation to you in the Rubber Board is that the industry is well organised. Three Associations are mentioned in the present Act. Can it be said that they represent the majority of the planters or the planted areas?

**Shri Varghese:** I shall put it plainly. Out of the 174,000 acres under rubber in India, more than 80 per cent. is in the Travancore-Cochin State. Therefore, it is only right that the association which I represent be given more weightage in nominating its own members.

**Chairman:** May I know whether your association represents the majority of the area comprised in rubber?

**Shri Varghese:** Yes; it does.

**Shri T. T. Krishnamachari:** You said that you represent all the acreage of rubber in Travancore-Cochin?

**Shri Varghese:** I did not say all the acreage; the majority of the acreage.

**Shri T. T. Krishnamachari:** Have you representatives of the small holders as well?

**Shri Varghese:** Above 50 acres, as I said.

**Shri T. T. Krishnamachari:** You are not quite sure of your membership. You say that you are representing the small holders. Merely because you have called your association the Association of Planters, it does not mean that it represents everything in Travancore.

**Shri Varghese:** I said that owners of 50 acres and more are members and that the rest are not.

**Shri T. T. Krishnamachari:** That leaves out a fairly large portion. Fifty acres and more come to only 463 out of 14,430. The units that are left out are substantial: about 14,000 units are left out. This seems to be a curious form of representation when we have adopted the adult suffrage.

**Shri Varghese:** Our association represents estates owning 50 acres and more. The majority of the labour employed are also employed by the estates which I represent. Small holders are not all members of the Association of Planters, Travancore. Most of them are members of the Rubber Growers Association.

**Shri T. T. Krishnamachari:** Any rights that you represent are those of big plantations.

**Shri Varghese:** Can 50 acres or more be called big plantations?

**Shri T. T. Krishnamachari:** Mr. Calderwood said 120 acres and more; you represent 50 acres and more.

**Shri Varghese:** There is another association called the Rubber Growers Association to represent the small holders.

**Shri T. T. Krishnamachari:** I have heard about them. I would like to know whether you are as representative as the Rubber Growers Association. The Rubber Growers Association represents the small growers. To what extent they are representative is a matter that you know better. I am asking whether you are as representative as the Rubber Growers Association?

**Shri Varghese:** I am not able to follow the question.

**Shri T. T. Krishnamachari:** It is rather involved; only Mr. Calderwood would understand the question. Let me proceed. How often do you meet?

**Shri Varghese:** The Executive Committee?

**Shri T. T. Krishnamachari:** The Executive Committee is an offshoot. How often does the main body meet?

**Shri Varghese:** The General body meets certainly once a year, and more often if necessary.

**Shri T. T. Krishnamachari:** How many times have you met more than once during the last three years?

**Shri Varghese:** We have met thrice this year.

**Shri T. T. Krishnamachari:** What is the venue of your meeting?

**Shri Varghese:** Kottayam generally; sometimes in Cochin. We have the headquarters in Kottayam.

**Shri T. T. Krishnamachari:** How many of the members attend these meetings? Do you attend the meetings?

**Shri Varghese:** I do attend all meetings.

**Shri T. T. Krishnamachari:** May I know precisely how many people attended each of these three meetings?

**Shri Varghese:** On an average about 30 people have attended.

**Shri T. T. Krishnamachari:** It means sometimes more than 30 and sometimes less. Let me know how many attended meeting A, how many attended meeting B and how many C?

**Shri Varghese:** Certainly above 20 all the time.

**Shri T. T. Krishnamachari:** What is the number composing your Executive Committee?

**Shri Varghese:** Ten.

**Shri T. T. Krishnamachari:** The 30 people who attend the Annual General meeting elect ten people?

**Shri Varghese:** It is not exactly 30 people.

**Shri T. T. Krishnamachari:** Let us take it 35 or 37 people. They elect 10 members.

**Shri Varghese:** When I say one man attends, he may represent 4 or 5 companies. I represented five companies in that meeting. Although physically one member, I represent all the five companies.

**Shri T. T. Krishnamachari:** If your membership is on the basis of companies, it means that an individual can represent a whole lot of companies. I want to know what is the quantum of your representation. If you represent seven companies, so far as I am concerned, you are one entity and you have one vote only. If your Articles of Association give you a loaded vote, it does not concern me. I am only concerned with the individuals who attend. Thirty-four

individuals join and they elect 10 members of the Executive Committee. Is that right?

**Shri Varghese:** That is right.

**Shri T. T. Krishnamachari:** And that is democracy. Thirty-four people electing 10 people.

**Chairman:** That would be entering into an argument.

**Shri Varghese:** May I submit....

**Shri T. T. Krishnamachari:** Let me proceed. The Executive Committee selects the representatives for these bodies?

**Shri Varghese:** It is not a question of 34 people. It is open to all members to attend. For various reasons, some may not be able to come. They may send their opinion by letters.

**Shri T. T. Krishnamachari:** I want to know what is really happening. Thirty-four people come and they elect ten people and these people select the representatives for this Board.

**Shri Varghese:** I hold the view and I wish to submit to you....

**Shri T. T. Krishnamachari:** I am asking you about facts.

**Shri Varghese:** Facts I am expressing....

**Shri T. T. Krishnamachari:** You cannot express facts. You must affirm a fact. Please do not express anything; say 'yes' or 'no'. Thirty people, or a little more than thirty attend and they elect ten people as representatives.

**Shri Varghese:** That is correct.

**Shri T. T. Krishnamachari:** That is all right: I have nothing more to ask.

**Shri Punnoose:** Some of the Members of the United Planters' Association are members of the APT?

**Shri Varghese:** Yes.

**Shri Punnoose:** Some of the members of the small growers are also members of the APT? Then what

district interest does APT represent? When these two association members are members of your association, is it not very clear that the associations overlap?

**Shri Varghese:** There may be cases where membership may overlap; but it is not *en bloc*.

**Shri Punnoose:** What is the point in having three associations when the membership is uniform?

**Shri Varghese:** Membership is not uniform always.

**Shri Punnoose:** What are the functions of the APT? You said that during war-time you got rice and had it rationed; you are also taking part in labour disputes and other things. What exactly are the functions of the APT and how does it help the grower?

**Shri Varghese:** The function of the APT is to advise members in all matters connected with the industry, in its various aspects.

**Shri Punnoose:** I want to know whether your association is giving any practical help to the growers with regard to the development of the industry, the choice of the seedlings, cultivation, fertilisers, etc. Are you giving any sort of help?

**Shri Varghese:** It is now dealt with by the Rubber Board.

**Shri Punnoose:** When you claim representation on the Rubber Board what exactly is the interest which you want to serve? Government is now anxious to develop the industry. You should be able to tell this Committee how your presence there will help the Government to do that.

**Shri Varghese:** When we want certain matters connected with the industry to be represented before Government, we speak in our fully representative capacity of the industry. Development of industry is only one aspect of the matter.

**Shri Punnoose:** Does APT concede that organised labour also should be represented through their elected representatives?

**Shri Varghese:** Definitely.

**Shri T. T. Krishnamachari:** One question I would like to ask of Mr. Calderwood. I do not know, Mr. Calderwood, if you are aware that in the last recommendation of the Tariff Commission in regard to price fixation, they have given an element for price fixation, that is Rs. 6.82 per cwt. Has that been made use of for rehabilitation? Have the various estates, and for that matter your own estate, set apart that amount and used it for rehabilitation?

**Mr. Calderwood:** We are spending considerably more than that. On my own estate and I think on most of the estates of our company I can assure you that is being followed. We ourselves had a plan before this recommendation came, of providing 10 per cent. for rehabilitation of our old trees and we are going ahead with that plan.

**Shri T. T. Krishnamachari:** Have the UPASI kept in touch with the member estates having in view the fact that the Tariff Commission have recommended that if that amount is not spent on rehabilitation, the price should be reduced?

**Mr. Calderwood:** We have impressed this matter and it is being carried out.

**Shri T. T. Krishnamachari:** Can you give me the definite figure as to how many of your member estates have co-operated with this scheme?

**Mr. Calderwood:** I should say that a large proportion of the big producers are well aware of this matter. It is no longer economic and anybody who has got an interest in the capital value of his estate has got to face the fact that unless they replant they have to lose it all.

**Chairman:** Before you leave I would put one question. Difficulties have been experienced by the Board in collecting the cess that is being levied. What is the method you would sug-

[Chairman]

gest for effective realisation of the cess that is being levied under the Act?

**Mr. Calderwood:** I would suggest its being collected at the stage of production, in each particular estate or factory.

**Chairman:** That is from the owners themselves?

**Mr. Calderwood:** Yes.

**Chairman:** On the present basis?

**Mr. Calderwood:** Yes.

Of course, if there was an alternative method of taxing it under what

was suggested by the hon. Minister it might be of course another method. I am talking of the cess. It would be best collected at that particular stage.

**Chairman:** We are thankful to both of you for appearing before the Committee.

**Mr. Calderwood:** We are grateful to you for the very kind reception that you have given to us.

*(The witnesses then withdrew.)*

*The Committee then adjourned till three of the Clock.*

*The Committee re-assembled at 3 P.M.*

**III**

*Name of the Association.*—The Indian Rubber Board.

*Representative.*—Shri K. Srinivasan.

(Date 21st July, 1954)

(Witness was called in and he took his seat).

**Chairman:** Mr. Srinivasan, you are a member of the Rubber Board, is it not?

**Shri Srinivasan:** Yes.

**Chairman:** In what capacity are you on the Board? Representing the Association or as one nominated by the Government?

**Shri Srinivasan:** Representing the United Planters' Association who have been allotted three seats. I am one of the three persons.

**Chairman:** Are you aware of a feeling among the rubber growers that the interests of small growers are not properly safeguarded by the Rubber Board as at present constituted?

**Shri Srinivasan:** I am not aware of any such complaint, because I myself have had occasion to take up their cause.

**Chairman:** Having regard to the present personnel of the Board, can you point out the representatives who represent the small growers on the Board?

**Shri Srinivasan:** There has been no association of consequence which comprises exclusively of small growers, as there has been of U.P.A.S.I. and others. But some of the members of U.P.A.S.I. have also small units, and their friends would take up their cause also in the Rubber Board.

**Chairman:** Can it be said that the Rubber Growers' Association,

Kottayam represents the small growers?

**Shri Srinivasan:** Not exclusively. They have small growers. Their cause is also voiced by big growers. In fact there is no conflict of interest between small growers and big growers.

**Chairman:** In the resolution passed by the Board you have vehemently attacked any alteration in the constitution of the Board as at present existing. What are the suggestions that you have to offer? What will be the safeguards that you will suggest in the constitution of the Board to safeguard the interests of the representatives of the small holdings?

**Shri Srinivasan:** In some of the nominations provided for the Government they might make their own investigations as to the proper 'small grower' and nominate him to the Board.

**Chairman:** So that, according to you, representation to all growers is not possible to be given if the various planting associations now in existence are asked to send their representatives to the Board?

**Shri Srinivasan:** I cannot fully say that, but there will be no exclusive representation for small growers as such. In the nominations, the Government might probably nominate a suitable representative after making their own investigations.

