

LOK SABHA

**THE RUBBER (PRODUCTION &
MARKETING) AMENDMENT
BILL, 1952**

(Report of the Select Committee)



सत्यमेव जयते

**SABHA SECRETARIAT
NEW DELHI
August, 1954**

THE RUBBER (PRODUCTION AND MARKETING) AMENDMENT
BILL, 1952.

Composition of the Select Committee

1. Shri A. M. Thomas—*Chairman*.
2. Shri Amarnath Vidyalankar
3. Shri Ramananda Das
4. Shri Lalit Narayan Mishra
5. Shri A. Ibrahim
6. Shri Ram Dhani Das
7. Shri M. K. Shivananjappa
8. Shri C. R. Iyyunni
9. Shri Bheekha Bhai
10. Shri Piare Lall Kureel Talib
11. Choudhary Raghubir Singh
12. Shri Bulaqi Ram Varma
13. Dr. M. V. Gangadhara Siva
14. Shri Hira Vallabh Tripathi
15. Shri U. R. Bogawat
16. Shri Gulabshankar Amritlal Dholakia
17. Shri S. C. Deb
18. Shri M. Muthukrishnan
19. Shri Balwant Sinha Mehta
20. Shri I. Eacharan
21. Shri Sohan Lal Dhusiya
22. Shri N. C. Govindaswami Kachiroyar
23. Dr. Natabar Pandey
24. Shri R. Velayudhan
25. Shri Y. Gadilingana Gowd
26. Shri Nettur P. Damodaran
27. Shri P. T. Punnoose
28. Shri Mangalagiri Nanadas
29. Shri Sivamurthi Swami
30. Shri M. R. Krishna
31. Shri D. P. Karmarkar
32. Shri T. T. Krishnamachari.

SECRETARIAT

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

(ii)

Report of the Select Committee

The Select Committee to which the Bill* further to amend the Rubber (Production and Marketing) Act, 1947, was referred, have considered the Bill and I now submit their report, with the Bill as amended by the Committee annexed thereto.

2. The Committee held five sittings in all.

3. The Committee heard the evidence tendered by the representatives of the following:—

- (1) The Rubber Growers' Association of India, Kottayam.
- (2) The United Planters' Association of Southern India, Coonoor.
- (3) The Association of Planters of Travancore, Kottayam.
- (4) The Indian Rubber Board.
- (5) The Indian Rubber Industries Association, Bombay.
- (6) Plantation Labour.

The Committee have decided to lay on the Table of the House a copy of the evidence tendered *in extenso*.

4. Twenty members of the Committee visited rubber centres in Travancore-Cochin with the permission of the Honourable Speaker in order to acquaint themselves of the problems of the industry including the extent and nature of small holdings and other allied questions. An account of the impressions of the tour is printed along with the minutes.

5. The Select Committee observe as follows on the principal changes proposed in the Bill.

6. *Clause 2.*—In order to bring the wording in the long title of and preamble to the principal Act in line with Entry 52 of List I of the Seventh Schedule of the Constitution, the Committee feel that the words "Central Control" should be substituted by the words "Control of the Union". This clause has accordingly been amended.

7. *Clause 5.*—In view of certain changes made to the Bill by the Committee, it is necessary in the opinion of the Committee to define the 'small grower'. Accordingly the 'small grower' has been defined to mean 'an owner whose estate does not exceed fifty acres in area'.

8. *Clause 6.*—The Select Committee are of the view that for the proper management of the affairs of the Rubber Board, it is necessary to have a paid Chairman appointed by the Government so that he could devote his attention fully to the problems and affairs of the Board.

*Published in Part II—Section 2 of the Gazette of India Extraordinary, dated the 27th December, 1952.

(iii)

With a view to assisting the small growers and others connected with the rubber industry, and for the purpose of the efficient functioning of the Board the Select Committee made the following suggestions:—

- (i) Small rubber growers who own estates not exceeding 50 acres in area should be given proper representation on the Rubber Board. To achieve this, out of three members to be nominated by the Government of Madras, one should represent the small growers; and out of seven members to be nominated by the Government of Travancore-Cochin, two instead of one as proposed in the Bill should be the representatives of the small growers.
- (ii) The total number of persons to be nominated by the Central Government should be reduced from eleven to ten but the number of representatives of labour amongst them should be increased from three to four. There should be no statutory obligation on the Central Government to nominate persons representing the Central Government or the Indian Council of Agricultural Research.
- (iii) The Houses of Parliament should also be represented on the Board and as such provision should be made for two members of the Lok Sabha and one of the Rajya Sabha to be members of the Board.
- (iv) In case the Central Government deputed any of their officers on the Board, he should have a right to attend the meetings of the Board and take part in the proceedings thereof but should not be entitled to vote.
- (v) The Vice-Chairman of the Board should not be appointed by the Central Government, but should be elected from amongst the members of the Board and he should perform such of the functions of the Chairman as may be prescribed or as may be delegated to him by the Chairman.
- (vi) A provision should be made for the payment of suitable allowances to members of the Board.
- (vii) The membership of the Board should not disqualify a person for being chosen as or for being a Member of either House of Parliament.

This clause has, therefore, been amended accordingly.

9. *Clause 7.*—A new provision regarding the salary and allowances payable to the Chairman and for laying down the conditions of his service has been inserted in the Bill.

The Committee feel that the Rubber Production Commissioner to be appointed under the Act should work under the directions of the Board.

They also consider that Secretary of the Rubber Board should work under the directions of the Board and that his powers and the duties to be performed by him should be prescribed or delegated to him by the Chairman and not by the Rubber Production Commissioner.

(iv)

The necessary provisions as mentioned above and also a provision regarding the salaries, conditions of service etc., of the Rubber Production Commissioner and the Secretary of the Board have been incorporated in this clause.

10. *Clause 9.*—The Committee feel that it should be also within the functions of the Board to secure better working conditions for workers engaged on the rubber industry and to see that the workers are provided with sufficient amenities and incentives. The necessary provision has accordingly been made in this clause.

11. *Clause 10 (new clause).*—The Committee are of the view that occasions may arise when it is necessary for the Board either to import rubber for sale to meet the growing demands or for other purposes or to purchase it in the internal market and this Clause has accordingly been framed to provide for such contingencies.

The Committee feel that ordinarily, the Government should consult the Board before taking any action relating to the affairs of the Board; but it may not always be possible for Government to do so and it is necessary therefore to see that the orders or actions of the Government are not deemed to be invalid or called in question merely because the Board had not been consulted. A new provision to this effect has accordingly been included in the Bill.

12. *Clauses 11 and 12 (new clauses).*—In the principal Act it is provided that the funds of the Board shall be kept in such bank or invested in such manner, as may be prescribed, and shall be expended by the Board, only in the performance of its functions under this Act or for meeting such expenses as are authorised by this Act or by the rules made thereunder.

The Committee have proposed the substitution of these provisions in the principal Act by the new Clauses 11 and 12.

New Clause 11 lays down that the Board shall maintain two funds, a general fund and a pool fund.

New Clause 12 lays down in detail the constitution of the two funds and the purposes for which each of the two funds shall be used. It may be mentioned here that the 'pool fund' shall be applied only to the rehabilitation of small growers in such manner as may be prescribed.

13. *Clause 14.*

Sub-clause (b).

