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A SHORT NOTE ON
RUBBER PLANTATION INDUSTRY
IN INDIA

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INDIAN RUBBER BOARD.
MALANKARA BUILDINGS.
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THE INDIAN RUBBER BOARD

A SHORT NOTE ON RUBBER PLANTATION INDUSTRY IN INDIA

1. Early History.

Until 1895, rubber was obtained to a large extent from some of the wild trees in Brazil in South America and to a lesser extent from the *Ficus Elastica* tree in Assam. Though in the beginning, rubber was obtained from a variety of trees, one species was found to be most suitable, namely, *Hevea Brasiliensis*, and by 1914, this tree had ousted practically all others from the market.

2. Rubber was planted in South India on an experimental scale by the end of the nineteenth century. The first plantations of *Hevea* rubber in India were in the Periyar Estate in Travancore and the Poonoor Estate in South Malabar. Rubber plantations on a large scale could be said to have commenced from 1902. During that year, 500 acres at Thattakad, North Travancore, were granted for rubber cultivation. 500 acres in the Koney Reserve were granted in 1903 and another 400 acres in 1904 in the Periyar Valley. Lands were brought under rubber cultivation in Cochin, Malabar, Coimbatore, Coorg and Mysore also during this period. By 1910 the area had increased to about 10,000 acres.

3. Area under Cultivation.

During the early years rubber fetched very high prices. In 1910, the price per lb. was 12 sh. 9 d. There was consequently a rush to bring additional areas under cultivation, and the acreage rose every year. In 1924 the total acreage was about 71,500. Notwithstanding the violent fluctuations in the price of rubber, the tendency to bring more and more land under rubber persisted. On the 31st December 1946, the total area under rubber cultivation was 158,322 acres. A statement showing the area under rubber cultivation in India with years of planting as on 31-12-1946 is appended. (Appendix D).

4. Geographical Distribution.

A noteworthy feature of the industry is that it is practically confined to South India. Travancore is by far the most

important producer, accounting for nearly 72% of the total acreage. Figures showing the distribution of the acreage in Travancore, Cochin, British India, etc., are contained in Appendix II.

5. Size of Estates.

Estates of and above 100 acres comprise an area of 93,805 acres. There are 215 estates of and above 100 acres, and 15,944 holdings under 100 acres. The average acreage of large estates works out at 434 acres, while the average area of small holdings is about 4 acres. A statement showing the distribution of acreage according to the size of the estate is attached. (Appendix III).

6. Ownership.

The Industry is comprised of (a) Sterling Public Limited Companies, (b) Rupee Companies registered in India managed by Europeans, (c) Rupee Companies registered in Ceylon with estates in India managed by Europeans, (d) Rupee Companies owned and managed by Indians and proprietary owners, generally small holders, and (e) Estates owned by non-Indian individuals. The acreage under each category is given in Appendix IV.

7. Production.

The average annual production at present will be about 16,500 tons. Estimated production, acreage in bearing, and average yield per acre since 1940, are given in Appendix V.

8. Average yield-Comparison with other countries.

It will be seen from Appendix V that the average yield per year per acre in India varied from 294 to 315 lbs. of rubber during 1940 to 1945. The average yield per acre in Ceylon is about 350 lbs. In Malaya and Netherlands East Indies the average yield is considerably higher, being as much as twice the Indian yield. This variation in yield is chiefly due to difference in soil, climate and distribution of rainfall. In Malaya and the East Indies, the conditions are best suited for rubber production. In view of the even distribution of rainfall, tapping is possible in these countries almost throughout the year, while in India many tapping days are generally lost every year owing to heavy rains during monsoon.

On account of the higher yield, chiefly due to fortuitous circumstances, the cost of production in these countries is lesser than that in India. This naturally affects the competitive capacity of the Indian planter in an unrestricted market.