**Chairman:** In your resolution you have not adverted to that aspect, namely with regard to giving representation to the small growers.

**Shri Srinivasan:** Because as producer member we have not been slow to recognise the importance of the small grower in the industry, and the Board has made many attempts to keep his cause also before the Board whenever discussions have taken place.

**Chairman:** Apart from the feeling that there is no proper representation for the small growers, is there not a feeling that the interests of the small producers are not properly looked after by the Board?

**Shri Srinivasan:** I do not think. To the best of my knowledge I have not heard any complaint from any small producer, because I have known many who have received assistance from the Board in the matter of technical knowledge etc. And in the matter of allocation of special seats also we have chosen in a manner by which the small grower will get very many more seats probably than even the big grower. I have never known of any conflict on the production side between a big grower and a small grower.

**Chairman:** In respect of control of prices for the various grades of rubber, the big planting companies get the proper prices; but with regard to the small producers they are not getting the prices fixed by the Government. Are you aware of this complaint?

**Shri Srinivasan:** I have heard of that.

**Chairman:** Has the Board taken any measures to see that they also get the price that is guaranteed by the Government?

**Shri Srinivasan:** I can tell you what exactly the Board has attempted to do in this direction. Whenever there is a surplus of stock and less of demand from the manufacturers there used to be a dent in the prices. The pressure of the price dent has been more on the small producer than on the big producer. For one thing it has no holding capacity. Another thing is

that the curing in the manufacture of rubber by the small producer was not always of the grade and demand of the manufacturer. In fact the question is one of development of production of quality rubber by the small producer. I do not think the price differential or price variation will be noticeable between the small and big seller.

**Chairman:** But there has been a disparity in the price realised by the small growers as compared to the big growers.

**Shri Srinivasan:** There was a difference, but not very acute probably.

**Chairman:** How do you explain this? In spite of the fact that there has been a shortage of rubber in our country for the requirements of our manufacturing concerns, why is that the law of supply and demand does work in this respect?

**Shri Srinivasan:** There is a very peculiar thing here. The demand from the manufacturer is intensive seasonally in inverse proportion to the best producing months. For instance, October-November-December are very good cropping months for the producer. Those are the leanest months for the manufacturer—because of Puja holidays in Bengal, etc. The result is that all the rubber coming into the market at this time is not absorbed. Actually there is a shortage of production in June-July-August when the demand is keenest by the manufacturers.

**Chairman:** For that period, what is the remedy that you would suggest? Can the Board have a marketing organisation at that time?

**Shri Srinivasan:** An attempt was made to create a co-operative marketing society by the small producers. The big producers have got their own marketing organisation, well established. If the small growers have a co-operative society, they will also have the status of the big manufacturers.



**Chairman:** Has the Board made any substantial attempt in that direction?

**Shri Srinivasan:** They did want to make an attempt and tried to start a co-operative society. There was no enthusiastic response. Later the Board went into the question again and suggested that the Registrar of Co-operative Societies in Travancore may be called to give assistance to start a co-operative society. At the last meeting of the Board, they passed a resolution that a depot be started to buy only the rubber of the small producers.

**Chairman:** What happened to that proposal?

**Shri Srinivasan:** That decision was arrived at in May.

**Chairman:** You know there was a Government depot at Cochin for some time and then, there was not much difficulty for the small growers.

**Shri Srinivasan:** That was during the war when there was scarcity in production.

**Chairman:** You are not able to start any depot.

**Shri Srinivasan:** We have passed a resolution. It will have to be started under the aegis of the new Board.

**Chairman:** The Board has been working for a number of years. The Board has to devote its attention to research, increased production, etc. Has the Board done anything in this direction?

**Shri Srinivasan:** Much attempt has been made in that direction. Most of the people who know the fate of this industry are also aware that the Government have contributed to some of the difficulties that have not been overcome all these years. In fact, there is the price structure. In regard to the import of overall shortage coverage, a scheme has been submitted which had to be passed through the I.C.A.R. After being vetted, it was sent to the Government. Government turned it down. At one time,

there was not much help from the Government. Price is one important factor. The producers made a representation for an enquiry by the Tariff Commission. Many attempts were made. Not all of them have borne fruit.

**Chairman:** Do you mean to suggest that attempts were made, but because of difficulties which have intervened, from whichever quarter, the Board was not able to do what it wanted to do?

**Shri Srinivasan:** I think the proceedings of the last 17 meetings, if carefully gone into, will show what the Board has attempted to do.

**Chairman:** You know about the K. G. Menon Committee. Some scheme was formulated for the development of the industry. That was done long ago.

**Shri Srinivasan:** There was a development scheme submitted by the Board itself before the Menon Committee.

**Chairman:** Afterwards, the Central Government constituted the Menon Committee. Has the Board attempted to do anything on the lines suggested by the Development Committee presided over by Shri Menon?

**Shri Srinivasan:** The Board has attempted to put the development scheme into practice, with regard to collection of funds, finances and all these matters. All these proceedings of the 17 meetings, if I remember aright, at least 12 of them should show what exactly the difficulties are, how the Board was anxious, etc. The Minutes of the last meeting would show that something has to be done. If the Board had been able to do things as they wanted, it may have been better.

**Chairman:** Regarding the marketing organisation, Shri Reddy had also suggested certain methods by which the entire rubber should be marketed, or if that is not possible, at least a separate organisation may be form-

[Chairman]

ed for the purchase of raw rubber of the small growers. Has the Board attempted anything in the direction of the suggestions contained in the report submitted by Shri Reddy?

**Shri Srinivasan:** The Board did attempt. Even as among the producers, there are smaller growers who are engaged in selling rubber. Among the manufacturers, there are small manufacturers who are not able to get suitable rubber. Their association is in Bombay. I called upon that association to start a co-operative buying society for the manufacturers in Kottayam and I asked them to start a selling co-operative society for the producers so that things could be helped. The Registrar of Co-operative Societies, Bombay, did not allow that and in Travancore, the producers were not able to get into a co-operative union.

**Chairman:** In the reports that you have sent to the Central Government you have stated that you have answered certain queries sent to you by the planters, and tried to give them instructions and other things. Apart from that, has the Board made any serious attempt to approach the small growers and help them in the development of the plantation areas?

**Shri Srinivasan:** I do not follow.

**Chairman:** Has the Rubber Board employed any field men or any instructors to approach the small growers and instruct them in the proper way of growing rubber and introducing improved varieties?

**Shri Srinivasan:** Yes; there are people and they are working from day to day. They have done all that. The small grower is as clever in securing aid. They purchase seeds from the Rubber Board. The Rubber Board gives them priority. The Field officer helps them in every way. All that has been done.

**Chairman:** Do you mean to say that the Board wanted to function well but it was not possible?

**Shri Srinivasan:** The Board has not been able to do all that it desired. But, it did endeavour to do what it can. Some of the difficulties that they have had to overcome have not been very common or normal.

**Chairman:** In the Statement of Objects and Reasons, appended to the Bill, the Government's stand is that there has not been proper co-ordination between the Central Government and the Rubber Board. Has there been any instance of any conflict between the Rubber Board and the Government in regard to policy, etc.?

**Shri Srinivasan:** So far as I am concerned there have been several occasions when the policy stand taken by the Government according to the Board was not the correct one to be taken by them then. Representations have also been made about them. I will give you one instance. The production has been 19,000 to 22,000 tons all these years. There was a time when manufacturing institutions required about 24,000 tons. We were able to produce only 15,000 tons. There was an overall shortage of 3,000 or 4,000 tons to be imported. The import export policy was a very important matter. When the world price was lower, if the manufacturers imported for all the shortage, that could be stopped so that there may be no dent in the demand and price set-back. Representations have been made to the Government. Even over the decisions and recommendations of the Board, import permits were indiscriminately allowed—indiscriminately according to me—and there has been a serious set-back in the price and a lot of agitation.

**Chairman:** That was during war time.

**Shri Srinivasan:** During the later period of the last Board; during 1948, 1949 and 1950, there was always trouble with regard to prices.

**Chairman:** In the last 1½ years, you have not experienced any difficulty from imports?

**Shri Srinivasan:** We came ourselves to a formula: Wherever the manufacturer had to export, he should be in a position to import rubber against the dry content of rubber goods imported. Later on, to the extent of overall shortage, periodically, the import export committee looked into the question and made recommendations. Representatives of the manufacturers, producers and the Government sit and settle the import export business.

**Chairman:** Are you in favour of a full-time Chairman?

**Shri Srinivasan:** To the best of my knowledge, there is not enough work and there is no necessity for a full-time Chairman.

**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 the 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?

**Shri Srinivasan:** My view is that the Rubber Production Commissioner's services are not available for the purposes for which he has been appointed. As things now stand, his valuable time is taken away by administration. 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.

**Chairman:** We have to give representation to growers, manufacturers, labour. These will be people who will

have other business to attend to. Will it not be better to have a full-time Chairman?

**Shri Srinivasan:** Am I to understand that in the way in which the Chairmanship of this Board has been carried on, something was left wanting or was the Chairman inefficient? Or, have they not been able to give their best?

**Chairman:** If he has to preside over the meetings of the Board, it is all right. He must have overall control of the entire organisation. As such will it not be desirable to have a full-time Chairman?

**Shri Srinivasan:** He has got it now. There is not just enough work. In policy, in matters of import including improvement, there is the Advisory Committee. Crises are not occurring in this industry every day.

**Chairman:** Apart from this, if the Select Committee is of the opinion that it is desirable to have a full-time Chairman, in that case, instead of the Chairman being elected from the various groups, manufacturers, producers, labour and other people, will it not be better to give the power of appointing the Chairman to the Government?

**Shri Srinivasan:** In various Committees like ICAR the Minister is the Chairman. In the Areca-nut Committee, the Minister is the Chairman. If we get the Minister as the Chairman, there is no need to have the provisions regarding appellate jurisdiction, etc.

**Shri T. T. Krishnamachari:** In the ICAR, the Vice-Chairman is the head of the Executive. The Minister is the figurehead.

**Shri Srinivasan:** We will have a Chairman in the Minister. Let the Vice-Chairman be elected.

**Shri T. T. Krishnamachari:** No Minister will undertake responsibility if you elect the Vice-Chairman.

**Chairman:** With regard to the constitution of the Board, you are against nomination by the Central Government and State Governments. Are you not aware of the policy now being followed, the pattern laid down in the constitution of the Tea Board and Coir Board? In framing the rules, the Government has tried to see that the real representatives of the business or industry are included in the Board or Committee and for that purpose, a panel is called for from the Association. There has not been much complaint in that way of constitution. What do you say against adopting that course in the case of the Rubber Board?

**Shri Srinivasan:** I have got my own doubts whether it would be right to compare the legislative enactments of the tea industry with those of rubber.

**Shri T. T. Krishnamachari:** Tea is inelastic; Rubber is.

**Shri Srinivasan:** Tea is an article of food. Rubber is strategic material. We are exporting a greater percentage of the tea produced in this country. In rubber, we are trying to prevent export. In the case of tea, the cess comes to one crore of rupees. In rubber it will come to one or two lakhs and probably Rs. 20 lakhs when the cess is increased. The Tea Committee had always a nominated Chairman. The Rubber Board got a nominated Chairman in the person of Shri C. P. Ramaswami Ayyar. When the new Act was passed, the Rubber Board was given an elected Chairman. It is a progressive thing. The object of the Rubber Board is to step up production of rubber in India. We have got a Rubber Production Commissioner and our aim is to make India produce greater quantities of rubber.