The Committee have re-cast this sub-clause in accordance with the provisions of the Constitution.

14. *Clauses 16 and 17 (new clauses).*—At present only an officer authorised by the Board has the power to inspect the accounts and records referred to in clause (b) of section 20 of the principal Act. The Committee feel that this power should be vested in any person authorised in this behalf by the Central Government or by the Board or any member of the Board authorised by the Chairman in writing or any officer of the Board. It is to provide for this that the new clause 16 has been inserted in the Bill.

(v)

Similarly, at present, under section 21 of the principal Act, only an officer authorised by the Board is empowered to inspect any place of storage of rubber, any estate, any place of business of a dealer or any factory or other premises of a manufacturer, for the purpose of verifying any statement or return submitted under this Act or for any other purpose of this Act. In this case also the Committee feel that this power of inspection should be vested in all those persons mentioned in clause 16 above, and have amended section 21 of the Act by new clause 17 accordingly. By this new clause the Committee have also excluded 'place of storage of rubber, any estate' from the list of places that may be inspected.

15. *Clause 18.*—This clause is intended to make certain amendments in section 25 of the principal Act which deals with the rule making powers of the Government. The Committee feel that the Central Government should have powers to make rules and lay down the principles regulating the nominations of members of the Board by the Central Government or the State Governments concerned. The Committee have, therefore, made the necessary amendment in this clause and have also provided that the respective Governments should call for panels of names from recognised associations before making the nominations.

The Committee are of the view that the rules made under this Act should be laid before both the Houses of Parliament as soon as they are made by the Central Government. Accordingly, the Committee have proposed another amendment in clause 18 for this purpose.

16. The Select Committee recommend that the Bill as amended now be passed by the House.

A. M. THOMAS,
Chairman of the Select Committee.

NEW DELHI;
The 26th August, 1954.

Minutes of Dissent

I

Clause 6(3), sub-clauses (b) to (f)

We consider the provisions empowering the Central and State Governments to nominate members to represent the various interests, instead of allowing them to choose their own representatives, both unsatisfactory and unhelpful. We hold that the Board, if it has to fulfil its vital role in the development of the Industry, should be composed of the accredited representatives of the different interests. We are also of the view that in order to minimise, if not to avoid, the adverse effects of bureaucratic grip over the Industry, elected representatives of the various interests should be there on the Board.

It must be remembered that in the Act now in force statutory rights are given for organisations of Rubber manufacturers to send in their representatives. While we do not consider it necessary to continue this statutory right to particular organisations, it is only proper that the Government should call upon representative organisations from *time to time*, to elect their nominees to the Board. By accepting this suggestion, the Government could ensure that defunct or unrepresentative organisations do not find a place on the Board.

With regard to "Small Growers" we agree that Government should choose their representatives till such time as they develop their own organisation. This, we are convinced, will also give impetus for these small growers to organise.

With regard to the representation of labour, we believe that it should be given parity with the producers and also permitted to elect its men. The argument that there is a multiplicity of Trade Unions working in the Estates cannot be taken seriously because these Unions are affiliated to one or the other recognized Central Trade Unions. Therefore, it is only a matter of asking these organisations to choose their representatives. We consider this highly necessary to secure a forum for the much exploited workers in the Plantations to ventilate their grievances and also to make them feel that they are a part of a great national endeavour.

P. T. PUNNOOSE.
M. NANADAS.

NEW DELHI;
The 26th August, 1954.

II

I wish to write this dissenting note to the Bill as I find that the amending Bill does not comprehensively cover the total field of the Rubber industry in all its aspects. The body of the amending Bill only covers the reformation or reorganisation of the Rubber Board and a few other changes too are made here and there.

Previously the Rubber Board constituted as an autonomous body did not function to the satisfaction or expectation of those who are connected with the industry. In fact it did not and could not give

a helping hand either to the producer, the manufacturer or the worker which forms a very important factor in any industry. This does not mean that I cast any reflection on the members who constituted the Board or the officers who were serving under the Board. The very way the Board constituted itself was from a narrow angle. The large grower, small grower and the manufacturer had not been fully satisfied with the functioning of the Board. It was a helpless witness to the exploitation of labour who were denied the elementary means of living in forest areas with all kinds of deadly diseases, without any school for their children, without proper medical facilities and without a standard wage.

As the Rubber plantations in the Travancore-Cochin State are the oldest ones, the industry requires immediate rehabilitation. Most of the small plantations are handicapped as they find it difficult to invest further finance in rehabilitating the industry. The large plantations are better organised and they invest part of the profit for reconstructing the industry. I hope the new amendment to clause 9 regarding the applicability of the Pool Fund will go a long way in rehabilitating small estates.

With regard to the functions of the Rubber Board also touched in clause 9, it is my view that the Rubber Board will not be capable of meeting the entire requirement of the Rubber industry. In fact the fund at its disposal is meagre. Except taking up wider research in the field of the industry it cannot take up any other profitable work. The other work it is doing now should be taken up by the Central Government directly through the Ministry of Commerce and Industry.

There is discontent among the small growers who feel that the benefit from the Rubber Board is mostly enjoyed by the large scale growers. The interest of the small scale producers should be protected. In fact the large scale growers can stand on their own legs. This does not mean that the total assistance should go to the small growers.

The expansion of the industry is possible in large scale in India. India could get the mastery of this strategic material if a planned development is envisaged. The Government should exercise still further control over the industry.

The condition of the labour is another factor to be further considered by the Government. In fact, housing, medical facilities and education of the children of the labour are mostly neglected by the management. The new amendment brought in the functions of the Board with the inclusion of labour interest will enable hereafter to bring improvement in the condition of the Rubber plantation labour.

R. VELAYUDHAN.

NEW DELHI:

The 26th August, 1954.

THE RUBBER (PRODUCTION AND MARKETING)
AMENDMENT BILL, 1952

(AS AMENDED BY THE SELECT COMMITTEE)

(Words side-lined or under-lined indicate the amendments suggested
by the Committee; asterisks indicate omissions.)

A
BILL

further to amend the Rubber (Production and Marketing) Act, 1947.

BE it enacted by Parliament in the Fifth Year of the Republic of India as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Rubber (Production and Marketing) Amendment Act, 1954.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint. 5

2. **Amendment of long title and preamble, Act XXIV of 1947.**— In the long title of, and the preamble to, the Rubber (Production and Marketing) Act, 1947 (hereinafter in this Act referred to as the principal Act),— 10

(a) for the words “under central control” the words “under the control of the Union” shall be substituted;

(b) the words “so far as regards the production and marketing of rubber, and for regulating export and import of rubber” shall be omitted. 15

3. **Amendment of section 1, Act XXIV of 1947.**— In sub-section (1) of section 1 of the principal Act, the brackets and words “(Production and Marketing)” shall be omitted.

4. **Substitution of new section for section 2 in Act XXIV of 1947.**— For section 2 of the principal Act, the following section shall be substituted, namely:— 20

“2. *Declaration as to expediency of Union control.*—It is hereby declared that it is expedient in the public interest that the Union should take under its control the rubber industry.”

5. Amendment of section 3, Act XXIV of 1947.—In section 3 of the principal Act,—

(a) in clause (a), the word “Indian” shall be omitted;

(b) after clause (h), the following clause shall be inserted,
namely:—

“(i) ‘small grower’ means an owner whose estate does not exceed fifty acres in area.”