9. Price.

The price of raw rubber has been subject to extreme fluctuations. In 1910 it was as high as 12 sh. 9 d. per lb. The rush to plant induced by this level of price eventually resulted in over production and the price dropped to 6½ d. per pound in 1922. It recovered slightly as a result of the restriction in output and reached 4 sh. 8 d. in 1925. It fell again to 2 d. early in 1930. (A table showing average prices since 1934 to 1942 is appended (Appendix VI). In May 1942 the Government of India fixed the prices statutorily and the "control" prices were in force till 30-9-1946. A statement showing the prices fixed by the Government of India from time to time from May 1942 to Sep. 1946 is attached. (Appendix VII).

10. Latex Preservation and its Importance.

Prior to 1939, the rubber produced in India was very largely in the form of sheet and crepe and preservation of latex was, if any, attempted on a very small scale in some estates. Indian manufacturers depended on imports for their requirement of latex.

On the outbreak of the war, foreign supplies of latex became scarce and eventually were completely cut off. This gap was filled by some enterprising planters who after experiments succeeded in supplying preserved latex to meet the requirements of Indian manufacturers. Later on, some of the firms succeeded in supplying creamed latex also. It is estimated that at present preserved and creamed latex containing approximately 1,000 tons of dry rubber, are produced annually. The manufacturing industry is able to utilise with advantage latex, as such, in producing an increasing variety of goods and this has resulted in a progressively increasing demand for latex. For the producers also, it is advantageous to sell latex as such and not after conversion to sheet or crepe.

The main uses of latex are for the manufacture of dipped goods and for waterproofing fabrics. This type of manufacture seems well suited for development as a cottage industry as it does not require any high degree of technical skill or expensive

machineries. The development of this cottage industry is of great advantage to the producers because it creates a ready market for latex in or near the field of production itself.

11. Importance of Industry.

According to the "Report on an Enquiry into Conditions of Labour in Plantations in India" (issued by the Labour Investigation Committee, Government of India, in 1946) the average daily working strength (permanent and temporary) of persons employed on the rubber estates during 1942 was 46,887. Inclusive of the supervisory staff employed on estates, the staff at head offices of companies and persons employed in the handling and transport of rubber, the rubber plantation industry employs at present nearly 50,000 people. The estimated value of rubber produced in 1945, according to prices fixed by the Government of India, is about 360 lakhs of rupees. These figures would testify to the part played by this industry in the economy of South India, and the importance of ensuring its continued existence as a paying concern.

12. Government Control.

As a result of the very low level of prices during 1930 exports from India dwindled and many of the estates stopped production and placed their estates on a "care and maintenance" basis. The only hope then held out to producers was in the reflection that powerful nations like the British and the Dutch, having sunk immense sums in rubber, it was to be expected that all their resources would be concentrated on the question of bringing about a revival of the industry. After the various Governments concerned had failed to find a scheme of regulation of rubber exports acceptable to all rubber interests and had declared that they were prepared to do no more, certain gentlemen greatly interested in the industry took up the matter again and tried to find some way out of the difficulty. The question of restriction of rubber production and export was first referred to South India in December 1933. The United Planters' Association of Southern India at once appointed an *ad hoc* Committee consisting of the Madras Planting Member, the Travancore Planting Member, a leading Cochin rubber planter and two members out of well-known Travancore Planters. The *ad hoc* Committee represented the matter before the respective Governments with a view to receiving support to the scheme by necessary legislation and it also carried out all necessary preliminaries

in connection with the scheme. Owing to the greatly depressed state of the rubber industry in South India, a scheme which offered the prospect of a recovery in rubber prices was generally acceptable to all concerned. The Governments of India, Madras, Travancore and Cochin promised support to the scheme provisionally and the Indian Rubber Licensing Committee commenced working under that name as from 1st June 1934. One of the members of the Committee officiated as Controller without remuneration for one year and organised the whole work. Particulars of the personnel of the Indian Rubber Licensing Committee are given in Appendix VIII.

