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ESTIMATES COMMITTEE
1961-62

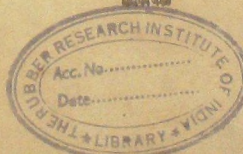
HUNDRED AND FORTY-EIGHTH REPORT

(SECOND LOK SABHA)

MINISTRY OF COMMERCE & INDUSTRY

RUBBER BOARD, KOTTAYAM

(REPORTS AND ACCOUNTS)



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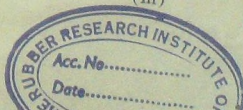
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HUNDRED AND FORTY-EIGHTH REPORT OF THE
ESTIMATES COMMITTEE (SECOND LOK SABHA)

C O R R I G E N D A

- Page 1, para 3, line 2 from below : For the figure "2,86,568" read "2,86,567"
- Page 9, para 25, line 15 : delete the word "it"
- Page 11, para 33, line 5 : For "his" read "this"
- Page 13, para 38, line 12 : For "The" read 'the'
- Page 16, Marginal heading against para 50 : For "worthwhile" read "significant"
- Page 16, Table below para 52, column 2 : For "Estate" read "estates"
- Page 27, table below para 87, line 6 from below : For "3 posts" read "31 posts"
- Page 31, para 100, line 8 : delete the word "of"
- Page 41, against Sl.No.2, col. 2 : delete the figure "84"
- Page 44, against Sl.No. 16, col. 3, line 3 : For the words "works ouo" read "works out to"
- Page 44, against Sl.No.18, col.3, line 1 : For the words "holdig of less bar" read "holdings of"
- Page 45, against Sl.No. 19, col. 3, line 3 : For the word "bodylike" read "body like"
- Page 45, against Sl.No.19, col.3, line 6 : For the word "mplemenation" read "implementatio"
- Page 47, against Sl.No. 31, col.3, line 12 : For the word "Funds" read "Funds"
- Page 51, heading : For VII read 'VIII'

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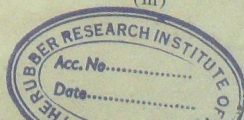
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SECRETARIAT

Shri N. N. Mallya—Deputy Secretary.

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INTRODUCTION

1. I, the Chairman of the Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Hundred and Forty-eighth Report on the Ministry of Commerce and Industry—Rubber Board (Reports and Accounts).

2. A general examination of the published Annual Report and Accounts of the Rubber Board for the year ending 31st March, 1960 was conducted by the Sub-Committee of the Estimates Committee on Public Undertakings whose Report thereon was finally approved by the whole Committee.

3. A statement showing an analysis of the recommendations contained in this Report is also appended (Appendix VIII).

4. The Committee wish to express their thanks to the Officers of the Ministry of Commerce and Industry and the Rubber Board for placing before them the material and information that they wanted in connection with the examination of the Annual Report and Accounts of the Rubber Board.

NEW DELHI;
The 5th December, 1961.
The 14th Agrahayana, 1883 (Saka). Estimates Committee.

H. C. DASAPPA,
Chairman,

I

INTRODUCTORY

A. General

Whether in peace or in war Rubber is of vital and strategic importance to a nation. It is a basic raw material for the manufacture of a variety of goods which have become indispensable in modern life.

2. Till 1938 India was exporting rubber to foreign countries. By the middle of 1941, the country had become a net importer of rubber. This was due to the rapid growth of the rubber manufacturing industry to meet the growing Defence demands. Since then the demand has increased year after year. In 1960-61 the total requirements of rubber were about 61,000 tons of which indigenous production was about 25,000 tons. The balance of 36,000 tons was imported at an approximate cost of Rs. 10.78 crores. In future years the gap between the production and consumption of rubber in the country is expected to grow wider as the total requirements of rubber are estimated to go up to 93,800 tons in 1965, to 1,60,200 tons in 1970 and to 2,73,600 tons in 1975.

3. The table below gives the acreage under rubber in the various States during the years 1954 to 1959:—

(In acres)

Year	Kerala	Madras	Mysore	Andamans	Assam	West Bengal	Total
1954	1,63,880	8,788	3,648	272	50	9	1,76,647
1955	1,93,873	9,323	3,713	272	50	9	2,07,240
1956	2,19,624	10,346	3,900	422	50	9	2,34,351
1957	2,46,793	10,856	3,927	422	..	..	2,61,998
1958	2,70,625	11,581	3,939	422	..	..	2,86,568
1959	2,88,450	12,631	3,949	422	..	..	3,05,452

4. It will be seen from the above table that the rubber plantation industry is thus largely concentrated in the Kerala State. It provides employment to about 1.3 lakh workers and plays an important role in the economy of that State.