**Chairman:** What will be the quantum of foreign interests in rubber?

**Shri Srinivasan:** From 22 to 23 per cent. officially and may be probably less, when you take the statistics of shareholders of the English managed companies.

**Chairman:** Even when there is representation for small growers, as a matter of fact, the large holders dominate the entire show.

**Shri Srinivasan:** As a practical planter who is responsible for controlling a fairly large area and having no rubber of my own, personally, I may tell you it is a charge which is not very legitimately established. In fact the troubles for the big producer are more.

**Shri Punnoose:** How is that?

**Shri Srinivasan:** Because, the bigger producer on account of efficient working, standardisation and economy is able to find a better rate or profit than the small producer. Naturally, every wing of the industry feels that it has a greater share to get out of his profits.

**Chairman:** With regard to the collection of cess, you have no objection to its enhancement, having regard to the plan for the development of the industry and helping the small growers?

**Shri Srinivasan:** Capital has been the bed-rock on which most of the development schemes which the Board recommended have foundered. It is difficult to get capital for rubber.

**Chairman:** So, it is desirable to have an enhancement of the cess.

**Shri Srinivasan:** Nobody can object to that, but wherefrom it has to be collected and what portion of the price should go towards cess, are matters which require consideration.

**Chairman:** Is it not a fact that even the small cess is not fully realised?

**Shri Srinivasan:** Under the old system the cess was collected by the Board itself. There have been many small growers who have not been able to pay the cess.

**Chairman:** At what point is it desirable to collect it. In the case of coir there is no difficulty; in the case of tea there is no difficulty. But in

regard to rubber at what point should we collect it—from the grower or from the manufacturer?

**Shri Srinivasan:** I feel that it would be easier and surer if collection is made at the manufacturing point. In the absence of export of the raw produce, the whole thing will be manufactured within the country itself and the units of manufacture are barely about fifty or sixty, if I remember aright. If the cess is collected at the manufacturing point, it may ensure full and easier collection.

In the matter as to who is to bear it, the Tariff Commission has already made a recommendation that it would be on a cost plus profit basis.

**Shri T. T. Krishnamachari:** It is the intention of Government that what the raw producer gets now should not suffer any diminution.

**Shri Srinivasan:** That is a point which the Board has been representing several times.

**Shri T. T. Krishnamachari:** How long have you been a member of the Board, Mr. Srinivasan?

**Shri Srinivasan:** From 1947 throughout the life of both the Boards.

**Shri T. T. Krishnamachari:** Have you had any occasion to compare the planting and replanting of estates prior to the period when you became a member and during the period when you have been a member?

**Shri Srinivasan:** Yes, Sir.

**Shri T. T. Krishnamachari:** You will recollect that during the six years or rather five years prior to your becoming a member the total acreage planted was as follows:—

1942	5,800	acres
1943	14,700	"
1944	11,741	"
1945	9,800	"
1946	4,300	"

During the year you became a member it became 2,700; thereafter it dropped to 1,200 and later on to 1,100 and 1,400.

**Shri Srinivasan:** During the years the Board started functioning, not because I became a member.

**Shri T. T. Krishnamachari:** Can you tell us why there has been a fall in the acreage planted?

**Shri Srinivasan:** In fact this matter has been vigorously engaging the attention of the Board. We have found in the economy of rubber that whenever prices have been good the area opened out in that particular year was the greatest.

**Shri T. T. Krishnamachari:** In 1951 the price was increased from 90 to 128; in October 1952 it was further increased to 138. Still I find that the planting has not gone up.

**Shri Srinivasan:** But the prices have been the highest under the uncontrolled economy. Rubber always found capital to be ploughed into business, even though it required 8 years' waiting to bring any yield. In the history of rubber plantations since 1931 you will find that the area attempted to be opened up was the largest in those years when the prices have been the best. Actually, there was a hope given to us by the then Minister, Sir A. Ramaswami Mudaliar.

**Shri T. T. Krishnamachari:** Shall I point out to you that all these years this increase in rubber acreage took place, the prices were governed by the London market prices and you never got more than Rs. 110 in any year.

**Shri Srinivasan:** In those years the cost was also less. It is the return possibility on the capital outlay which was the deciding factor.

**Shri T. T. Krishnamachari:** From a strange conspiracy or combination of circumstances it looks as though it is the Board which has retarded development.

**Shri Srinivasan:** The best objectives of the Board could not be translated into action due to difficulties which the Board confronted in the initial years from the Government.

**Shri T. T. Krishnamachari:** The only conclusion that could be drawn is that the Board had only pious aspirations, but had never the capacity to implement them.

**Shri Srinivasan:** They had the fullest capacity, but that amount of co-operation which was expected of the Government was not forthcoming in those years.

**Shri T. T. Krishnamachari:** I am prepared to co-operate with you to the fullest extent: but I have not been asked for any co-operation.

**Shri Srinivasan:** I would apologize to you and beg of you not to feel that I am voicing any grievance against you.

**Shri T. T. Krishnamachari:** What is the co-operation that you have asked of me. I was willing and prepared to give the fullest co-operation.

**Shri Srinivasan:** When I had the privilege of meeting you, immediately after you took over, in Ernakulam you were practically so sympathetic that I was overwhelmed with gratitude.

**Shri T. T. Krishnamachari:** But why did you not put up any proposal?

**Shri Srinivasan:** The development scheme has been before Government for such a long time.

**Shri T. T. Krishnamachari:** But the Board has not passed any resolutions. In fact, we know nothing about it. Is that not a justification for having an official Chairman?

**Shri Srinivasan:** The real fact is that there was nobody as much anxious as the Board to put through these development schemes.

**Shri T. T. Krishnamachari:** Mr. Srinivasan, it is just like concentric circles. We, on our part, are anxious to do as much as we could; you, for your part, want to get as much done as possible. But our anxiety does not seem to come together. You do not seem to know our mind and *vice versa*. The real point about it is that

Government knows nothing about it, still you expect Government to do everything.

**Shri Srinivasan:** In fact, your officers have received deputations from us.

**Shri T. T. Krishnamachari:** Excepting on one or two *ad hoc* occasions my senior officers have no time to come down to Kottayam.

**Shri Srinivasan:** Some of the senior officers did attend. On one or two occasions we have waited on deputation on Mr. Bhoothalingam. Government cannot say that these recommendations have not been before them.

**Chairman:** Did you at any time forward the development scheme, as approved by the Board, to Government?

**Shri Srinivasan:** Government passed it on to the Indian Council of Agricultural Research to vet it and it was held up in the archives of the Agricultural Department. A number of times I came here personally to get the Indian Council of Agricultural Research forward it. It is now more than one and a half years. What is it that Board can do, unless it be that the *persona grata* of the people in the Board are of a nature as to attract the attention of the Government?

**Shri T. T. Krishnamachari:** You ought to have somebody at the helm of affairs of the Board who is *persona grata* with Government.

**Shri Srinivasan:** It is begging the question.

**Shri T. T. Krishnamachari:** It is a question of putting the question. How many times does the Board meet every year?

**Shri Srinivasan:** About three times it has met; it has to meet twice a year.

**Shri T. T. Krishnamachari:** What is the attendance at these meetings?

**Shri Srinivasan:** Almost full—probably one or two members less. Two out of 23 or 24 members, that is the average absence to the best of my knowledge.

**Shri T. T. Krishnamachari:** Have you got an Executive Committee?

**Shri Srinivasan:** We have no Executive Committee. We constituted a local committee.

**Shri T. T. Krishnamachari:** What do you mean by a local committee.

**Shri Srinivasan:** Whenever decisions have to be taken quickly five or six members have been elected by the Rubber Board. They meet, and discuss and circulate the proceedings to the members of the Board.

**Shri T. T. Krishnamachari:** In effect it is an Executive Committee.

**Shri Srinivasan:** It is a matter of nomenclature. Actually, we have no power of execution. Its functions are only of an advisory character. The power of execution rests with the Chairman and the Rubber Production Commissioner.

**Shri T. T. Krishnamachari:** Does the Chairman attend meetings of the local committee?

**Shri Srinivasan:** Whenever possible; otherwise we keep in touch with him.

**Shri T. T. Krishnamachari:** Is the Chairman a resident?

**Shri Srinivasan:** He is not now.

**Shri T. T. Krishnamachari:** The former Chairman?

**Shri Srinivasan:** There were only two Chairmen; the former was.

**Shri T. T. Krishnamachari:** Is the Vice-President a resident of the place?

**Shri Srinivasan:** The present Vice-President is a resident; the one before was close enough.

**Shri T. T. Krishnamachari:** So the entire work of execution devolves on the Rubber Production Commissioner?

**Shri Srinivasan:** He is the executive chief.

**Shri T. T. Krishnamachari:** Is the Secretary subordinate to the Rubber Production Commissioner?

**Shri Srinivasan:** He is not co-equal.

**Shri T. T. Krishnamachari:** So virtually the Rubber Production Commissioner is the executive of the Board.

What objection would you have if the executive power is taken over and put in another officer and he is called a Chairman?

**Shri Srinivasan:** I have said there is no case.

**Shri T. T. Krishnamachari:** Somehow or other something has happened. I do not know what you have been doing; you do not seem to know my mind. I have been prepared to help you all these two and a half years and you have been wanting help. I did not know that you have been wanting help, nor were you aware that I was prepared to help. This state of affairs has somehow or other to be remedied. In the case of the Tea Board, for instance, either I meet the Chairman or he meets me. He has got the *ex-officio* status of a Joint Secretary: so he can get things done. Here is a case of development which I am willing to finance; nevertheless, we have never come together.

**Shri Srinivasan:** The question of finance comes only now.

**Shri T. T. Krishnamachari:** The whole point is this. Government has been spending a lot of money on various development schemes. It is not so difficult to find money. Rubber is a strategic commodity; we need about 25,000 tons and progressively our needs will go up in geometrical proportion. But your production can-

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not go up progressively. It takes about eight years for the trees to grow up. At any rate we have to plan in such a way that we will be self-sufficient in about ten years. Here the development is imperative. It is a strategic material. Do you want Government to leave it to a part-time Chairman who may or may not be interested, leave it to growers' bodies which may or may not represent growers and to representatives who are elected in a proper or haphazard manner? Don't you think that Government will not be able to discharge its responsibilities by this?

**Shri Srinivasan:** It is most unfortunate that inference is drawn by Government. Dr. S. P. Mookerjee....

**Shri T. T. Krishnamachari:** The proof of the pudding is in the eating.

**Shri Srinivasan:** That is exactly what I am saying. If the Government is really anxious to help and if they mean to find the finance, this Board would have probably got the development scheme going long before it is discussed here.

**Shri T. T. Krishnamachari:** I am telling you I could have found you finance and I could have helped you with your schemes. But I did not know about it.

**Shri Srinivasan:** The scheme has been before Government for a long time. But if you want me to come everyday and make a perpetual nuisance, I will do that.