When the quota figures for all countries were released at the end of April 1934 it was found that the quota allotted to India was quite inadequate. As a result of this there was considerable criticism against the scheme. The Indian Rubber Licensing Committee took up the question in right earnest in spite of quite unsympathetic replies from the Rubber Growers' Association, London. The assessment of over 14,000 units was carried out energetically by about three dozen Assessors appointed by the Committee and a report on the rubber quota for South India was submitted by the Indian Rubber Licensing Committee by October 1934. From 1935 a revised quota was allotted to India which was still considered to be inadequate by certain sections of the industry. The Indian Rubber Control Act, 1934, was brought into effect as from 1st January 1937 and the working of the scheme was carried on quite satisfactorily until the close of 1938 when the scheme was extended for another period of 5 years. As a result of the claim put forward by the Indian Rubber Licensing Committee, the Indian quota was again revised to 17,500 tons for 1939 and 17,750 tons each for the next four years.

The invaluable assistance from Sir F. E. James from the commencement of the negotiations and the very able manner in which the late Mr. L. A. Lampard, first Chairman of the *ad hoc* and Licensing Committee and the late Mr. R. Fowke, then-Chairman of the U. P. A. S. I. who conducted the negotiations to a very satisfactory conclusion are really worth special mention.

13./ Early in 1942, as a result of the outbreak of hostilities between Japan on the one side and the allied countries on the other and the subsequent fall of some of the largest rubber producing countries in the world such as Malaya and Java and

later on Burma, the Government of India found it necessary to prohibit the export of raw rubber from India and to concert measures for increasing the rubber production in India by all possible means. A Rubber Conference was accordingly held in New Delhi on the 27th January 1942 at which all rubber interests were represented. The Indian Rubber Control Order, 1942, was published on the 24th March 1942 constituting the Indian Rubber Control Committee (which commenced functioning from the 1st April, 1942).

14. Since the export of raw rubber was prohibited and the manufacture of articles containing rubber was controlled under Government permits, it was found unnecessary to continue the working of the Indian Rubber Licensing and the Indian Rubber Control Committees in their original form. A second Rubber Conference was, therefore, held in New Delhi on the 28th September 1942 and after due negotiations between the Central Government and the Governments of Madras, Mysore, Cochin and Travancore, the Indian Rubber Control & Production Order, 1942, constituting the Indian Rubber Production Board, was passed in November, 1942. Parallel legislation was enacted also in the States of Travancore, Cochin and Mysore. Personnel of the Indian Rubber Production Board are given in Appendix IX.

15. Under the Rubber Control & Production Order, 1942, all available supplies had to be sold exclusively to the Central Government or to the parties nominated by them at prices fixed by the Government from time to time. The monopoly purchase by Government was terminated on 30-4-1946. Thereafter, manufacturers were allowed to purchase rubber direct from producers and dealers in accordance with the terms of permits issued by the Government. The price control was continued till 30-9-1946 when the Rubber Control & Production Order lapsed.

16. The Rubber Control & Production Order having been issued under the Defence of India Rules, the Indian Rubber Production Board, constituted under its provisions, normally ceased to exist within six months of the termination of hostilities. The Government of India had, however, convened a conference of rubber producing interests in December 1945 to examine the necessity of creating a suitable organisation to look after the interests of the Rubber Industry on the abolition of the

Board. An *ad hoc* Committee was appointed to examine the question and make suitable recommendations.

17. The *ad hoc* Committee issued a memorandum to owners of estates of and over 10 acres inviting their views on the need for setting up the organisation, its functions and powers, etc. The replies received from the planters and the Committee's recommendations thereon were discussed at a conference of representatives of planters, Provinces, States concerned and the Central Government, held at Coimbatore on 28-6-1946. The Committee recommended the creation of a Board, having preponderant representation of producers and with powers *inter alia* to recommend prices for various grades of rubber and to control the import into and export of rubber from India.