6. Amendment of section 4, Act XXIV of 1947.—In section 4 of the principal Act,—

(a) in sub-sections (1) and (2), the word “Indian” shall be omitted;

(b) for sub-sections (3), (4) and (5), the following sub-sections shall be substituted, namely:—

“(3) The Board shall consist of—

(a) a Chairman to be appointed by the Central Government;

* * * * *

(b) three members to be nominated by the Government of Madras, two of whom shall be persons representing rubber producing interests, one of such two being a person representing the small growers;

(c) seven members to be nominated by the Government of Travancore-Cochin, five of whom shall be persons representing the rubber producing interests, two of such five being persons representing the small growers;

(d) ten members to be nominated by the Central Government, of whom two shall represent the manufacturers and four labour; and

(e) three members of Parliament of whom two shall be elected by the House of the People and one by the Council of States;

(f) the Rubber Production Commissioner, *ex-officio*.

(4) Any officer of the Central Government when deputed by that Government in this behalf shall have the right to attend the meetings of the Board and take part in the proceedings thereof but shall not be entitled to vote.

(5) The Board shall elect from among its members a Vice-Chairman who shall exercise such of the powers, and perform such of the functions, of the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(6) The members of the Board shall receive from the Board such allowances as may be prescribed.

(7) It is hereby declared that the office of member of the Board shall not disqualify its holder for being chosen as, or for being, a member of either House of Parliament.”

7. Substitution of new sections for section 6 in Act XXIV of 1947.— For section 6 of the principal Act, the following sections shall be substituted, namely:—

“6. *Salaries and allowances of Chairman.*—The Chairman shall be entitled to such salary and allowances and be governed by such conditions of service in respect of leave, pension, provident fund and other matters as may from time to time be fixed by the Central Government. 5

6A. *Executive officers of the Board.*—(1) The Central Government shall appoint a Rubber Production Commissioner to exercise such powers and perform such duties under the direction of the Board as may be prescribed. 10

(2) The Central Government shall appoint a Secretary to the Board to exercise such powers and perform such duties under the direction of the Board as may be prescribed or as may be delegated to him by the Chairman. 15

(3) The Rubber Production Commissioner and the Secretary to the Board shall be entitled to such salaries and allowances and be governed by such conditions of service regarding leave, pension, provident fund and other matters as may be fixed by the Central Government. 20

(4) The Chairman, the Rubber Production Commissioner and the Secretary shall not undertake any work connected with their duties under this Act except with the permission of the Central Government.” 25

8. Amendment of section 7, Act XXIV of 1947.—In section 7 of the principal Act,—

(a) sub-section (1) shall be omitted;

(b) in sub-section (2), the word “other” shall be omitted.

9. Amendment of section 8, Act XXIV of 1947.—In section 8 of the principal Act,— 30

(a) in sub-section (1), the words “so far as regards the production and marketing of rubber” shall be omitted;

(b) in sub-section (2), after clause (e), the following clauses shall be inserted, namely:— 35

“(f) securing better working conditions and the provisions and improvement of amenities and incentives for workers;

(g) carrying out any other duties which may be vested in the Board under rules made under this Act.” 40

10. Insertion of new sections after section 8 in Act XXIV of 1947.— After section 8 of the principal Act, the following sections shall be inserted, namely:—

“8A. *Power of the Board to import rubber for sale, or to purchase rubber, in the internal market.*—It shall be lawful for the Board with the previous approval of the Central Government 45

to import rubber for sale, or to purchase rubber, in the internal market at such prices as the Central Government may fix.

5 8B. *Consultation with the Board.*—Before taking any action touching the affairs of the Board under this Act, the Central Government shall ordinarily consult the Board:

Provided that no action taken by the Central Government shall be invalid or called in question merely on the ground that the action was taken without such consultation.”

10 11. *Amendment of section 9, Act XXIV of 1947.*—In section 9 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) The Board shall maintain two funds, a general fund and a pool fund.”

15 12. *Insertion of new sections after section 9 in Act XXIV of 1947.*—After section 9 of the principal Act, the following sections shall be inserted, namely:—

“9A. *General fund.*—(1) To the general fund shall be credited,—

20 (a) all sums forming the funds of the Board immediately before the commencement of the Rubber (Production and Marketing) Amendment Act, 1954;

(b) all amounts paid to the Board by the Central Government under sub-section (7) of section 12.

(2) The general fund shall be applied—

25 (a) to meet the expenses of the Board;

(b) to meet the costs of the measures referred to in section 8;

30 (c) to meet the expenditure incurred in the performance of its functions under this Act or under rules made thereunder; and

(d) for making such grants to rubber estates or for meeting the cost of such other assistance to rubber estates as the Board may think necessary for the development of such estates.

35 9B. *Pool fund.*—(1) To the pool fund shall be credited—

(a) all sums realized by sales of rubber imported or purchased under section 8A;

40 (b) any other sum which the Board may, with the previous approval of the Central Government, transfer from the general fund to the pool fund.

(2) The pool fund shall be applied only to the rehabilitation of small growers in such manner as may be prescribed.”

45 13. *Amendment of section 11, Act XXIV of 1947.*—In section 11 of the principal Act, in sub-section (1), the words “after consulting the Board” shall be omitted.

14. Amendment of section 12, Act XXIV of 1947.—In section 12 of the principal Act,—

(a) in sub-section (1), for the words “at such rate as the Central Government may, on the recommendation of the Board,” the words “at such rate not exceeding one anna per pound of rubber so produced as the Central Government may” shall be substituted; and

(b) after sub-section (6), the following sub-section shall be inserted, namely:—

“(7) The proceeds of the duty of excise collected by the Board and any of the fees levied under this Act (all of which shall form part of the Consolidated Fund of India) reduced by the cost of collection as determined by the Central Government, shall, if Parliament by appropriation made by law in this behalf so provides, be paid to the Board for being utilised for the purposes of this Act.”

15. Amendment of section 13, Act XXIV of 1947.—In sub-section (1) of section 13 of the principal Act, the words, brackets and figures “after consulting the Rubber Price Advisory Committee constituted under sub-section (1) of section 7” shall be omitted.

16. Amendment of section 20, Act XXIV of 1947.—In section 20 of the principal Act, for clause (c), the following clause shall be substituted, namely:—

“(c) permit any person authorised in this behalf by the Central Government or by the Board or any member of the Board authorised by the Chairman in writing or any officer of the Board to inspect the accounts and records referred to in clause (b).”

17. Substitution of new section for section 21 in Act XXIV of 1947.—For section 21 of the principal Act, the following section shall be substituted, namely:—

“21. *Inspection of land and premises.*—Any person authorised in this behalf by the Central Government or by the Board or any member authorised by the Chairman in writing or any officer of the Board may at any reasonable time inspect any place of business of a dealer or any factory or other premises of a manufacturer, for the purpose of verifying any statement or return submitted under this Act or for any other purposes of this Act.”