**Shri T. T. Krishnamachari:** Then the other man will cease to employ you, and you will become a full-time Chairman!

The other point I would like to ask you is this. You mentioned in reply to a question by the Chairman about foreign interests that it is roughly about 22 per cent. That is true. I am asking in relation not to the total acreage but to the effective acreage, because so far as the small grower is

concerned 71,000 acres are not effective. The effective acreage is a lakh of acres.

**Shri Srinivasan:** 1,36,000.

**Shri T. T. Krishnamachari:** 1,02,000 acres is the figure on 31st December 1953.

**Shri Srinivasan:** Where are these figures from?

**Shri T. T. Krishnamachari:** From the Rubber Board. I do not know, probably your Board gives incorrect figures!

**Shri Srinivasan:** You can afford to be uncharitable, Sir; we cannot.

**Shri T. T. Krishnamachari:** Out of that, the effective foreign acreage or foreign-controlled acreage is 39,311 acres. Foreign interests are very large.

May I ask how the Rubber Board has defined 'effective acreage'?

**Shri Srinivasan:** I leave the small estates, less than 400 lbs. We take it as mean. Most of them will fall below that.

**Shri T. T. Krishnamachari:** Most of the European estates also will fall below that.

**Shri Srinivasan:** 6,000 tons is their total production out of 40,000 acres, as against 22,000 tons for 1,73,000 acres.

**Shri T. T. Krishnamachari:** That is because small units contribute far less than the bigger units. Maybe they are not on the Board. You represent UPASI. You owe your election to the weighted votes of the European votes in the UPASI.

**Shri Srinivasan:** I have been un-animously elected, not through weighted vote.

**Shri T. T. Krishnamachari:** When they elect an Indian it is always un-animous. What is the strength of the Indians?

**Shri Srinivasan:** It is growing.



**Shri T. T. Krishnamachari:** When it has grown we will see. What is it today, the stunted growth, the effective votes out of 174?

**Shri Srinivasan:** About 30 or 40 votes. But we are able to make our voice felt.

**Shri T. T. Krishnamachari:** Because it is a loud voice!

**Shri Srinivasan:** Because it is a sound voice, perhaps.

**Shri T. T. Krishnamachari:** I say you have been elected by sufferance. I am suggesting to you that you owe your election in the UPASI merely because of the favours of Europeans.

**Shri Srinivasan:** I must disagree.

**Shri T. T. Krishnamachari:** Could you have produced the votes?

**Shri Srinivasan:** It is by invitation I am there. To say that I am there by sufferance is definitely putting me down.

**Shri T. T. Krishnamachari:** It is a matter of semantics. I am coming to the question of representation. You say you have been invited?

**Shri Srinivasan:** Pestered. It is no bed of roses and I have more important work.

**Shri T. T. Krishnamachari:** It certainly does honour to the wisdom of the people who have chosen you.

Suppose the Parliament passes the Bill as it is, more or less in the form it is today, that is with a paid Chairman, with Members selected out of panels submitted by the various bodies, and we have some decent representation for small growers—even if we have to go and pick them out.

**Shri Srinivasan:** Or some of us.

**Shri T. T. Krishnamachari:** Suppose we do that, do you think the Board will not function?

**Shri Srinivasan:** The Board will function, conditioned by so many other factors. If this Board has not been able to give full results, it is not due to the constitution of the Board.

**Shri T. T. Krishnamachari:** I am not asking you about the past, but about the future. Suppose the Select Committee says: this is the contour of the Board, we have a paid Chairman appointed by Government, the other Members are selected from out of panels submitted by the bodies. Maybe Travancore-Cochin and Madras may select small growers who are really small growers. Do you mean to say that the work of the Board will suffer?

**Shri Srinivasan:** Could it be bettered?

**Shri T. T. Krishnamachari:** I am asking you a negative question. You are asking me a positive question. When you project a hypothesis into the future, it is easier to answer a negative question. Will it be worse than the present?

**Shri Srinivasan:** I am not trying to be intelligent, but I am asking so that I may give the proper answer.

**Shri T. T. Krishnamachari:** Will the heavens fall and will the rubber industry come to fall?

**Shri Srinivasan:** Even if it is not changed, the heavens will not fall. The heavens fall due to various other factors.

**Chairman:** The Amending Bill contemplates the abolition of the Rubber Price Advisory Committee. Is there any necessity for retaining it?

**Shri Srinivasan:** There is one small advantage. In the original concept of the Price Advisory Committee there were 12 representatives of producers, three of manufacturers, Government gave two members to the manufacturers in the Price Advisory Committee and one to the producers—even when there was a weightage of 12. And there were three Government representatives unconnected with either production or manufacture. So that in any organisation of fair prices, if the manufacturers will speak for the lowering of prices and the producers will ask for the betterment of prices, there will be lot of opportuni-

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ties to meet and discuss and three independent people will be able to discuss them.

**Chairman:** Is there not the Tariff Commission, a more competent body?

**Shri Srinivasan:** Certainly. But the Tariff Commission was able to meet only once a year. And then the price they fixed was for three years and if the index varied by ten points there was a case for revision of price by Government. So any such constituted body—I am not particular that the Committee must be retained—may be called upon to revise the price.

**Shri T. T. Krishnamachari:** Surely Government will not fix prices without advice. It will be either the Board or the executive committee of the Board. It will be a matter of nomenclature.

**Chairman:** Without a statutory Committee the Board may have a Sub-Committee.

**Shri Srinivasan:** In that connection I may say that the statutory character of the Committee has put me into considerable inconvenience as a Member of the Committee, because we have got to decide over the head of the Board sometimes.

**Chairman:** You say that labour is given representation specifically in the present Act as well as in the amending Bill. Are there organisations of labour in this plantation industry?

**Shri Srinivasan:** Yes, and quite well organised. They are the best organised in the various phases.

**Chairman:** Can you mention the organisations which are engaged in this?

**Shri Srinivasan:** The Estate Workers' Union, the Peelamedu Workers' Union, etc. There are several Unions.

**Chairman:** It is possible to give the right to nominate members of the Rubber Board as far as labour is concerned, to these organisations, if there are so many?

**Shri Srinivasan:** How the labour representatives will react, I do not know. The labour representative is giving evidence tomorrow. Personally I would like all the representations to be made by organised associations which have got the claims to represent the institution they say they represent.

**Shri I. Eacharan:** May I know whether the Board has made any attempt to enable the small producer of rubber to get a better price?

**Shri Srinivasan:** They have modelled certain smoke houses. The Board has appointed certain people to help them in spraying. We try to do all this; but, it will take a long time to educate them. The small growers do not have the land exclusively under rubber. They have got inter-plantations. To focus their attention on these things, it takes time.

**Shri Muthukirshnan:** At present there is a provision for the collection of 8 annas per 100 pounds. May I know whether you pay that or you pass it on to the consumer?

**Shri Srinivasan:** The cost is worked out by the Tariff Commission and the price is arrived at taking all this into consideration.

**Shri Muthukrishnan:** What are the reasons for suggesting that the proposed cess may not be collected from the planters?

**Shri Srinivasan:** I have not suggested it at all.

**Chairman:** He has suggested that it should be from the manufacturers and they say that it should be collected from the producers.

**Shri Muthukrishnan:** Have you any objection to any kind of representation of labour on the Board?

**Shri Srinivasan:** We invite them. In the original Board, there was no labour representation. We wanted them to come into the Board. With their help we can get the real price.

**Shri C. R. Iyyunni:** May I know whether in the year 1952, when the world price was more than Rs. 250/- and less than Rs. 300, the price of rubber here as controlled by the Government was below Rs. 132?

**Shri Srinivasan:** Yes.

**Shri C. R. Iyyunni:** May I know whether you are aware of any place where Government has controlled prices to the detriment of the producers?

**Shri Srinivasan:** So far as I am concerned, my wisdom was not sufficient to find out why the Government did not take advantage of the world price. I do not know what reasons the Government had not to take advantage of the world price. Even as a Government measure, if they got the rubber and exported it, they could have made that profit which could have been ploughed back to the advantage of the industry. Rehabilitation could have come without any cess.

**Shri C. R. Iyyunni:** At the time when the price of rubber was very low here in 1952, was there any control on the prices of articles manufactured here out of the rubber produced in this country?

**Shri Srinivasan:** We were told that there was some sort of a restrictive control which the Government had over the price of manufactured goods. To the best of our knowledge there was no documentary evidence from which we can see whether there was any effective control.

**Chairman:** What is the use of crying over spilt milk?

**Shri C. R. Iyyunni:** It is the manufacturers who have made a lot of money, not the Government.

**Shri Srinivasan:** If we want to go back, we must make an assessment for 20 years. Let us see what we can do now.

**Shri C. R. Iyyunni:** May I know whether any disadvantage will be caused if the Members of the Board are elected from the producers or manufacturers?

**Shri Srinivasan:** We want it. No disadvantage will be caused.

**Chairman:** That is a matter which we can discuss.

**Dr. Natabar Pandey:** Are you in favour of giving some exemptions to small growers, say owning 3 or 5 acres, from the collection of the cess?

**Shri Srinivasan:** I would be very much happy to give that.

**Shri T. T. Krishnamachari:** We are not collecting the cess from small growers. We propose to collect it from the manufacturers.

**Shri Dhusiya:** Do you believe that the Government will harm your industry or association in any way?

**Shri Srinivasan:** I am a bad prophet to anticipate an answer to that question. We are people who believe that we know about rubber much more than most of you here.

**Shri Dhusiya:** As a representative, I ask you. Let me know your opinion.

**Shri Srinivasan:** An understanding Government with the consultation of people who are knowledgeable about the industry can certainly do good and no harm.

**Shri Dhusiya:** I think you are of the opinion that the Chairman should be appointed by the Government?

**Shri Srinivasan:** How do you draw that inference? I do not understand the logic of it. Whether there is a non-official Chairman or an official Chairman, an understanding Government with a desire to consult, can always do it. It does not matter whether the Chairman is official or

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non-official. How does the hon. Member infer from this an answer to the other question?

**Shri T. T. Krishnamachari:** Don't ask question.

**Shri Srinivasan:** I apologise.

**Shri Punnoose:** The representatives of the UPASI, the Rubber Growers Association as well as the A. P. T. came here and from talks with them, we understand that many members of one association are also members of another association. There are persons who are members of all the three associations. when you claim representation for recognised organisations, does it not really ensue that double representation and triple representation is being given?

**Shri Srinivasan:** In the matter of nomination from these various associations, we have managed to see that no overlapping is allowed. If I had been a member of all the three associations, in a particular action, I will operate from only one organisation, and I am not allowed to function in that connection from any other association. We have, for instance, tea and rubber. I may choose to function through the UPASI in regard to rubber and through the A. P. T. in regard to tea. It is never our desire to have more voices.

**Shri Punnoose:** You said that it is more proper to get these representatives elected from the accredited organisations.