Role in the economy of Kerala State.

B. Constitution of the Rubber Board

Historical Background. 5. The necessity having been felt to develop and regulate the industry, the Rubber (Production and Marketing) Act was passed in 1947 and the Indian Rubber Board set up "to promote by such measures as it thinks fit for the development of the Rubber Industry". This Act has since been amended in 1949, 1951, 1952, 1954 and 1960 and numerous changes made in the constitution of the Board. Under the Amending Act of 1954 a full-time Chairman was appointed and the membership of the Board reduced from 27 to 25. The office of the Board is located naturally at Kottayam in Kerala State.

C. Functions

Manufacturing aspects not looked after by the Board. 6. The functions of the Rubber Board, as defined in Section 8 of the Act, are given in Appendix I. The Board has not hitherto interested itself beyond the stage of production of natural raw rubber though under the Act its responsibility appears to extend to the development of the industry as a whole. Evidently, the measures enjoined on the Board contemplate only the development of rubber up to the stage of production and marketing of rubber and not the actual conversion of rubber into manufactured goods. The manufacturing aspects of the industry including the production of synthetic rubber in the country are looked after by the Development Wing of the Ministry of Commerce and Industry. At present there does not seem to be much of co-ordination between the Rubber Board and the Development Wing on Synthetic rubber. *In view of the fact that the production of synthetic rubber has a large impact on natural rubber, the Committee are of opinion that there should be sufficient co-ordination between the Rubber Board and the Development Wing of the Ministry of Commerce and Industry.*

Need for co-ordination between the Board and the Dev. Wing of the Min. of C. & I.

II

PRODUCTION, CONSUMPTION AND IMPORTS

A. Production and Consumption

7. The following table gives the production, consumption and imports of Natural (NR), Synthetic (SR) and Reclaimed (RR) Rubbers since 1950:—

Year	Production of N.R. in tons	Consumption in tons				Imports in tons			
		NR	SR	RR	Total	NR	SR	RR	Total
1950 .	15,599	17,735	..	..	17,735	1,082	..	..	1,082
1951 .	[17,148	[22,427	..	..	22,427	6,921	..	..	6,921
1952 .	19,863	21,061	17	[2,088	23,166	3,851	15	1,908	5,774
1953 .	21,136	22,373	16	[2,193	24,582	272	23	1,972	2,267
1954 .	21,493	[25,487	19	[2,230	27,736	3,371	17	2,464	5,852
1955 .	[22,481	27,543	106	[2,502	30,151	3,839	614	2,571	7,024
1956 .	[23,444	28,996	[2,409	3,261	34,666	6,463	2,806	3,363	12,632
1957 .	23,767	[31,765	[3,032	3,837	38,634	9,677	3,534	4,112	17,323
1958 .	[24,328	[34,756	[3,252	4,051	42,059	11,378	3,523	4,047	19,448
1959 .	23,398	[38,663	4,342	4,454	47,459	14,486	4,673	4,522	23,681
1960 .	24,795	N.A.]	..	..	..	..	..	..	..

8. It will be seen that the production of natural rubber increased from 15,599 tons in 1950 to 23,398 tons in 1959 i.e. an increase of 50 per cent. Its consumption on the other hand recorded a rise of 118 per cent from 17,735 to 38,663 tons during the same period. Thus the increase in production of natural rubber has not kept pace with consumption. In addition, demand for synthetic and reclaimed rubbers has also been rising from year to year. The deficit has been made good by imports which have involved a heavy drain on the foreign exchange resources of the country. In 1959 alone a total quantity of 23,681 tons (consisting of 14,486 tons of N.R., 4,673 tons of S.R., and 4,522 tons of RR) was imported at a cost of about Rs. 6.72 crores. It is thus seen that the gap between production and consumption of rubber has been in existence since as early as 1941 and has been widening year after year.

It was a very timely step that the Government took soon after freedom to constitute the Rubber Board. The Committee, however, regret that the measures that the Government and the Board have taken all these many years have proved totally inadequate for the purpose of making the

country self-sufficient in rubber. The Committee consider that it was possible for the Board to take more effective steps both by way of promoting expansion and intensive cultivation if not to eliminate the gap altogether at least to narrow it down considerably. The prospect does not seem to be any better as will be discussed in subsequent paras.

Average annual production, tappable area and yield per acre in the First and Second Plan periods as well as estimates for Third Plan.