18. Amendment of section 25, Act XXIV of 1947.—For sub-section (2) of section 25 of the principal Act, the following sub-sections shall be substituted, namely:—

“(2) In particular, and without prejudice to the generality of the foregoing power, rules made under this section may provide for all or any of the following matters, namely:—

(i) principles regulating the nominations of members of the Board by the Central Government or the State Gov-

ernments concerned under clauses (b), (c) and (d) of subsection (3) of section 4:

5. Provided that before making such nominations the Central Government or the State Governments concerned shall call for panels of names from the respective associations, recognised by the Central Government or the State Governments concerned, of the various interests referred to in clauses (b), (c) and (d);

10 (ii) the term of office of members of the Board, the circumstances in which and the authority by which members may be removed and the filling of casual vacancies in the Board;

15 (iii) the procedure to be followed at meetings of the Board and at committees thereof for the conduct of business, and the number of members which shall form a quorum at any meeting;

(iv) the maintenance by the Board of records of business transacted by the Board, and the submission of copies thereof to the Central Government;

20 (v) the holding of a minimum number of meetings of the Board every year;

25 (vi) the powers of the Board, its Chairman and committees thereof with respect to the incurring of expenditure and the powers and duties of the Rubber Production Commissioner and the Secretary of the Board;

(vii) the conditions subject to which the Board may incur expenditure outside India;

30 (viii) the preparation of budget estimates of receipts and expenditure of the Board and the authority by which the estimates are to be sanctioned;

(ix) the maintenance of the accounts of income and expenditure of the Board and the audit of such accounts;

(x) the deposit of the funds of the Board in banks and the investment of such funds;

35 (xi) the re-appropriation of the estimated savings from any budget head to any other budget head;

(xii) the conditions subject to which the Board may borrow funds;

40 (xiii) the conditions subject to which and the manner in which contracts may be entered into by or on behalf of the Board;

(xiv) the delegation to committees or the Chairman or Vice-Chairman or members or officers of the Board of any of the powers and duties of the Board under this Act;

(xv) the staff which may be employed by the Board and the pay and allowances and leave and other conditions of service of officers and other employees of the Board;

(xvi) the travelling and other allowances of members of the Board and of committees thereof; 5

(xvii) the purposes for which the funds of the Board may be expended;

(xviii) the maintenance of the registers and other records of the Board and of its various committees;

(xix) the collection of any information or statistics in respect of rubber or any product of rubber; 10

(xx) the form of application for registration under section 10 or the cancellation of such registration, the fee payable on such applications, the procedure to be followed in granting or cancelling registration and the registers to be kept by the Board; 15

(xxi) the form of application for special licences under section 14 or section 17, the fees for the grant or renewal of such licences, and the forms of such licences;

(xxii) the manner in which rubber shall be graded and marketed; 20

(xxiii) the fee payable on appeals under section 23;

(xxiv) any other matter which is to be or may be prescribed.

(3) All rules made under this Act shall, as soon as may be after they are made, be laid before both Houses of Parliament. 25

19. Amendment of section 26, Act XXIV of 1947.—Section 26 of the principal Act shall be numbered as sub-section (1) thereof, and after that sub-section as so numbered, the following sub-sections shall be inserted, namely:— 30

“(2) If the person committing any offence under sub-section (1) is a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: 35

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence. 40

(3) Notwithstanding anything contained in sub-section (2), where an offence under sub-section (1) has been committed by a company and it is proved that the offence has been committed

with the consent or connivance of, or is attributable to any neglect on the part of, any director or manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall
 5 be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means any body corporate, and includes a firm or other association of individuals; and

(b) “director” in relation to a firm means a partner in
 10 the firm.”

20. Insertion of new section 27A in Act XXIV of 1947.—After section 27 of the principal Act, the following section shall be inserted, namely:—

“27A. *Jurisdiction of courts.*—No court inferior to that of a
 15 presidency magistrate or a magistrate of the first class shall try any offence punishable under this Act.”

21. Omission of section 29, Act XXIV of 1947.—Section 29 of the principal Act shall be omitted.

22. Validation of certain acts and indemnity in respect thereof.—
 20 All acts of executive authority, proceedings and sentences which have been done, taken or passed with respect to, or on account of, rubber, during the period commencing on the 26th day of January, 1950, and ending with the date of commencement of this Act, by the Government or by any officer of the Government or by any other
 25 authority in the belief or purported belief that the acts, proceedings or sentences were being done, taken or passed under the principal Act shall be as valid and operative as if they had been done, taken or passed in accordance with law, and no suit or other legal proceeding shall be maintained or continued against any authority whatsoever on the ground that any such acts, proceedings or sentences were
 30 not done, taken or passed in accordance with law.

**Report of the Select Committee on the Bill further to amend
the Rubber (Production and Marketing) Act, 1947.**

(As amended by the Select Committee)

APPENDIX I

MINUTES OF THE MEETINGS OF THE SELECT COMMITTEE

I

First Meeting

The first meeting of the Select Committee on the Rubber (Production and Marketing) Amendment Bill, 1952, was held on Friday, the 21st of May, 1954, at 10 A.M. in the Lobby of the Central Hall, Parliament House.

2. The following were present:

MEMBERS

1. Shri A. M. Thomas—*Chairman*.
2. Shri T. T. Krishnamachari
3. Shri Amarnath Vidyalankar
4. Shri Lalit Narayan Mishra
5. Shri A. Ibrahim
6. Shri Ram Dhani Das
7. Shri M. K. Shivananjappa
8. Shri C. R. Iyyunni
9. Choudhary Raghubir Singh
10. Shri Bulaqi Ram Verma
11. Shri Hira Vallabh Tripathi
12. Shri U. R. Bogawat
13. Shri M. Muthukrishnan
14. Shri Balwant Sinha Mehta
15. Shri I. Eacharan
16. Shri Sohan Lal Dhusiya
17. Shri N. C. Govindaswami Kachiroyar
18. Dr. Natabar Pandey
19. Shri Y. Gadilingana Gowd
20. Shri P. T. Punnoose
21. Shri Mangalagiri Nanadas
22. Shri Sivamurthi Swami
23. Shri D. P. Karmarkar.

Shri S. P. Sen Verma, *Draftsman, Ministry of Law.*

SECRETARIAT

Shri A. L. Rai, *Under Secretary.*

3. The Committee authorised the Chairman that in case any association, body or person expressed a desire to represent its or his views to the Committee, then the necessary memoranda may be obtained from them for circulation to the Members and he may also in his discretion summon them for hearing during the next sittings of the Committee.

4. Some of the Members desired that the meetings of the Committee may be held in the rubber producing centres in the South but in view of Rule 354 of the Rules of Procedure this proposal was dropped.

5. The Committee desired that the following papers regarding the Bill should be circulated to the Members:

- (1) the principal Act;
- (2) the speeches of the Minister in the Lok Sabha on the 8th and 10th May, 1954; and
- (3) any other relevant literature on the subject.

6. The Committee then adjourned at 10-25 A.M. to meet next on Wednesday, the 21st of July, 1954 at 10 A.M.

 II

Second Meeting

The Second Meeting of the Select Committee on the Rubber (Production and Marketing) Amendment Bill, 1952, was held on Wednesday, the 21st July, 1954, at 10 A.M. in Committee Room No. 73, Parliament House, New Delhi.