**Shri Srinivasan:** That is what I felt.

**Shri Punnoose:** You also said that the Chairman may be elected and not appointed by the Government.

**Shri Srinivasan:** That is my view.

**Shri Punnoose:** Please look at the question from the other side, from the side of the general public. Large amounts are coming in. You know that the Chairman of the Rubber Board is invariably a rubber magnate. There is no harm in it. Mem-

bers of the Board, barring perhaps you, who are also interested in A. V. Thomas & Co., are all interested people. What would be the impression of the general public if large amounts of money and the future of the industry are entrusted with certain gentlemen who are at the helm of affairs and who have their interests in the particular industry?

**Shri Srinivasan:** When I serve as a Member of the Board, I am trying my best to retain my own personality. I forgot my employment. I have tried to be a representative. I have quarrelled with the Chairman, Mr. Thomas on many matters. I think the proceedings will bear witness to that. I could be trusted to divorce my representative character from my character as an employee. Most of the Members do like that. In a certain case Harrisons and Crossfield dismissed a person for holding opposite views. We have been able to carry on. With regard to the administration of any funds in the hands of unscrupulous persons, it can always be misappropriated whether it is rubber fund or Government fund. It is not a case to say that all the people who are elected can be dishonest and the people who are nominated can alone be honest.

**Shri Punnoose:** I never meant that the Members of the Rubber Board, if they are elected, would be unscrupulous.

**Shri Srinivasan:** That was the suggestion.

**Shri Punnoose:** What I meant is this. Harrisons and Crossfield Thomas & Co. Malayalam Plantations, or George & Co. all these are vested interests, no doubt.

**Shri Srinivasan:** No doubt.

**Shri Punnoose:** Here is the future of a whole industry and a large fund handed over to those who have vested interests interested in making profits here and now, while there are thousands of small owners, thou-

sands of workers and consumers on the other side. Is it not the duty of the Government to intervene and make it appear to the public that the Government have control?

**Shri Srinivasan:** I am not going to be satisfied by simply making it appear to the public. The effectiveness of the administration of the fund is more important than showing it in appearance alone. I will not be content to make it appear that the funds are administered well. I am concerned with the proper administration of the funds whether by the Government or the Board. To suggest that for public appearance, Government must nominate a man and entrust the funds to him, does not carry much conviction from my outlook.

**Shri Punnoose:** Do not stick too much to the word appearance. Is it not the duty of the Government to assure the public that the funds are administered in the interests of the people at large?

**Shri Srinivasan:** Absolutely. Caesar's wife must not only be chaste, but be also above suspicion. It is not a matter of difference of opinion.

**Shri Punnoose:** For example, A. V. Thomas & Co. have taken up and developed smaller estates. So also other companies. Does it not show that if proper care is given, even small scale producers can get better income?

**Shri Srinivasan:** Definitely. As far as I know, where you have a plantation of 25 or 50 acres exclusively under rubber, the small grower is not less knowledgeable than the biggest producer. If he had been handicapped in adopting methods adopted by the big producer, it is because of want of capital. Wherever there is an inter-plantation, if the price of rubber is not economic, he will concentrate more on the alternative crop like tapioca. If the price of pepper goes down, there will be no manuring, no nursing and he will pick up what is there. So also, if the price falls, he will not tap at all. A scheme of

development must take into consideration many things. When you actually go to the estates, you will find that many of the discussions are not necessary and much more has been left out of discussion.

**Shri Punnoose:** You say that the manufacturer should not be made to pay the cess.

**Shri Srinivasan:** I have not said exactly in that way. It is said:

"the collection of a cess up to Rs. 6/4/0 per 100 lbs. of rubber without specifying whether the increased collection of cess would be out of the price fixed for rubber or not, against the present rate of eight annas per 100 lbs."

The Minister has been gracious enough to inform us that the cess will not come out of the producer. It will have to come from some other place.

**Shri Punnoose:** The manufacturing concerns are mostly in Bombay and Calcutta.

**Shri Srinivasan:** Mostly, except in two or three places.

**Shri Punnoose:** What percentage of our rubber is consumed by Calcutta and Bombay?

**Shri Srinivasan:** The big manufacturers of Calcutta namely Dunlop, Firestone and Bata, consume among themselves about 15,000 tons of the total production of 22,000 tons. The small manufacturers of Bombay consume about 4,000 to 5,000 tons. The small manufacturers of Calcutta and others probably consume about 2,500 tons: Bata's new factory at Delhi, etc.

**Shri Punnoose:** Could you give us some idea of the price of finished goods in India as compared with other countries?

**Shri Srinivasan:** I have always been trying to understand the price structure of the big manufacturers through a Tariff Enquiry Committee. I am greatly relieved to find that

[Shri Srinivasan]

Government have been able to put it into effect and a cost investigation is going on. That has been a cry in the wilderness for the last so many years.

**Shri Punnoose:** You are a Member of the Rubber Board. You attend the meetings and you have nothing to do with the office.

**Shri Srinivasan:** I am a member of the Rubber Board. I have been elected by the Board to serve on the Advisory Committee also. I am closely in touch with them on the telephone. We also meet often.

**Shri Punnoose:** The Rubber Board has got an office and a staff, typists, stenographers, etc.

**Shri Srinivasan:** Yes.

**Shri Punnoose:** May I know whether they are appointed by the Board itself or by the Government?

**Shri Srinivasan:** By the Board. But certain classes of staff, the Secretary, the Rubber Production Commissioner, have been appointed by the Government in consultation with the Board or under the recommendation of the Board. With regard to the subordinate staff, it is the Board that has been appointing. In this case, we took over the staff that was functioning under the Rubber Production Office which was there during the war. Some staff and the surplus cash were handed over to us. In the matter of revision of scales of pay, we have brought them in line with the Government of India scales for similar jobs. There was a protest from the Travancore Government that by paying higher salaries to the staff of the Indian Rubber Board, they are creating discontentment among their staff.

**Shri Punnoose:** May I know whether the staff has come to the Rubber Board with certain petitions regarding their terms of service, etc.?

**Shri Srinivasan:** No. They have just made an application for consti-

tuting themselves into a Union. It was first thrown out because the number was very small. Later on, the matter was gone into and it was left at that. Recently they started again. We said that the new Board will decide.

**Shri Punnoose:** The rubber production area is concentrated and it is not very large. Suppose we divide it according to administrative divisions—we have the Trivandrum division, Quilon division—will that not facilitate assistance to the small growers? You have not only local Advisory Committees, but you have also Development Officers, etc.

**Shri Srinivasan:** There are practical difficulties about it. But for certain vital reasons rubber production need not have been confined to the distant corner of Travancore. In fact, I had a discussion with the Commissioner of Agriculture in Bombay with a view to seeing whether we could utilise certain arid areas of that State for rubber production; but we come to know from intelligible sources that the area where rubber could be successfully grown in India is only Malabar and Travancore. In the course of developing it regionally it has got concentrated in Central and South Travancore. There are not many regions where the regional aspect has to be given great priority. It is enough if the Central Board is located in one locality and the best attention of the Board made available to all. I do not know whether the hon. Member who has put this question has any particular idea in mind.

**Shri Punnoose:** Quilon Division, Kettayam Division and Trichur Division—these comprise the rubber growing areas. Hitherto the complaint has been that the Rubber Board has been practically a show of the big producers. It is also a well known fact that the small producer cannot take advantage of it. When we are now making a fresh move, why not have it on a district-wise basis and try to help the small grower?

**Shri Srinivasan:** It is a matter of detail which could be done under the rules. It is a matter within the competence of the Act as it stands.

**Shri Punnoose:** About the price, I take it you agree that the small producer is not getting the same price which the big producer is getting, one of the reasons being that the former is compelled by circumstances to take advances from the local purchasers. Therefore he has to give his commodity for a song. Suppose under our new scheme we are able to give cheap credit to the small producer, will it not help?

**Shri Srinivasan:** The small producer of Travancore is not less intelligent than the big producer, but the fact is that he has no holding capacity. That is why we suggested the starting of a co-operative society to which the Central Cooperative Bank may make advances, from which all these people can take loans. If this suggestion of ours could be translated into action, nobody will be more pleased than I.

**Shri Punnoose:** Without expecting any bouquets, do you sincerely believe that the Rubber Board has conducted itself satisfactorily during all these years?

**Shri Srinivasan:** I naturally do not expect any bouquets; but that is my honest conviction.

**Chairman:** What is the total fund within which the Board has been working?

**Shri Srinivasan:** About Rs. 1½ lakhs to Rs. 2 lakhs.

**Chairman:** Even the Arecanut Committee has a fund of Rs. 2 lakhs.

**Shri Punnoose:** Has the Board taken any practical interest in ameliorating the condition of the working classes?

**Shri Srinivasan:** To the best of my knowledge we are not unaware of the change in the spirit of the times and if we do not fall in line we are likely to miss the bus. In fact, in some of the places in advance of the unions

we have provided for more than what the unions can get for its members.

**Shri Nanadas:** In regard to the collection of the cess (point 7 of your resolution) may I know from whom you want this cess to be collected?

**Shri T. T. Krishnamachari:** He has already answered that question. Our idea is to start with say quarter of an anna and progressively increase it as the need arises.

**Shri Srinivasan:** I have no objection even if you collect Rs. 6/4. Take the case of salt. The price of a bag is 6 annas, while the cess is 4 annas. That is a very big amount. In the case of the rubber industry, in which crores of rupees have been invested, even if you collect at the rate of Rs. 6/4, it won't suffice for the developmental needs of the industry.

**Shri Srinivasan:** Shall I clarify one point? The price that is now given to the producer is arrived at after a scientific investigation on what is called cost plus basis.

**Chairman:** The estimate is, it should be Rs. 30 lakhs.

**Shri Nanadas:** In the case of salt we are collecting as much as Rs. 95 lakhs as cess. Of this we are spending about 40 lakhs on administration, with the result that only Rs. 55 lakhs are available for the development of the industry. Whereas in the case of salt we have attained self-sufficiency, we have to make considerable progress in the matter of rubber.

**Shri Srinivasan:** Even if you put all the money of one crore, you can harvest the rubber only after eight years. So, it is better to go by stages.

**Chairman:** We are thankful to you, Mr. Srinivasan, for appearing before the Committee.

**Shri Srinivasan:** I am very grateful to you, Mr. Chairman and the members of the Committee for having given me an opportunity of placing my views before you.

*(The witness then withdrew.)*

#### IV

*Name of Association.*—The Indian Rubber Industries Association, Bombay.

*Representative.*—Shri Lalit Mohan Jamnadas.

(Date 21st July, 1954)

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(Witness was called in and he took his seat)

**Chairman:** Shri Jamnadas, We have gone through your memorandum and we have also been able to follow your reasoning. May I know how many manufacturers' associations there are?

**Shri Jamnadas:** One is the Association of Rubber Manufacturers in India, and the other is the Indian Rubber Industries Association which I represent.

**Chairman:** What is the membership of your Association? And do you know anything about the membership of the other Association?

**Shri Jamnadas:** I cannot say anything about the other Association, but we have almost all the Indian interests represented on our Association, most of them being manufacturers of miscellaneous rubber goods, that is non-tyre manufacturers.