18. These recommendations were accepted generally by the Central Government and other Governments concerned. In pursuance thereof, the Central Government passed the Rubber (Production & Marketing) Act, 1947, which came into force from the 19th April 1947.

19. Conclusion.

The problems confronting the Industry at present are different from those it had to face in the past. At the commencement of the restriction period (June 1934), there was practically very little consumption of indigenous rubber in India. This necessitated the participation of India in the International Rubber Agreement which primarily aimed at restriction of output by regulating the export quota for each producing country. At the end of the first restriction period, i. e., 1938, the internal consumption reached the figure of 5,600 tons and it went on increasing regularly until it reached the figure of 14,297 tons in 1941. From 1942 to the end of the war, there was great demand for more and more production of rubber in India in view of the increased requirements of the allies for their programme of war production and the nonavailability of supplies from the chief rubber producing countries as Malaya, Java, Burma, etc.

20. India has by now developed within her borders a rubber manufacturing industry whose requirements of raw rubber promise to exceed indigenous production, if production remains at the existing level. Competition from abroad has

already begun to be felt and this is likely to become more and more acute, as years roll by, if steps are not taken to control imports. Another disturbing factor is the emergence of the synthetic rubber. The extent of competition from this source cannot be assessed exactly at present, but it would be prudent to assume that the continued existence of the plantation rubber will depend to a considerable extent on the cost of production of plantation rubber *vis-a-vis* the synthetic variety.

21. The immediate need is that the Indian producer should be assured of the Indian market. This will be possible in the long run only if the indigenous rubber is made available to the manufacturers at rates which are not uneconomic when compared with the world price of rubber. This could be secured by (a) some measure of control of imports and exports, and (b) by the adoption of improved and scientific methods of rubber cultivation. To achieve these ends is the primary object of the Indian Rubber Board, constituted under the Rubber (Production and Marketing) Act, 1947.

P. V. S. Sarma.

APPENDIX I

*Statement showing rubber planted area according to
years of planting as on 31-12-1946*

			<i>Acres</i>
Planted earlier than	1925		67999.91
Planted during	1925		4816.78
	1926		23379.24
"	"	1927	12653.27
"	"	1928	5817.11
"	"	1929	1782.22
"	"	1930	842.71
"	"	1931	996.98
"	"	1932	218.39
"	"	1933	185.12
"	"	1934	1182.63
"	"	1935	97.53
"	"	1936	647.70
"	"	1937	1302.89½
"	"	1938	1240.23
"	"	1939	4085.59
"	"	1940	4228.32
"	"	1941	1345.53
"	"	1942	2926.78
"	"	1943	12244.68
"	"	1944	5309.64
"	"	1945	4438.44
"	"	1946	580.45

Total 158322.14½ acres.

APPENDIX II

*Statement showing distribution of acreage under rubber
cultivation according to Provinces & States as on 31-12-1946.*

I. Travancore State	113731.60 acres.
(Talukwise distribution)	
Kalkulam	1258.82 acres
Trivandrum	81.50 "

(Continued on next page)

Vilavancode	3336.94	acres
Nedumangad	3653.54	"
Thovala	167.50	"
Chirayankil	10.00	"
Neyyattinkara	8.61	"
Kottarakara	1365.82	"
Kunnathur	4983.23	"
Mavelikara	235.70	"
Pathanapuram	8893.16	"
Shencottah	2790.74	"
Chengannur & Tiruvella	1646.46	"
Pathanamthitta	14319.60	"
Kottayam	5124.60	"
Meenachil	14199.43	"
Changanacherry	27329.75	"
Vaikom	1159.70	"
Muvattupuzha	7562.08	"
Thodupuzha	7251.87	"
Kunnathunad	2293.09	"
Alangad	30.00	"
Parur	135.65	"
Devikulam	400.00	"
Peermade	5493.81	"
II. Mysore State		639.30 acres
III. Cochin State	14154.22	"
IV. <i>British India</i>	29797.02 $\frac{1}{2}$	"
Coorg	3139.95	"
Assam (Cachar)	50.00	"
Bengal (Simring)	9.23	"
<i>Madras Presidency</i>	26597.84 $\frac{1}{2}$	"
Salem District	132.00	"
Malabar	23851.32 $\frac{1}{2}$	"
Nilgiris	999.75	"
Madura	383.67	"
Coimbatore	644.10	"
S. Canara	587.00	"
Total	158322.14 $\frac{1}{2}$	"