2. The following were present:

MEMBERS

1. Shri A. M. Thomas—*Chairman.*
2. Shri Amarnath Vidyalkar
3. Shri Ramananda Das
4. Shri A. Ibrahim
5. Shri M. K. Shivananjappa
6. Shri C. R. Iyyunni
7. Shri Piare Lall Kureel Talib
8. Choudhary Raghubir Singh
9. Shri Bulaqi Ram Varma
10. Dr. M. V. Gangadhara Siva

11. Shri Hira Vallabh Tripathi
12. Shri U. R. Bogawat
13. Shri S. C. Deb
14. Shri M. Muthukrishnan
15. Shri Balwant Sinha Mehta
16. Shri I. Eacharan
17. Shri Sohan Lal Dhusiya
18. Shri N. D. Govindaswami Kachiroyar
19. Dr. Natabar Pandey
20. Shri Y. Gadilingana Gowd
21. Shri Nettur P. Damodaran
22. Shri P. T. Punnoose
23. Shri Mangalagiri Nanadas
24. Shri Sivamurthi Swami
25. Shri M. R. Krishna
26. Shri D. P. Karmarkar
27. 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 A. L. Rai, *Under Secretary.*

3. The Committee heard the evidence tendered by the representatives of the following associations, *viz.*,

- (1) The Rubber Growers' Association of India, Kottayam.
- (2) The United Planters' Association of Southern India, Coonoor.
- (3) The Association of Planters of Travancore, Kottayam.

4. The Committee rose for lunch at 1-20 P.M. and re-assembled at 3 P.M.

5. The Committee then heard the evidence tendered by the representatives of—

- (1) The Indian Rubber Board.
- (2) The Indian Rubber Industries Association, Bombay.

6. A verbatim record of evidence tendered was taken down.

7. The Committee considered the proposal regarding the visit of members of the Committee to the rubber centres in the South and postponed decision thereon till the following day.

8. The Committee adjourned at 5-30 P.M. to meet again at 10-30 A.M. on Thursday, the 22nd July, 1954.

III

Third Meeting

The Third Meeting of the Select Committee on the Rubber (Production and Marketing) Amendment Bill, 1952, was held on Thursday, the 22nd July, 1954, at 10-30 A.M. in Room No. 73, Parliament House, New Delhi.

2. The following were present:

MEMBERS

1. Shri A. M. Thomas—*Chairman*.
2. Shri Amarnath Vidyalankar
3. Shri A. Ibrahim
4. Shri M. K. Shivananjappa
5. Shri C. R. Iyyunni
6. Shri Piare Lal Kureel Talib
7. Shri Bulaqi Ram Varma
8. Dr. M. V. Gangadhara Siva
9. Shri Hira Vallabh Tripathi
10. Shri U. R. Bogawat
11. Shri S. C. Deb
12. Shri M. Muthukrishnan
13. Shri Balwant Sinha Mehta
14. Shri I. Eacharan
15. Shri Sohan Lal Dhusiya
16. Shri N. D. Govindaswami Kachiroyar
17. Dr. Natabar Pandey
18. Shri Y. Gadilingana Gowd
19. Shri Nettur P. Damodaran
20. Shri P. T. Punnoose
21. Shri Mangalagiri Nanadas
22. Shri Sivamurthi Swami
23. Shri M. R. Krishna
24. Shri D. P. Karmarkar
25. 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 A. L. Rai, *Under Secretary.*

3. The Committee heard the evidence tendered by Shri C. E. Bharathan, representative of the Plantation Labour. A verbatim record of the evidence tendered was taken down.

4. The Committee at the outset decided that the consideration of the controversial clauses of the Bill should be left to the following sittings of the Committee.

5. *Clauses 2, 3 and 4:* Clauses 2 to 4 bringing the provisions into conformity with the language of Entry 52 of List I of the Seventh Schedule of the Constitution of India were adopted without amendment.

6. *Clause 5:* The Committee agreed to the clause which proposed the deletion of the word "Indian" from the name of the Board *viz.*, the Indian Rubber Board. The clause was adopted without amendment.

7. *Clause 8A:* The Government moved an amendment for the insertion of the following new clause:

"8A. Power of the Board to import rubber for sale in the internal market.—It shall be lawful for the Board with the previous approval of the Central Government to import rubber for sale in the internal market at such prices as may from time to time be fixed by the Central Government."

The Committee was of the view that it may become necessary to import rubber for some time to come in order to meet the growing internal demand and to encourage export of manufactured rubber articles.

It was suggested that import of rubber may be restricted to meet the internal scarcity only when it occurred. The Committee felt that the word "scarcity" was incapable of exact definition and as the Board could import only after obtaining permission of the Central Government, there was no need to impose any further restriction in this behalf. The new clause 8A was adopted without amendment.

8. The Committee was of the view that Section 9(2) of the parent Act has to be suitably amended on the lines of the provisions of Section 27 of the Tea Act and Section 14 of the Coir Act. The Committee thereupon directed the Draftsman to do the needful.

9. *Clause 9A:* The following new clause 9A moved by Government was adopted without amendment:

"9A. Pool Fund for rehabilitation of small growers.—(1) Besides the funds referred to in Section 9 the Board may maintain a special fund to be known as "The Pool Fund".

(2) To the Pool Fund shall be credited—

(a) All sums realised by sales by the Board of rubber imported under the provisions of Section 8A; and

(b) any other sum which the Board may from time to time with the previous approval of the Central Government transfer from its other funds for credit to the Pool Fund.

(3) The Pool Fund shall be applied only to the rehabilitation of small growers of rubber in such manner as may be prescribed."

10. *Clause 11*: Thereafter the Committee considered Clause 11 and the under-mentioned amendment as a substitution for the proposed sub-section (7) of Section 12.

"(7) The proceeds of the duty of excise collected by the Board and of any fees levied under this Act (all of which shall form part of the Consolidated Fund of India) reduced by the cost of collection as determined by the Central Government, shall, if Parliament by appropriation made by law in this behalf so provides, be paid to the Board for being utilised for the purposes of this Act."

The Committee felt that in the first part of clause 11 when dropping the words "on the recommendation of the Board" the words "in consultation with the Board" have to be inserted.

The Committee accepted the new amendment of the Government for substitution of sub-section (7) of Section 12 as it was in furtherance of the provisions in the Constitution of India.

11. *Clause 12*: The Committee considered the question whether a Statutory Committee for fixation of prices was necessary, since it was now being done on the recommendation of the Tariff Commission. Moreover, if found necessary the Board could constitute a sub-Committee for the purpose under Section 7 of the parent Act, as amended by the Bill. A decision is to be taken when Clause 8 is considered.

12. *Clauses 12A, 12B, 14, 15, 16 and 17*: The new clauses 12A and 12B (Annexure A) proposed by Government and clauses 14, 15, 16 and 17 were accepted without amendment.

13. The question of visiting rubber production centres was again discussed. - It was suggested that as the Government was prepared to make arrangements for their visit, the members ought to avail of the opportunity which would help them to determine the extent and nature of small holdings and such other questions. The Committee authorised the Chairman to obtain the permission of the Speaker in this connection and to meet at Ernakulam at 11 A.M. on the 7th of August, 1954.

14. The Committee adjourned at 2-45 P.M. to meet again on Thursday, the 19th August, 1954, at 11 A.M.

IV

Fourth Meeting

The Fourth Meeting of the Select Committee on the Rubber (Production and Marketing) Amendment Bill, 1952 was, held on Thursday, the 19th August, 1954, at 11 A.M. in Central Hall of Parliament House, New Delhi.