9. As against the annual demand of 54,300 tons of natural rubber by 1955-56 the Third Five Year Plan envisages the annual production by that year to go up to 45,000 tons only. The following table shows the average annual production, tappable area and yield per acre of rubber in the First and Second Plan periods as well as the estimates for the Third Plan:—

Period	Average tappable area (in acres)	Average annual production (tons)	Average yield (lbs. per acre)
(a) 1951 to 1955	1,60,584	20,424.2	284.4
(b) 1956 to 1960	1,74,740	23,946	306.9
Its percentage increase over (a) above	9%	18%	8.0%
(c) 1961 to 1965 (estimate*)	2,24,620	34,580.0	344.6
Its percentage increase over (b) above	28.6%	44.4%	12%

Trends in average yield

10. The following table as supplied by the Board as well as indicated in the Plantation Inquiry Commission Report shows the trends in the average yield per acre of rubber since 1948:—

Year	(in lbs.)		
	Estates	Small Holdings	All India
1948	NK	NK	291
1949	NK	NK	282
1950	275	192	253
1951	285	191	257
1952	306	222	280
1953	319	231	290
1954	315	246	292
1955	395	244	303
1956	337	233	294
1957	377	208	303
1958	425	178	314
1959	413	174	304
1960	389	174	320

* Production figures taken as envisaged in the Working Group Report.

11. It will be seen that the average all-India yield has ranged between 253 to 320 lbs. per acre during the period. There has been no marked improvement in the yield since the setting up of the Board in 1947 when it was about 291 lbs. per acre. In this connection the Committee understand that the average overall yield per acre in Ceylon was 417 lbs. in 1960. The yield in Malaya is also about the same. Further, Malaya is reported to have produced a strain of rubber plant which could come into bearing within about 4 years instead of the normal eight year period and is expected to yield 800 lbs. in the first year of tapping. Explaining why this could not be done in this country the Chairman of the Board stated that climatic conditions in India for rubber growing were not as favourable as in Malaya. He, however, admitted that there was considerable scope for improvement. The Committee regret that even after fourteen years of the existence of the Rubber Board the yield continues to be low and that there should be so much difference between the average yield in India and that of other neighbouring countries. They hope that the Board will take energetic and effective measures to increase the yield per acre.

12. According to the study made by a Working Group for formulating development programme for the Third Five Year Plan, the shortfall in the production and consumption of natural rubber is estimated to be as follows:—

(In tons on increasing.

Year	Estimated production	Estimated consumption	Shortfall
1965	45,000	54,300	9,300
1970	50,000	1,07,000	57,000
1975	63,000	1,71,000	1,08,000

It will be seen that at the end of each Plan period the shortfall goes on increasing. It will be 9,300 tons by 1965, 57,000 by 1970 and 1,08,000 by 1975. The estimated deficit in 1975 alone would entail imports involving a foreign exchange expenditure of over Rs. 40 crores at the current price level.

Realisation of Third Plan production target doubtful.

13. Even the present low targets compared to the requirements of rubber do not seem to be capable of being realised. The production in 1955 was 22,481 tons and it only rose to 23,398 tons in 1959, i.e. a rise of just over 4 per cent in the course of four years. The production was 24,795 tons in 1960 which means a rise of 10 per cent in the course of 5 years. If the target of 45,000 tons for 1965

is to be realistic it means that there would be a rise of more than 80 per cent in the course of 5 years. Viewed from the past trends in production and yield alike it will be evident that the target of 45,000 tons is difficult to realise—a doubt which the Chairman of the Board himself shared. He, however, based his hopes on the high yielding trees that they had planted which would mature by 1965 as also the improved methods of cultivation.

While the Committee have their own doubt about the achievement of the production target of 45,000 tons by 1965, which the Board have placed before themselves, they hope that the Board would do everything to realise it. If a concerted drive is made to improve the methods of cultivation it may not be impossible to attain the target.

Need for
strict control
over rubber
consumption.

14. The Committee were informed that the 87 units, which were borne on the Registers of the Development Wing, were not permitted to manufacture non-essential rubber goods. There were, however, a number of smaller units manufacturing rubber goods on which there was no control. The Committee feel that the existing control measures are not sufficiently effective as they find that rubber is being increasingly used for the manufacture of a number of consumer goods like door mats, paper weights, cushions, rubber sheets etc. for which suitable substitutes are available. Considering the tight foreign exchange position and the increasingly heavy expenditure on the import of rubber, the Committee would urge that stricter control should be exercised on the use of rubber for the manufacture of non-essential goods.

B. Synthetic Rubber

World trends
in use of
synthetic
rubber.