APPENDIX III

Statement showing distribution of acreage under rubber cultivation according to size of estates as on 31st December 1946.

Estates of and above 100 acres	No.	215	93,304.93 acres.
Estates of and above 50 "	"	187	12,458.57½ "
and below 100 "	"		
Estates of and above 25 "	"	323	10,983.78 "
and below 50 "	"		
Estates of and above 10 "	"	988	13,897.29 "
and below 25 "	"		
Estates of and above 5 "	"	1,290	8,595.40 "
and below 10 "	"	13,156	19,082.17 "
Estates below 5 acres			
Total		16,159	158,322.14½ "

APPENDIX IV

Statement showing distribution of acreage under rubber cultivation according to ownership as on 31-12-1946

(a) Sterling public limited companies	27305 acres.
(b) Rupee companies registered in India managed by Europeans	12485 "
(c) Rupee companies registered in Ceylon with estates in India managed by Europeans	2636 "
(d) Rupee companies owned and managed by Indians, and proprietary owners generally small holders	115304 "
(e) Owned by Non-Indian individuals	592 "
Total	158322 "

APPENDIX V

Statement showing estimated annual production of rubber in India, acreage in "bearing," and average yield per acre, from 1940

<i>Year.</i>	<i>Production in tons.</i>	<i>Acreage in bearing.</i>	<i>Average yield per annum per acre in pounds.</i>
1940	16,671	123,820	302
1941	16,295	124,135	294
1942	16,579	123,476	301
1943	16,629	121,647	306
1944	17,174	122,191	315
1945	16,077	122,444	294
1946	10,374*	125,521	185*

* Up to end September 1946 only.

N. B. From 1934 to 1939, output was restricted in consequence of the Indian Rubber Control Act, 1934.

APPENDIX VI

Statement of average price Ex-Kottayam of first quality sheet rubber with export quota, per 100 pounds.

<i>Year.</i>	<i>Rupees.</i>
1934 (October—December)	29.75
1935	27.14
1936	40.60
1937	48.77
1938	36.04
1939	45.77
1940	55.53
1941	55.90
1942 (up to 26-5-'42)	61.60

APPENDIX VII.

*Price of first quality sheet rubber F. O. R. Cochin
per 100 lbs. as fixed by the Government of India
under the Defence of India Rules.*

<i>Period.</i>	<i>Rupees.</i>
27/5/42 to 28/11/42 18.2.43	71/8/0
1.2.43 28/11/42 to 9/4/44	77/5/0
10/4/44 to 31/7/44	77/5/0 + 11/1/9 bonus.
1/8/44 to 30/9/44	77/5/0
1/10/44 to 31/12/44	77/5/0 + 11/1/9 bonus.
1/1/45 to 30/6/45	77/5/0 + 33/5/3 bonus.
1/7/45 to 31/1/46	100/0/0
1/2/46 to 29/4/46	77/5/0
30/4/46 to 30/9/46	87/1/0

APPENDIX VIII.

*Personnel of the Indian Rubber Licensing Committee,
constituted under Finance Department Notification
'No. 39 dated 26-5-1934 and the Indian Rubber
Control Act, 1934, (June 1934 to April 1944).*

Note :—The Committee comprised of 5 members, 2 nominated by the Travancore Government, one by the Cochin Government, one by the Madras Government, and one by the United Planters' Association of S. India.