2. The following were present:

MEMBERS

1. Shri A. M. Thomas—*Chairman*.
2. Shri Amarnath Vidyalkar
3. Shri A. Ibrahim
4. Shri Ram Dhani Das
5. Shri C. R. Iyyunni
6. Shri Bheekha Bhai
7. Shri Piare Lall Kureel Talib
8. Choudhary Raghubir Singh
9. Shri Bulaqi Ram Varma
10. Shri Hira Vallabh Tripathi
11. Shri U. R. Bogawat
12. Shri S. C. Deb
13. Shri M. Muthukrishnan
14. Shri I. Eacharan
15. Shri Sohan Lal Dhusiya
16. Shri N. D. Govindaswami Kachiroyar
17. Dr. Natabar Pandey
18. Shri R. Velayudhan
19. Shri Y. Gadilingana Gowd
20. Shri Nettur P. Damodaran
21. Shri P. T. Punnoose
22. Shri Mangalagiri Nanadas
23. Shri Sivamurthi Swami
24. Shri M. R. Krishna
25. Shri D. P. Karmarkar
26. Shri T. T. Krishnamachari.

Shri S. P. Sen Verma, *Draftsman, Ministry of Law.*

Shri S. Krishnaswami, *Deputy Secretary, Ministry of Commerce and Industry.*

Shri R. N. Kapur, *Under Secretary, Ministry of Commerce and Industry.*

SECRETARIAT

Shri M. Sundar Raj, *Deputy Secretary.*

Shri A. L. Rai, *Under Secretary.*

3. The Committee decided at the outset to consider the whole Bill clause by clause even though they had adopted most of the clauses in their third meeting held on the 22nd July, 1954.

4. The Committee substituted the following enacting formula for the one in the Bill,

'Be it enacted by Parliament in the Fifth Year of the Republic of India as follows'.

5. *Clause 1:* The year '1952' was substituted by the year '1954'.

6. *Clause 2:* The Government moved that the following be substituted for this clause:

"Amendment of long title and preamble, Act XXIV of 1947.—In the long title of, and the preamble to, the Rubber (Production and Marketing Act, 1947 (hereinafter in this Act referred to as the principal Act)—

(a) for the words "under central control" the words "under the control of the Union" shall be substituted;

(b) the words 'so far as regards the production and marketing of rubber, and for regulating export and import of rubber' shall be omitted."

The revised clause as proposed by the Government was adopted.

7. *Clauses 3 and 4:* These clauses were adopted without amendment.

8. *Clause 5:* The following revised clause was proposed by the Government as a substitute for the original clause:

"Amendment of section 3, Act XXIV of 1947.—In section 3 of the principal Act—

(a) in clause (a) the word "Indian" shall be omitted;

(b) after clause (h) the following clause shall be inserted, namely:—

(1) 'small grower' means an owner whose estate does not exceed fifty acres in area."

The revised clause was adopted without amendment.

9. *Clause 6:* The Committee after a short discussion accepted the principle that the Chairman of the Board ought to be nominated by the Central Government.

The Government moved that revised sub-clause (b) (Annexure B) be substituted for the original sub-clause (b).

It was adopted subject to the following amendments:

(i) In (b) at the end, the words 'one of such two being a person representing the small growers' were added;

- (ii) In (d) the number of members to be nominated by the Central Government was increased from eight to ten, and the representatives of labour were increased from 3 to 4;
- (iii) Three members of Parliament, two of whom elected from the Lok Sabha and one from the Council of States should also be on the Board. The holding of such office shall not disqualify a member from being a member of Parliament.

The Draftsman was asked to incorporate the above amendments in sub-clause (b) as moved by the Government.

During the discussion of this clause it was suggested that the persons representing the various interests should be those who are selected by the relevant associations representing them. The Committee ultimately decided that having regard to a new sub-clause proposed to be incorporated in clause 13 and in view of the practical difficulties of executing this proposal, this suggestion should be rejected.

The clause was adopted subject to above-mentioned amendments.

10. *Clause 7*: The Government moved that revised clause 7 (Annexure C) be taken into consideration.

The revised clause 7 was adopted without amendment.

11. *Clause 8*: This clause was adopted without amendment.

12. *Clause 9*: The Committee substituted sub-clause (b) by the following:

“(b) in sub-section (2), after clause (e) the following clauses shall be inserted, namely:—

(f) securing better working conditions and the provisions and improvement of amenities and incentives for workers;

(g) carrying out any other duties which may be vested in the Board under rules made under this Act.”

The clause as amended was adopted.

13. *Clauses 9A, 9B and 9C*: New clauses 9A, 9B and 9C (Annexure D) were moved by the Government and adopted without amendment.

14. *Clause 10*: This clause was adopted without amendment.

15. *Clause 11*: The Government moved that the following sub-clause (b) be substituted for the original sub-clause:

“(b) after sub-section (6) the following sub-section shall be inserted, namely:

(7) The proceeds of the duty of excise collected by the Board and any of the fees levied under this Act (all of which shall form part of the Consolidated Fund of India) reduced by the cost of collection as determined by the Central Government, shall, if Parliament by appropriation made by law in this behalf so provides, be paid to the Board for being utilised for the purposes of this Act.”

The amendment was accepted and the clause as amended was adopted.

16. *Clause 12*: This clause was adopted without amendment.

17. *Clauses 12A and 12B*: New clauses 12A and 12B (Annexure E) were moved by the Government and adopted without amendment.

18. *Clause 13*: The Committee decided that provision be made in the Rules that the Government concerned shall call a panel of names from recognised associations from which it shall nominate Members to the Board.

The Committee further decided that the Rules made by the Central Government under Section 25 of the principal Act shall be laid before both Houses of Parliament.

The clause was adopted subject to the inclusion of above-mentioned decisions.

19. *Clauses 14, 15, 16 and 17*: Clauses 14 to 17 were adopted without amendment.

20. The Committee adjourned at 12-50 P.M. to meet again at 12 Noon on the 21st August, 1954, for the purposes of the consideration of the draft Report.

V

Fifth Meeting

The Fifth Meeting of the Select Committee on the Rubber (Production and Marketing, Amendment Bill, 1952) was held on Saturday, the 21st August, 1954, at 12 noon in the Central Hall of the Parliament House, New Delhi.

2. The following were present:

MEMBERS

1. Shri A. M. Thomas—*Chairman*.
2. Shri Amarnath Vidyalankar
3. Shri A. Ibrahim
4. Shri Ram Dhani Das
5. Shri C. R. Iyyunni
6. Shri Piare Lall Kureel Talib
7. Choudhary Raghubir Singh
8. Shri Hira Vallabh Tripathi
9. Shri U. R. Bogawat
10. Shri S. C. Deb
11. Shri M. Muthukrishnan
12. Shri Balwant Sinha Mehta
13. Shri I. Eacharan
14. Shri Sohan Lal Dhusiya

15. Shri N. D. Govindaswami Kachiroyar
16. Dr. Natabar Pandey
17. Shri R. Velayudhan
18. Shri Y. Gadilingana Gowd
19. Shri Nettur P. Damodaran
20. Shri P. T. Punnoose
21. Shri Sivamurthi Swami
22. Shri Mangalagiri Nanadas
23. Shri M. R. Krishna
24. Shri D. P. Karmarkar
25. Shri T. T. Krishnamachari

Shri S. P. Sen Verma, *Draftsman, Ministry of Law.*

Shri S. Krishnaswami, *Deputy Secretary, Ministry of Commerce and Industry.*

Shri R. N. Kapur, *Under Secretary, Ministry of Commerce and Industry.*

SECRETARIAT

Shri M. Sundar Raj, *Deputy Secretary.*

Shri A. L. Rai, *Under Secretary.*

3. The Committee decided that the evidence tendered before them should be laid on the Table of the House *in extenso*.

4. The Committee considered the draft Report, the Bill as amended by the Committee and the draft account of the Members' impressions of the tour to the rubber centres, copies of which had been circulated to members.