**Chairman:** Between your two Associations you take in the entire manufacturing concerns in the country.

**Shri Jamnadas:** I would not say that, but almost 99 per cent.

**Chairman:** One of the reasons which you advance for not reducing the strength of the manufacturers' representatives is this:

“At present we have only three representatives to represent the interests of the entire industry in-

cluding Tyre, Miscellaneous Rubber Goods and Latex Goods manufacturers”.

What are the various sectors of this manufacturing industry?

**Shri Jamnadas:** The manufacturing industry is divided into several sections, but the three mentioned in our memorandum are the main sectors.

**Chairman:** So you mean to say that there must be at least three representatives to represent all the three sectors?

**Shri Jamnadas:** Even today on the Rubber Board we have three representatives—of tyre manufacturers, miscellaneous rubber goods manufacturers and Latex goods manufacturers.

**Chairman:** You are a member of the Rubber Board at present, is it?

**Shri Jamnadas:** Yes, representing the Indian Rubber Industries Association.

**Chairman:** Do you know that there is a feeling among the producers that when the world price was very high the producers could not get the proper prices because of the opposition of the manufacturers?

**Shri Jamnadas:** I do not agree there. It works both ways. When the world prices are low, the manufacturers pay higher prices; and when the world prices are high, the manufacturers pay lower prices. Once there is a disadvantage, there is an advantage another time.



**Chairman:** Are you aware of a complaint which has been advanced that although there is fixation of price with regard to various grades, the manufacturers of a particular grade give lesser prices?

**Shri Jamnadas:** That also works both ways. Many times when there is scarcity, lower grades are passed on as higher ones by producers. And, when there is surplus rubber the manufacturers are more strict or they might even sometimes degrade the rubber. I know there are complaints like that. But most of these complaints are in connection with big manufacturers, particularly tyre manufacturers.

**Chairman:** You are for the retention of a statutory Price Advisory Committee?

**Shri Jamnadas:** Yes.

**Chairman:** Has it not outlived its utility? Is it not enough that, if necessary, there may be a Price Advisory Sub-Committee of the Board. Is there any necessity for providing for a statutory committee? For instance, the Rubber Growers Association urge that there may be a special Development Committee for the small growers and that it may be incorporated in the Act itself? If the necessity arises, then the Board itself may form the committees.

**Shri Jamnadas:** This is the only committee on which the manufacturers and the planters have equal representation. Otherwise the manufacturers are always voted down in the general body. This was devised with a view to providing fair discussion and the taking of decisions which should be generally acceptable to manufacturers and producers. If a sub-committee of the Board is formed, it is likely that there will be predominant representation of the producers, and the manufacturers may not have any voice in it.

**Chairman:** Have you experienced any special difficulty in the working of the Rubber Board, from the standpoint of manufacturers?

**Shri Jamnadas:** We have no particular complaint. On the other hand, after six years of working in the Board we have been able to appreciate each other's difficulties. But many times it is the tendency of the Board, with the overwhelming representation of the producers on the Board, to overrule certain points of the manufacturers which may otherwise be very valid; because if the Board passes a resolution, perhaps it may also receive better attention from the Government.

**Chairman:** Their complaint was the other way.

**Shri Jamnadas:** I do not know, with less representation of the manufacturers how it can be.

**Shri Punnoose:** Which is the headquarters of your Association?

**Shri Jamnadas:** Bombay.

**Shri Punnoose:** Have you got in your association people who are engaged in the work of manufacture in Madras, Kottayam and other places?

**Shri Jamnadas:** Yes.

**Shri Punnoose:** They are also members?

**Shri Jamnadas:** Yes.

**Shri Punnoose:** What is the strength of your association?

**Shri Jamnadas:** It is about 75 members.

**Shri Punnoose:** You are manufacturing things other than tyres?

**Shri Jamnadas:** Yes.

**Shri Punnoose:** What are they?

**Shri Jamnadas:** For instance rubber belting, shoes, foot rock, hose pipes of various types, all sorts of rubber tubing, moulded goods, rubber sheets, flooring, toys, balloons and medical requisites like hot water bottles, etc.

**Shri Punnoose:** The other organisation you referred to is a parallel organisation including some other manufacturers?

**Shri Jamnadas:** It is a parallel organisation. The existence of this organisation and that organisation sepa-

[Shri Jamnadas]

rately is due to the constitution of that organisation which provides that the voting rights of the members will be according to the volume of rubber consumed. So Dunlop and Firestone will always out-vote all other manufacturers.

**Shri Punnoose:** What percentage of our rubber is consumed by Indian manufacturers?

**Shri Jamnadas:** About 20 to 25 per cent. of our total rubber.

**Shri Punnoose:** Do Dunlop and others also produce the articles that you manufacture?

**Shri Jamnadas:** Recently they have started manufacturing competitive items.

**Shri Punnoose:** It is a fact that they are under-selling certain articles which the Indian producer produces?

**Shri Jamnadas:** They have only recently started. They have finished their experiments and they are now with their production and are testing the market. So I would not be able to say.

**Shri Punnoose:** You said that when the world price was high you were paying a lower price for Indian rubber, and now when you are paying a higher price the world price is lower.

**Shri Jamnadas:** Yes.

**Shri Punnoose:** Could you tell us whether there is any difference in the prices of the finished goods?

**Shri Jamnadas:** The price of the finished goods has gone down progressively in spite of the increase in the price of Indian raw rubber. We cannot give it out of our pockets. The quality has also been reduced in several cases. But today we have reached a stage when there is no scope for further reduction in quality, and if the prices of rubber go up it may not be possible for manufacturers to manufacture goods economically.

**Shri Punnoose:** There is the Rubber Board, as it is going to be constituted under this Bill. Is it not sufficient that the Government controls the price through this Board and keeps it at a level which will be economic to the manufacturers? Is there any particular merit and advantage in your being on the Rubber Board?

**Chairman:** You are questioning the very propriety of representation being given to the manufacturers.

**Shri Jamnadas:** If questions affecting the manufacturers, that is, the consumers of rubber, are going to be discussed in the Rubber Board, then it is natural that the manufacturers or the consumers of rubber would like to have representation on the Board. If questions affecting them are not to be discussed there, then we have no interest in being represented on the Rubber Board.

**Shri Punnoose:** Is it not a fact that Indian manufacturers are more to be protected from the onslaught of foreign interests here concerned in manufacture, rather than protecting their interests from the rubber producers?

**Shri Jamnadas:** Well, it is very difficult now to discriminate between the two types of manufacturers in India. It is the policy of the Government, and unless the Government changes its policy we have no other alternative.

**Chairman:** You are for retaining the provision in regard to giving the right of nomination to the Manufacturers' Associations. Suppose an alternative provision is made that the various manufacturing associations may supply a panel to the Central Government and the Central Government may choose out of the panel, will not your interests be safeguarded?

**Shri Jamnadas:** It will be quite all right, but when we make a panel we give first preference, second preference and third preference because there may be more competent and less competent persons among the different

persons. If we are asked to choose one person, we know that we choose a particular person. But if we make a panel, it is likely that our third preference may be Government's first preference.

**Shri T. T. Krishnamachari:** You said something about competition. What are the goods in which you have competition from the bigger manufacturers?

**Shri Jamnadas:** Rubber belting and hose pipes.

**Shri T. T. Krishnamachari:** You manufacture rubber belting?

**Shri Jamnadas:** Some of our members do.

**Shri T. T. Krishnamachari:** You look into the present membership of the Rubber Board. There are three representatives of manufacturers. One is nominated by the Indian Rubber Industries Association of Bombay, the other is nominated by the Association of Rubber Manufacturers in India, Calcutta, and the third one is nominated by the Central Government to represent manufacturers outside. There is already one nomination by the Government. Do you mean to say that that person does not represent anybody?

**Shri Jamnadas:** I cannot say that, because at present the person nominated by the Government happens to be an active member of our association and an active member of our committee. So I cannot say that. But it did happen previously that the gentleman nominated by the Government never attended the meetings.

**Shri T. T. Krishnamachari:** Suppose we ask all of you to send a panel of three names each. Can't you find a panel, can't you select three people more or less of equal importance and equal merit?

**Shri Jamnadas:** I do not know whether that would be possible.

We have our head office in Bombay and members all over India.

**Shri T. T. Krishnamachari:** What is the number of members?

**Shri Jamnadas:** About 75.

**Shri T. T. Krishnamachari:** Can't you get hold of 5 people of equal merit?

**Shri Jamnadas:** Some may not be willing to work.

**Shri T. T. Krishnamachari:** Do you mean to say that it is going to be physically impossible?

**Shri Jamnadas:** It is not impossible; but it is difficult.

**Shri T. T. Krishnamachari:** The main point is that you should have representation.

**Shri Jamnadas:** We want representatives of our choice.

**Shri T. T. Krishnamachari:** They will be of your choice. Only the choice will be slightly wider.

**Shri Jamnadas:** I do not know how that helps the Government. If it helps the Government, I have no objection.

**Shri T. T. Krishnamachari:** It helps the Government to eliminate somebody whom they do not want. If you send X, Y, Z, I do not see why the Government should not take them. But, there is a possibility of there being some one whom, for some reason, they cannot take; maybe the first name. I do not think that any serious damage will occur to your interests.

**Shri Jamnadas:** I do not think so.

**Shri C. R. Iyyunni:** May I know whether during recent times the manufacturers have declined to purchase rubber produced in this country in view of the fact that the stockists are not in a position to hold for some time?

**Shri Jamnadas:** There are allegations and counter allegations. It will be very difficult for me to substantiate these allegations. The stocks with the manufacturers have shown that they have maintained their stocks throughout.

**Shri C. R. Iyyunni:** Could you say that the stocks were there, and the number of labourers who were working in the factory were actually doing their work?

**Shri Jamnadas:** Yes.

**Shri A. N. Vidyalankar:** You said that sometimes in the Board, there were certain differences between the manufacturers and producers and that the manufacturers are out-voted by the producers. May I know some of the major points on which the manufacturers have been out-voted by the producers?

**Shri Jamnadas:** On the question of import of raw rubber, whenever there is scarcity. I will give one instance. In one meeting of the Board, the question of import of raw rubber against the dry rubber content of rubber goods exported came up. There is a scheme. In one meeting it was rejected by the Board.

**Chairman:** Manufacturers are not exporters. Do you sell to other countries?

**Shri Jamnadas:** We sell to other countries. We are exporting. There are some exporters to whom we sell. In some cases, the manufacturers themselves export.

**Chairman:** You get the advantage of the price; but as a matter of fact, it is not imported on that basis.

**Shri Jamnadas:** The export price is lower. I was recently in the Middle East. I have examined the market in the Middle East with regard to my items. I have found that some items are sold at a lower price. If we have to compete, we must reduce the cost of production.

**Shri A. N. Vidyalankar:** Any other major points?

**Shri T. T. Krishnamachari:** There are only two points of conflict: one is import, another is price.

**Shri Nanadas:** You say:

"In no case can we agree to passing over of this cess to the manufacturers by way of increase in price."

May I know how the proposed cess will affect the interests of your association and to what extent, in view of the fact that nearly 80 per cent. of the rubber is consumed by Dunlops, Firestone, etc. and only 20 per cent. is consumed by the other producers?

**Shri T. T. Krishnamachari:** The point where we are going to collect is a matter of administrative convenience. We have decided that the additional burden would not be borne by the producers.