Travancore Government :—

Mr. P. Kurian John, Member from June 1934 : Resigned at the beginning of 1935.
 „ K. V. Mathew, „ do. „, Chairman from June 1937 till the dissolution of the Committee.
 He was the Chairman of the I. R. C. Committee also.
 „ K. I. Thomas, Member from August 1935 : Died in August 1939.
 The Division Poishkar, } Member from Sept. 1939 till the dis-
 Kottayam. } solution of the Committee.

Cochin Government :—

Mr. H. J. Walmsley, Member from June 1934 to March 1937.
 „ E. F. M. Norman, Member from August 1937 till the dissolution of the Committee.

Madras Government :—

Mr. R. Lescher, Member from June 1934 to March 1936;
 (also Chairman from April 1935 to March 1936).
 „ W. J. Campbell, Member from April 1936 to March 1937.
 „ J. E. Pitcairn, „ „ March 1937 to March 1939.
 „ H. Harper, „ „ March 1939 to Dec. 1939.
 „ J. E. Pitcairn, „ „ January 1940 till the dissolution of the Committee.

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United Planters' Association of S. India.

Mr. L. A. Lampard, Member and Chairman from June 1934
to April 1935.
„ J. J. Murphy, „ from April 1935 : (also Chairman
from March 1936 to June 1937)
Resigned in June 1937.
„ L. J. T. Polgreen, „ „ June 1937 till the dissolution
of the Committee.

Mr. P. KURIAN JOHN, *Controller.*

*Indian Rubber Control Committee—constituted under the
Indian Rubber Control Order, 1942 : (1-4-1942 to 23-11-1942).*

Licensing Committee members and one member (Mr. C. P. Liston), nominated by the Association of Rubber Manufacturers in India.

APPENDIX IX.

*Personnel of the INDIAN RUBBER PRODUCTION
BOARD—constituted under the Rubber Control and
Production Order, 1942. (23-11-42 to 30-9-46).*

Central Government :—

Sachivottama Sir C. P. Ramaswami Iyer, K. C. S. I.,
K. C. I. E., LL. D., Dewan of Travancore. *Chairman.*
A. F. W. Dixon, C. I. E., I. C. S., *Vice Chairman from*
Dewan of Cochin. *26-11-42 to 3-12-1943.*
Sir George Boag, K. C. I. E., C. S. I.,
I. C. S., Dewan of Cochin. *Vice Chairman from*
4-12-1943.

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Members.

Sir Frederick James, O. F. S., *Rubber Adviser to Government.*

Mr. J. P. Anderson, *Controller of Rubber.*

Madras Government :—(one representative).

Mr. J. E. Pitcairn. *From 23-11-42 to 14-3-1944.*

" R. Lescher, O. B. E. *From 15-3-44 to 3-1-45.*
(*died on 3-1-45*).

" F. G. Wallace. *From 15-2-45 to 4-6-45.*

Lt. Col. J. A. Davidson. *From 5-6-1945.*

Travancore Government :—(2 representatives).

Mr. K. V. Mathew.

The Division Peishkar, Kottayam.

Cochin Government :—(one representative).

Mr. E. F. M. Norman.

U. P. A. S. I. :—(one representative).

Mr. L. J. T. Polgreen. *From 23-11-42 to 18-5-45.*

" E. Lefevre. *From 19-5-45.*

Rubber Growers' Association of India :—(one representative).

Mr. A. V. Thomas.

Association of Planters of Travancore :—(one representative).

Mr. K. Dominic Joseph, B. A., B. L.

Approved Rubber Dealers :—(one representative).

Mr. V. J. Joseph, B. A.

Mr. P. KURIAN JOHN, *Rubber Production Commissioner,*
(*Ex-officio*).

Mr. C. R. B. Menon, B. A., *Secretary from*
27-11-42 to 30-12-45.

" P. V. S. Sarma, M. A., B. L., *Secretary from 5-1-1946.*