The Bill as amended was adopted without any further modification.

The draft Report on the Bill and the draft account of tour impressions were adopted with certain modifications.

5. The Committee decided that the account of tour impressions, as adopted by the Committee, should be printed along with the minutes.

6. The Committee adjourned at 12-45 P.M.

ANNEXURES

Annexure A

12A. *Amendment of section 20, Act XXIV of 1947.*—In section 20 of the principal Act:—

For clause (c), the following clause shall be substituted:—

“(c) permit any person authorised in this behalf by the Central Government or by the Board or any member of the Board so authorized by the Chairman in writing or any officer of the Board to inspect the accounts and records referred to in clause (b).”

12B. *Substitution of a new section for section 21, Act XXIV of 1947.*—For section 21 of the principal Act, the following section shall be substituted, namely:—

“21. Any person authorised in this behalf by the Central Government or by the Board or any member so authorised by the Chairman in writing or any officer of the Board may at any reasonable time inspect any place of storage of rubber, any estate, any place of business of a dealer or any factory or other premises of a manufacturer, for the purpose of verifying any statement or return submitted under this Act or for any other purposes of this Act.”

Annexure B

1. For sub-clause (b) of clause 6 of the Amending Bill, the following be substituted:—

(b) For sub-sections (3), (4) and (5), the following sub-sections shall be substituted, namely:—

“(3) The Board shall consist of—

(a) a Chairman to be appointed by the Central Government;

(b) three members to be nominated by the Government of Madras, one of whom shall be a person representing rubber producing interests;

(c) seven members to be nominated by the Government of Travancore-Cochin, four of whom shall be persons representing the rubber producing interests, one of such four being a person representing the smaller interests;

(d) eight members to be nominated by the Central Government, of whom two shall represent the manufacturers and three labour; and

(e) the Rubber Production Commissioner, *ex-officio*.

(4) Any officer of the Central Government when deputed by that Government in this behalf shall have the right to attend meetings of the Board and take part in the proceedings thereof but shall not be entitled to vote.

(5) The Board shall elect from amongst its members a Vice-Chairman who shall exercise such of the powers and perform such of the functions of the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(6) The members of the Board shall receive from the Board such allowances as may be prescribed.”

2. For clause 7 of the Amending Bill, the following may be substituted:—

(7) *Substitution of new sections for section 6 of Act XXIV of 1947.*—For section 6 of the principal Act, the following sections shall be substituted, namely:—

“6. *Salary and allowances of Chairman.*—The Chairman shall be entitled to such salary and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may from time to time be fixed by the Central Government.

6A. *Executive Officers of the Board.*—(1) The Central Government shall appoint a Rubber Production Commissioner to exercise such powers and perform such duties as may be prescribed.

(2) The Central Government shall appoint a Secretary to the Board to exercise such powers and perform such duties under the direction of the Board as may be prescribed or as may be delegated to him by the Chairman.

(3) The Rubber Production Commissioner and the Secretary to the Board shall be entitled to such salaries and allowances and such conditions of service regarding leave, pensions, provident fund and other matters as may from time to time be fixed by the Central Government.

(4) The Chairman, the Rubber Production Commissioner and the Secretary shall not undertake any work unconnected with their duties under this Act, except with the permission of the Central Government."

3. After clause 12 of the Amending Bill, the following may be inserted, namely:—

(1) 12A. *Amendment of section 20, Act XXIV of 1947.*—In section 20 of the principal Act:—

For clause (c), the following clause shall be substituted:—

"(c) permit any person authorised in this behalf by the Central Government or by the Board or any member of the Board so authorised by the Chairman in writing or any officer of the Board to inspect the accounts and records referred to in clause (b)".

(2) 12B. *Substitution of a new section for section 21, Act XXIV of 1947.*—For section 21 of the principal Act, the following section shall be substituted, namely:—

"21. Any person authorised in this behalf by the Central Government or by the Board or any member so authorised by the Chairman in writing or any officer of the Board may at any reasonable time inspect any place of storage of rubber, any estate, any place of business of a dealer or any factory or other premises of a manufacturer, for the purpose of verifying any statement or return submitted under this Act or for any other purposes of this Act."

(3) In clause 13 of the Amending Bill:—

In sub-section (2) of section 25 of the principal Act, in clause (i) before the words "the term of office" the following words shall be inserted, namely: "the matters to be taken into consideration by the Central Government and the various State Governments in nominating members of the Board."

Annexure C

7. *Substitution of new sections for section 6 of the Act XXIV of 1947.*—For section 6 of the principal Act, the following sections shall be substituted, namely:—

“6. *Salaries and allowances of Chairman.*—The Chairman shall be entitled to such salary and allowances and be governed by such conditions of service in respect of leave, pension, provident fund and other matters as may from time to time be fixed by the Central Government.

6A. *Executive officers of the Board.*—(1) The Central Government shall appoint a Rubber Production Commissioner to exercise such powers and perform such duties under the direction of the Board as may be prescribed.

(2) The Central Government shall appoint a Secretary to the Board to exercise such powers and perform such duties under the direction of the Board as may be prescribed or as may be delegated to him by the Chairman.

(3) The Rubber Production Commissioner and the Secretary to the Board shall be entitled to such salaries and allowances and be governed by such conditions of service regarding leave, pension, provident fund and other matters as may be fixed by the Central Government.

(4) The Chairman, the Rubber Production Commissioner and the Secretary shall not undertake any work unconnected with their duties under this Act except with the permission of the Central Government.”

Annexure D

9A. *Insertion of new sections after section 8 in Act XXIV of 1947.*—After section 8 of the principal Act, the following sections shall be inserted, namely:—

“8A. *Power of the Board to import rubber for sale, or to purchase rubber, in the internal market.*—It shall be lawful for the Board with the previous approval of the Central Government to import rubber for sale, or to purchase rubber, in the internal market at such prices as the Central Government may fix.

8B. *Consultation with the Board.*—Before taking any action touching the affairs of the Board under this Act, the Central Government shall ordinarily consult the Board:

Provided that no action taken by the Central Government shall be invalid or called in question merely on the ground that the action was taken without such consultation.”

9B. *Amendment of section 9, Act XXIV of 1947.*—In section 9 of the principal Act for sub-section (2) the following sub-section shall be substituted, namely:—

‘(2) The Board shall maintain two funds, a general fund and a pool fund.’

9C. *Insertion of new sections after section 9 in Act XXIV of 1947.*—After section 9 of the principal Act, the following sections shall be inserted, namely:—

‘9A. *General Fund.*—(1) To the general fund shall be credited—

- (a) all sums forming the funds of the Board immediately before the commencement of the Rubber (Production and Marketing) Amendment Act, 1954.
- (b) all amounts paid to the Board by the Central Government under sub-section (7) of section 12.