**Shri Jamnadas:** Our contention is that the money for rehabilitation is already provided.

**Shri T. T. Krishnamachari:** You may discuss it with the Government at the proper level.

**Shri Punnoose:** The Indian manufacturer is only purchasing 20 per cent. and his manufactured goods are sold in India mostly.

**Shri Jamnadas:** We export also.

**Shri Punnoose:** A large portion?

**Shri Jamnadas:** About 20 per cent. roughly; may be less.

**Shri T. T. Krishnamachari:** Concessions can be given to you; anybody can get an import licence for the dry rubber content of the goods exported. Why should the exports be affected. So far as the Indian market is concerned, it is a closed market.

**Shri Jamnadas:** There is also a limit to the purchasing power of the people.

**Shri T. T. Krishnamachari:** The purchasing power is not going to be altered by one pie or three pies per pound.

**Shri Punnoose:** Even with this increased cess, the rubber producer complains that his stock is not being taken up. Is it by you or by the big manufacturers?

**Shri Jamnadas:** I won't be able to say that. There has been a regular purchase by all the manufacturers. They have to keep their factories going. They cannot afford to keep low stocks and be faced with a situation when labour may be idle. We have to keep on purchasing. It is likely that there are strikes or slow down by labour in which case, the off-take will be lower.

**Chairman:** The import licence is given for a period. Suppose it is valid for six months. You keep the licence with you and import only at a particular time when you will be in a position to depress the market. There have been such complaints.

**Shri T. T. Krishnamachari:** We only give short term licences.

**Shri Punnoose:** While giving representation on the Board, I recommend that the labour engaged in the manufacture should also be given representation. What is your reaction?

**Shri Jamnadas:** I would welcome it.

**Chairman:** Any further suggestions apart from the points made in the memorandum.

**Shri Jamnadas:** No.

**Chairman:** Thank you very much.

*(The witness then withdrew.)*

*'The Committee then adjourned till 10.30 A.M. on Thursday, the 22nd July.*

Minutes of the Evidence taken before the Select Committee on the Rubber  
(Production & Marketing) Amendment Bill, 1952.

Thursday, the 22nd July, 1954

(10-30 A.M.)

PRESENT

Shri A. M. Thomas—*Chairman*.

MEMBERS

Shri Amarnath Vidyalankar  
Shri A. Ibrahim  
Shri M. K. Shivananjappa  
Shri C. R. Iyyunni  
Shri Piare Lall Kureel Talib  
Shri Bulaqi Ram Varma  
Dr. M. V. Gangadhara Siva  
Shri Hira Vallabh Tripathi  
Shri U. R. Bogawat  
Shri S. C. Deb  
Shri M. Muthukrishnan  
Shri Balwant Sinha Mehta

Shri I. Eacharan  
Shri Sohan Lal Dhusiya  
Shri N. D. Govindaswami Kachiroyar  
Dr. Natabar Pandey  
Shri Y. Gadilingana Gowd  
Shri Nettur P. Damodaran  
Shri P. T. Punnoose  
Shri Mangalagiri Nanadas  
Shri Sivamurthi Swami  
Shri M. R. Krishna  
Shri D. P. Karmarkar  
Shri T. T. Krishnamachari

Shri S. P. Sen Verma, *Draftsman, Ministry of Law*.

Shri R. N. Kapur, *Under Secretary, Ministry of Commerce and Industry*.

SECRETARIAT

Shri M. Sundar Raj, *Deputy Secretary*.  
Shri A. L. Rai, *Under Secretary*.

WITNESS EXAMINED

Shri C. Bharathan, representative of the Plantation Labour.

(*Witness was called in and he took his seat*)

**Chairman:** You have not brought any memorandum?

**Shri Bharathan:** No.

**Chairman:** Possibly you have gone through the amending Bill. What exactly are your reactions to it and what exactly are your suggestions to improve it.

**Shri Bharathan:** I am a Member of the Indian Rubber Board, and the Rubber Board have considered this amending Bill. A sub-committee was constituted to represent and also to give evidence before the Select Committee regarding the representation of labour.

**Chairman:** You are a Member of the Rubber Board. Do you agree

with the views expressed in the Resolution which has been forwarded to us by the Rubber Board?

**Shri Bharathan:** Yes. Besides this, I have to point out one thing, regarding the nomination of labour.

Rubber is grown mainly in Travancore-Cochin and in Malabar. While nominating representatives of labour, Madras State should also be represented adequately. At present in the Coir Board there are three labour representatives and all the three are nominated from Travancore-Cochin, though Madras State is also producing coir. In the Tea Board also both the representatives of labour from the South come from Travancore-Cochin, though Madras State produces tea to a large extent. Similarly, in the case of rubber, nearly one-fourth of the production area is in Madras State—mainly Malabar. The Government should see that labour is represented from Madras State also.

**Chairman:** Is the labour in plantation areas in Malabar organised?

**Shri Bharathan:** Yes.

**Chairman:** How many unions are there?

**Shri Bharathan:** In every estate there is a union, but they are affiliated to the INTUC or the AITUC.

**Chairman:** Is that the case in Travancore-Cochin also?

**Shri Bharathan:** In Travancore-Cochin there are three organisations. There is the Hind Mazdoor Sabha also, besides the other two.

**Chairman:** Apart from the plea for separate representation for Madras area, how are the labour representatives to be selected to the Board? Is it by nomination by the Government?

**Shri Bharathan:** The Registrar of Trade Unions will have the figures and he will be able to say which union represents the majority of labour, because every year the Registrar

calls for the annual audit accounts wherein the number of members is given.

**Chairman:** So, you have no objection to give the right of nomination to the Government and the Government may do it in consultation with the Registrar of Trade Unions.

**Shri Bharathan:** And also in consultation with the Madras State. The number of labour representatives may be made into four so that a representative of Madras may be accommodated.

**Chairman:** For how long have you been a member of the Rubber Board.

**Shri Bharathan:** Nearly five years.

**Chairman:** What is your opinion with regard to the working of the Rubber Board? Have they been doing anything for the development of the industry and for the protection of the small growers?

**Shri Bharathan:** Yes. As far as I am aware the Rubber Board is taking into consideration the small growers' interests.

**Chairman:** What substantial steps have they been able to take so far?

**Shri Bharathan:** Even recently, a small sub-committee was constituted in which I was a member, for organising the small growers into co-operatives but the small growers did not like it. So, the sub-committee had to stop the work and recommend that Government should give financial assistance for them to organise themselves.

**Chairman:** You are a labour representative. Has the Board been able to do anything in the interests of the labour?

**Shri Bharathan:** Yes.

**Chairman:** What beneficial steps have been taken by them?

**Shri Bharathan:** Regarding welfare schemes, the labour Members were able to impress upon the growers and

[Shri Bharathan]

the producers and some changes were made. Labour members sometimes visit the estates and recommend to the owners that the measures adopted are not adequate and so on.

**Chairman:** Have any welfare schemes been drawn up and executed?

**Shri Bharathan:** Not drawn up. It is not within the purview of the Act.

**Chairman:** Did the labour representatives place any such scheme before the Board?

**Shri Bharathan:** We have and some of them were accepted.

**Chairman:** You mentioned two unions in Malabar. To which do you belong?

**Shri Bharathan:** INTUC.

**Chairman:** What is your opinion regarding the point raised by the Board that the right of representation to the growers should be given to the various plantation associations?

**Shri Bharathan:** I think the growers' representatives must have impressed on you that point.

**Chairman:** What is your opinion regarding that?

**Shri Bharathan:** Growers should be represented.

**Chairman:** Of course, there is provision for representation. But, how should that representation be given—by nomination by the Government, or should the right be given to the growers.

**Shri Bharathan:** I do not like to commit myself on that point.

**Chairman:** Have you got any idea whether the majority of the small growers are under one association or other?

**Shri Bharathan:** They say they are represented by an association of which Mr. A. V. George is the Chairman.

**Chairman:** You only want to impress on this committee the necessity of giving regional representation as far as labour is concerned. You have no other point?

**Shri Bharathan:** There is another point, viz., point No. 7 in the Resolution passed by the Rubber Board: the collection of a cess up to Rs. 6-4-0 per 100 lbs. of rubber without specifying whether the increased collection of cess would be out of the price fixed for rubber or not, against the present rate of eight annas per 100 lbs.

**Chairman:** The amount will have to come from the manufacturers?

**Shri Bharathan:** No. Whether it comes from the manufacturers or growers, already the Tariff Commission has provided for levying a cess for development purposes. Government will have to see how it is utilized, whether it is properly utilized or not, and then provide for another collection.

**Chairman:** You represent labour in plantations. Are you in favour of giving any representation to labour in the manufacturing concerns? Is there any necessity for that?

**Shri Bharathan:** It is for the committee to decide.

**Chairman:** You have no special views on that?

**Shri Bharathan:** No.

**Shri T. T. Krishnamachari:** You said just now about the Tariff Commission having given an element in the price structure of rubber for rehabilitation. Have you or the Board any ideas as to how much of it is being utilised for development.

**Shri Bharathan:** We have no idea at all.

**Shri T. T. Krishnamachari:** Without any idea, what is the use of your stating to me that the money is there and no further money need be collected. Either we should be sure they



are spending the money or we should ask them to pay the money to the Board so that the Board can spend it, or we should leave it alone and allow them to do what they like, and collect another cess and make the Board undertake the rehabilitation.

**Shri Bharathan:** Already there is provision for development.

**Shri T. T. Krishnamachari:** There is provision for development unilaterally. Each estate can go on developing or not developing, or put the money in their pocket.

**Shri Bharathan:** It is for the Government to see.

**Shri T. T. Krishnamachari:** How can we see?

**Shri Bharathan:** Can you not investigate?

**Shri T. T. Krishnamachari:** Once the man gets his price and puts it in his pocket. Government cannot find what he is doing with that money. The only thing that Government can do is, if by and large they are not utilising it, to reduce the price by Rs. 6.82. Is that your idea? What exactly have you in mind?

**Shri Bharathan:** It is allotted for development purposes.

**Shri T. T. Krishnamachari:** Not allotted. An element is given in the price for development. Some may use it, some may not use it. If we take away the money from them and deduct the price, the people who use it will suffer. People who do not use it will not suffer. What is it you have got in mind when you say there is already allotment for development purposes, and the Board need not collect any fresh money. It does not seem to lead anywhere. There can be no development. At present, there is no conscious, deliberate development. Do you think there is?

**Shri Bharathan:** In some estates there is development.

**Shri T. T. Krishnamachari:** What about the other estates which do not develop?

**Shri Bharathan:** In some there may not be.

**Shri T. T. Krishnamachari:** What is your suggestion?

**Shri Bharathan:** Is it not possible for the Government to investigate?

**Shri T. T. Krishnamachari:** Government have investigated and found they do not spend money. So, Government think they ought to spend some money, and for that purpose they have to collect a cess. If you throw the responsibility on the Government, this is the way it can discharge it. What is the use of the Board saying "Don't do it. We do not want development."

**Shri Bharathan:** We want development.

**Shri T. T. Krishnamachari:** You cannot have the cake and eat it too. That is what the Resolution of the Board is trying to do.

**Shri Bharathan:** When we passed this resolution.....

**Shri T. T. Krishnamachari:** When did you pass it?

**Shri Bharathan:** At the Cochin meeting of the Board.

**Shri T. T. Krishnamachari:** Was it a full meeting?

**Shri Bharathan:** Yes.

**Shri T. T. Krishnamachari:** How many people attended?

**Shri Bharathan:** Nearly 19. I am not quite sure, but not less than 19.

**Shri T. T. Krishnamachari:** Did you not ask them: "What have you in mind?"

**Shri Bharathan:** At that time also I stressed this point, that the amount allotted for development by the Tariff Commission should be properly utilised, and afterwards, the conference of the INTUC, Kerala, also requested the Government to properly investigate this matter.

**Shri T. T. Krishnamachari:** We have investigated and found the moneys are not used generally.

**Shri Bharathan:** Then the Government can do as they think fit.

**Shri T. T. Krishnamachari:** About your point that Madras State should be represented, where do you come from?

**Shri Bharathan:** From Madras.

**Shri T. T. Krishnamachari:** I suppose you are the representative of Madras. Where is the point in underlining the statement that Madras State should be represented.

**Shri Bharathan:** All the three members are from Travancore-Cochin, not from Madras.

**Shri T. T. Krishnamachari:** Probably, the Madras Government did not send any names of labour representatives.

**Shri Bharathan:** I am not aware of that.

**Shri T. T. Krishnamachari:** You are making a criticism without being aware of facts. The Madras Government did not send any representative.

**Shri Bharathan:** Then I am really sorry.

**Shri N. P. Damodaran:** You said that Madras was not properly represented on the Coir Board. The hon. Minister has just now said that Madras did not send the name of any labour representative. Malabar is the area in Madras which produces rubber, coffee, tea and all that. So do you mean that the Madras Government does not properly safeguard the interests of these industries in Malabar?

**Shri Bharathan:** Since they have not sent any names, I should think so.

**Shri N. P. Damodaran:** Regarding representation of labour on the Board, you said that you do not object to the idea of Government nominating the labour representatives.

**Shri Bharathan:** Yes.

**Shri N. P. Damodaran:** Don't you feel that Government should have representatives on the Board so far as labour is concerned in consultation with organised labour?

**Shri Bharathan:** Yes, it would be better.

**Shri N. P. Damodaran:** Do you subscribe to the idea of a panel of names being submitted by the labour organisations and requesting Government to choose out of the panel?

**Shri Bharathan:** I am in favour of it.

**Shri N. P. Damodaran:** Also, you have no objection to the Government nominating the labour representatives without even consulting the representative organisations?

**Shri Bharathan:** No. From among the panel, they can choose one.

**Shri N. P. Damodaran:** Only in consultation with labour organisations you want Government to nominate?

**Shri Bharathan:** Yes, it would be better.

**Shri N. P. Damodaran:** You are definitely of the view that Madras State as such is not properly represented?

**Shri Bharathan:** Yes, in the recently constituted Coir Board.

**Chairman:** With regard to Rubber Board, there is no complaint.

**Shri Eacharan:** May I know whether the Madras Government has considered labour representation in all other industries except in the Coir Board?

**Shri Bharathan:** I cannot know about that. But in the recently constituted Tea Board, the two members are from Travancore-Cochin and the Tamil Nad INTUC has passed a resolution criticising that.

**Shri Bogawat:** Do you think three representatives on the Board will give enough representation?

**Shri Bharathan:** I think this will be adequate. But if the Select Committee so think, they can increase it. My only point is to stress that Madras State should also be represented.

**Shri Bogawat:** The Chairman asked whether there should be representation for the labour organisations in manufacturing concerns?

**Shri Bharathan:** I cannot commit myself about that.

**Shri Dhusiya:** What is the number of disputes between employer and employé in the Rubber estates?

**Shri Bharathan:** Last year there were more than 8 disputes in Malabar alone.

**Shri Dhusiya:** What are the main and usual causes of these disputes?

**Shri Bharathan:** With regard to wages, amenities and also bonus.

**Shri Dhusiya:** Have these causes been removed?

**Shri Bharathan:** Now Government has referred all these matters for adjudication to a special industrial court.

**Shri Sivamurthi Swami:** Since how many years witness has been working in the Board?

**Shri Bharathan:** Nearly five years.

**Shri Sivamurthi Swami:** May I know the reason why his representative in the Rubber Board, Mr. A. V. Mathew, has resigned?

**Shri Bharathan:** I do not know. He is from Travancore-Cochin

**Shri Sivamurthi Swami:** What is the average daily wage for male and female labourers?

**Shri Bharathan:** It will be almost equal. Men and women can do the tapping skilfully and equally well.

**Shri Sivamurthi Swami:** What is your opinion about sending your representative to the Rubber Board without nomination by Government?

**Shri Bharathan:** We can send a panel of names from which Government can choose.

**Shri Punnoose:** Which place you come from, Mr. Bharathan?

**Shri Bharathan:** I am from Mahe proper, but my headquarters is at Kozhikode.

**Shri Punnoose:** You said that the INTUC is the organisation of labourers working in the labour estates in Malabar.

**Shri Bharathan:** Yes.

**Shri Punnoose:** Suppose we recommend that labour representatives shall not be nominated by Government, but shall be elected by the central organisations of the workers—I mean INTUC, AITUC, whichever unions we have in that part of India—who may be asked to give names, would you like that?

**Shri Bharathan:** At present the position is like this.

There are two central organisations which represent labour in the rubber estates, but if you look into the majority and minority, the INTUC is definitely the majority. The rubber estates unions have got a federation, the Malabar Rubber Estate Workers' Federation of which I am the President. It represents nearly 2829 workers out of the total number of workers who will not be more than 4000. So the remaining may be represented by the AITUC.

**Shri Punnoose:** You said that in the Coir Board, there is no labour representation from Madras and you know from the Minister that the name was not sent up by the Madras Government. In order to obviate such a difficulty, is it not better that the central organisations of labour consult among themselves and come to some arrangement so that every section of labour may be represented?

[Shri Punnoose]

Instead of giving the right of choosing from a panel to the Government, is it not better to develop unity among labour organisations and will it not be more in keeping with democratic sentiments?

**Shri Bharathan:** We had considered this point. What my organization wanted me to do was to stress that point and say that Madras State also should be adequately represented. All the other technicalities can be discussed by you.

**Shri Punnoose:** Growers and owners are asking for direct representation. Every section wants it. Will it not be desirable that workers also get direct representation provided the various organisations consult each other and come to some arrangement?

**Shri Bharathan:** Owners and growers are all together in one organisation whereas labour has got two organisations. So we had no time to consult each other and come to some agreed decision.

**Shri Punnoose:** You said you were working on the Rubber Board. Can you say that the condition of labour has been improved by the activity of the Board?

**Shri Bharathan :** Regarding drinking water, housing facilities, etc. they were definitely improved by the intervention of the labour members on the Rubber Board. Now, you have got the Plantation Act. Even before the Act was introduced, the labour representatives could do something by intervening through the Rubber Board.

**Shri Punnoose:** In the original Act of 1947, the functions of the Board are defined. Suppose I move another amendment saying that it shall be the function of the Board to look into the living conditions of employees of every type and make suggestions for their improvement, would you support that?

**Shri Bharathan:** Yes.

**Shri Punnoose:** Would it further the interests of workers?

**Shri Bharathan:** Yes. It would be better.

**Shri Punnoose:** You said that you support direct representation for growers?

**Chairman:** He does not want to commit himself.

**Shri Bharathan:** It is for the growers to decide.

**Shri Punnoose:** I want certain help from you.

**Shri Bharathan:** The only point I wanted to mention that I generally subscribe to the resolution passed by the Rubber Board. That is all.

**Shri Punnoose:** That is very definite.

**Shri Bharathan:** Every interest will safeguard itself.

**Shri Punnoose:** With regard to the small growers, is there any difficulty in that they are not organised? Mr. A. V. George and Mr. Chandi are both small growers. There is no real organisation of the small growers who grow between one acre, five acres etc.

**Shri Bharathan:** I do not want to go into details except to say that I know that Mr. George is the Chairman of the Small Growers' Association.

**Shri Punnoose:** Will it not be desirable for the development of the industry that the Government take the initiative to see that the small growers are organised and representation is given to them?

**Shri Bharathan:** You might have seen the resolution passed by the Rubber Board requesting the Government to help in organising the small growers. That was passed at the Bangalore meeting of the Rubber Board and it has been sent to Government. The Rubber Board tried to organise these small growers into small co-operatives but enough support and enthusiasm was not forthcoming. So we recommended to Government that they should see that money is advanced and small growers are organised.

**Shri Punnoose:** In view of the fact that the number of workers is more than the growers and the grievances of workers are much more numerous than those of the growers, is it not proper that labour gets four seats on the Board?

**Shri Bharathan:** I am not opposed to it. It is for the Committee to decide.

**Shri Punnoose:** Do you actively support it?

**Shri Bharathan:** It is for the Select Committee to decide.

**Shri T. T. Krishnamachari:** I will straightway tell you that if you bring forward that proposal, I will agree on behalf of Government.

**Shri S. C. Deb:** Do you approve of the idea that development of rubber plantations is a necessity?

**Shri Bharathan:** Yes. Because India needs more rubber. Even now we are not producing as much rubber as we consume.

**Shri S. C. Deb:** Would the cost of production go down by replanting the estates with high-yielding varieties?

**Shri T. T. Krishnamachari:** He does not know it. He is only a labour representative.

**Shri S. C. Deb:** Do you approve of the idea of an official Chairman—nominated by Government?

**Shri Bharathan:** About that the Rubber Board has already passed a resolution. It is better that the Board members themselves elect a Chairman and Vice-Chairman. That is in the resolution.

**Shri N. P. Damodaran:** You said that the Rubber Board made some attempts to form a co-operative pool of the small growers. What were the

nature of the attempts and how do you account for the failure?

**Shri Bharathan:** The failure is because as soon as the latex sheets are made, these small growers take them up to some people who will buy them. This is distress sale. They do not get the full price or the price allocated by the Tariff Commission. Sale through co-operatives will help them to a great extent. Even for the co-operatives they have not got enough education.

**Shri N. P. Damodaran:** Has the Rubber Board done anything to educate them about the utility of the co-operative pool?

**Shri Bharathan:** Small producers were approached by the Rubber Production Commissioner but they were not enthusiastic about it because they want the price as soon as they sell it.

**Shri N. P. Damodaran:** Has the Board got any scheme other than this to attract them?

**Shri Bharathan:** The scheme has been submitted to the Government by the Rubber Board.

**Shri N. P. Damodaran:** What is the nature of the scheme?

**Shri Bharathan:** Asking the Government to advance loans out of which the co-operatives could be organised and so on.

**Shri N. P. Damodaran:** Do you think that the advance of loans to small growers will improve the industry?

**Shri Bharathan:** Yes, it will.

**Shri N. P. Damodaran:** Are you of the view that the small growers need some encouragement?

**Shri Bharathan:** Yes.

*(Witness then withdrew.)*

*The Committee then adjourned.*