(2) The general fund shall be applied—

- (a) to meet the expenses of the Board;
- (b) to meet the costs of the measures referred to in section 8;
- (c) to meet the expenditure incurred in the performance of its functions under this Act or under rules made thereunder; and
- (d) for making such grants to rubber estates or for meeting the cost of such other assistance to rubber estates as the Board may think necessary for the development of such estates.

9B. *Pool fund.*—(1) To the pool fund shall be credited—

- (a) all sums realized by sales of rubber imported or purchased under section 8A;
 - (b) any other sum which the Board may with the previous approval of the Central Government transfer from the general fund to the pool fund.
- (2) The pool fund shall be applied only to the rehabilitation of small growers in such manner as may be prescribed.”
-

Annexure E

After clause 12, the following clauses shall be inserted, namely:—

“12A. *Amendment of section 20, Act XXIV of 1947.*—In section 20 of the principal Act for clause (c) the following clause shall be substituted, namely:—

(c) permit any person authorised in this behalf by the Central Government or by the Board or any member of the Board authorised by the Chairman in writing or any officer of the Board to inspect the accounts and records referred to in clause (b).”

12B. *Substitution of new section for section 21 of Act XXIV of 1947.*—For section 21 of the principal Act, the following section shall be substituted, namely:—

“21. Any person authorised in this behalf by the Central Government or by the Board or any member authorised by the Chairman in writing or any officer of the Board may at any reasonable time inspect any place of business of a dealer or any factory or other premises of a manufacturer, for the purpose of verifying any statement or return submitted under this Act or for any other purposes of this Act.”

APPENDIX II

Account of impressions of the tour of rubber centres in the South by the Members of the Select Committee.

Twenty members of the Select Committee (list attached) toured the various important rubber centres in the State of Travancore-Cochin from the 7th August to the 10th August, 1954.

2. The members visited the following places during their tour:—

- (1) The rubber estate at Mundakayam of the Travancore Tea and Rubber Plantation Company.
- (2) Small holdings at Kanjirapally.
- (3) The National Rubber and Tyre Manufacturing Company, Kottayam.
- (4) The office of the Indian Rubber Board, Kottayam.
- (5) The Rajagiri Estate, Kalanjoor.
- (6) The Shellicary Estate.
- (7) The Isfield Estate.
- (8) The nursery of the Indian Rubber Board at the Rajagiri Estate.
- (9) The Pioneer Estate, Nagercoil.

3. Throughout the tour, the members were accompanied by the Rubber Production Commissioner and the Secretary, Indian Rubber Board, who had made the necessary arrangements in advance.

4. The party travelled about 450 miles by road when visiting all these places.

5. At the rubber estates the members were shown the tapping of rubber trees, the collection of latex, the protection of cuts in the trees against moisture, diseased trees and healthy trees, budded clones and unbudded clones and the method of budding the clones, hedge plantation, composite planting, re-planting, manuring of rubber plantations, double, treble and quadruple budding, nurseries of rubber plants, preserved rubber seeds etc. The members also saw all the processes through which latex was passed in making rubber sheets and crepe rubber and also saw old and new smoking houses and other machinery used during the processes.

6. The members found that the rubber yield is different on different estates, being greater on the bigger estates. Every estate, however, expressed the confidence that their yield would be increased gradually, and for this purpose many estates were maintaining and developing nurseries of rubber plants of good quality for future plantation. Uneconomic rubber trees are being cut down on the bigger estates and new plants of good quality are being planted. The Mundakayam estate rubber plants of good quality are sold to outsiders.

7. New and various kinds of experiments are being conducted at several places. In the Isfield Estate, for example, the members saw

tin strips fixed in the trees just above the tapping cuts in order to protect the cuts from moisture, i.e., dripping of water from the branches and leaves after the rain had stopped. Ordinarily, after rain, the cuts remain wet for a considerable time and prevent the tapping of cuts during that period. With the use of these tin coverings the management of the Isfield Estate expect to save a lot of time as the workers can start tapping the trees sooner than at present.

8. Again on the Pioneer Estate, Nagercoil, the members were shown the hedge planting of rubber trees, by which means the planters were able to save considerable space by a scientific planting of trees.

At the same estate the members also saw double, treble and quadruple budded plants. This experiment is being undertaken by the management to see if the yield of rubber could be increased in this manner.

The management of that estate is also experimenting on composite plantation which was shown to the members.

9. At Kanjirapally the members visited certain small holdings. Small holdings and medium size holdings could be seen on both sides of the roads through which the members travelled. The owner of a Kanjirapally estate which the members visited is maintaining a good small nursery of rubber plants. A joint memorandum on behalf of the small holders was presented to the members by Shri G. Padmanabha Pillai and six others. The members noted the difference in the maintenance of large estates and that of small estates situate by the side of the big estates. Adequate attention was not paid in the small estates in the matter of terracing preventing erosion, and treating diseased trees.

10. The members went round some of the labour lines in all the big estates which they visited. It was felt that the housing conditions needed much improvement.

At Kanjirapally Travellers' Bungalow the President of the Travancore-Cochin Estate Workers' Federation and the General Secretary of the High Range Estate Employees' Association, Munda-kayam, met the members and presented a memorandum to them.

11. The position of the housing accommodation for labourers at some of these estates was as follows:—

Mundakayam Estate	2.1 workers per tenement. More tenements were to be built.
Rajagiri Estate	50 per cent. of workers were provided with tenements. The rest were to be provided in about 4 years time.
Pioneer Estate	50 tenements were provided for the workers. The rest of the labourers lived in the nereby villages and managements had made transport arrangements for them.

12. The big estates are conscious of their obligation to provide educational facilities for the children of the workers. But the existing arrangements in many were unsatisfactory.

13. The members visited the Isfield Estate Hospital maintained by the Estate for the workers of the Estate. The hospital is working under a qualified doctor and other staff. There are 60 beds in all.

14. At a number of places the workers on the plantations met the members and placed their grievances before them.

15. The members also visited a manufacturing factory at Kottayam and the office of the Indian Rubber Board, Kottayam.

16. The members were unanimous in their view that the tour was useful and educative.

List of Members who visited Rubber Centres in the South.

1. Shri A. M. Thomas—*Chairman.*
 2. Shri Sohan Lal Dhusiya.
 3. Shri Amarnath Vidya'ankar.
 4. Shri Piare Lal Kureel Talib.
 5. Shri Hira Vallabh Tripathi.
 6. Shri Bulaqi Ram Varma.
 7. Shri U. R. Bogawat.
 8. Shri A. Ibrahim.
 9. Shri Balwant Sinha Mehta.
 10. Shri Y. Gadilngana Gowd.
 11. Shri Sivamurthi Swami.
 12. Shri Mangalagiri Nanadas.
 13. Shri Nettur P. Damodaran.
 14. Shri I. Eacharan.
 15. Shri M. R. Krishna.
 16. Choudhary Raghbir Singh.
 17. Shri S. C. Deb.
 18. Shri N. D. Govindaswami Kachiroyar.
 19. Shri R. Velayudhan.
 20. Shri P. T. Punnoose.
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