15. The trend in recent years shows that more and more of synthetic rubber is being used by manufacturers all over the world. The current usage proportions of various varieties of rubber in some of the industrialised countries of the world are given below:—

Country	Quantity in tons and per cent			Total (tons)
	NR	SR	RR	
U.S.A. (1958)	485,242 30%	872,162 55%	246,656 15%	1,604,060
U.K. (1958)	175,460 65%	62,979 23%	33,567 12%	272,006
France (1957)	135,185 64%	49,923 24%	26,127 12%	211,237
Germany (1957)	136,000 63%	47,000 22%	34,099 15%	217,099
India (1959)	38,663 81.4%	4,342 9.2%	4,454 9.4%	47,459

16. It will be seen that while in India, the percentage of synthetic rubber to the total used is about 9 per cent, it is 55, 23, 24, and 22 per cent in U.S.A., U.K., France and Germany respectively.

17. There has been no production of synthetic rubber in this country so far. As already stated, Government have recently licenced two factories—one for the manufacture of general purpose synthetic rubber (SBR) with a capacity of 30,000 tons at Bareilly and the other for the manufacture of CIS-1-4 Polybutadiene in Assam with a capacity of 20,000 tons. The former is expected to reach its production target by 1964.

18. The latest assessment made by scientists on the current situation concerning natural and synthetic rubbers indicate that synthetic rubber is not a complete substitute for natural rubber. This fact needs to be borne in mind in future planning of synthetic rubber.

III DEVELOPMENT PROGRAMMES

A. Survey

No general survey undertaken.

19. The first experimental planting of rubber was started in the country towards the end of the last century. Cultivation on a commercial scale was started at Periyar and Poonoor in Kerala as far back as 1902. It was ascertained that no general survey to determine the suitability and availability of land for rubber cultivation in the country as a whole has yet been undertaken even after nearly sixty years of rubber production being taken up on a commercial scale.

Need for a general Survey.

20. The Committee feel that such a survey was an essential pre-requisite for planned development and should have been the first step to be taken by the Board. The representative of the Ministry admitted the need for such a general survey. The Committee recommend that the Board should now at least undertake a comprehensive survey of the existing as well as potential areas for rubber cultivation in the whole country and complete the same within a given period. Development schemes for new planting etc. should be prepared on the basis of the data so collected and coordinated centrally.

B. New Planting

Trends in increase of acreage.

21. The following table shows the trends in increase of acreage under rubber since 1910:—

Year	Acreage	Percent increase
1910	29,500 acres	..
1925	76,295 "	158.6%
1946	1,69,923 "	122.7%
1959	3,05,452 "	79.7%

22. The increase in acreage during the periods prior to 1947 had been much higher than the increase thereafter. The year-wise new planted area since 1950 is given below:—

Year	New planted area
	(acres)
1950	1875
1951	1220
1952	2186
1953	4175
1954	10100
1955	21616
1956	27480
1957	30707
1958	21073
1959	5033

23. It will be seen that the yearly rate of new planting was between 1200 to 5000 acres generally except during the years 1954 to 1958. The unusual increase during these years was attributed to the fear of land ceiling under the Kerala Agrarian Relations Bill when large areas were planted indiscriminately with low yielding material. Thus the increase in acreage during the period has been either a natural one or due to extraneous factors and does not seem to have been due to any positive steps taken by the Board to extend the area of rubber cultivation. The Chairman of the Board explained that they had indirectly assisted the industry by way of giving a stable price since 1947 and creating a scientific consciousness among the growers.

No positive steps taken by the Board to extend the area of rubber cultivation.

C. Replanting

24. In 1949 the Rubber Board submitted a scheme which envisaged replanting of 80,000 acres in 12 years. In 1950 the Government of India appointed a Development Committee which also recommended replanting of 1,20,000 acres in 16 years commencing from 1952. Pursuant to this recommendation, the Board submitted a revised scheme in November, 1952 which, *inter-alia*, provided for a subsidy of Rs. 500 per acre which represented half the replanting cost. The replanting scheme was finally approved and taken up for implementation in 1957—eight years after it was first evolved.

Delay in launching the replanting scheme.

25. It was indicated that the delay was due to inadequacy of the then cess collections to meet the additional financial burden put by the scheme. The Committee are unable to accept this as an adequate reason to hold up such an important scheme. They feel that the matter was apparently dealt with in a leisurely manner while neighbouring countries like Ceylon and Malaya who had embarked on similar schemes about the same time went about it with a sense of urgency and fully implemented them by 1957—the year in which our scheme was finally approved. Much valuable time and production have thus been lost by this delay. After the replanting scheme was taken up there has been a progress in replanting to the extent of 3,500 acres on an average. Had the replanting been taken up in 1952 when the revised scheme was submitted and had it proceeded even at the meagre average rate of 3,500 acres per year, a replanting of approximately 17,500 acres could have been completed by 1957. These plants would all have come into production by 1965. That would have saved valuable foreign exchange amounting to approximately Rs. 88 lakhs annually at current prices.

Much valuable time and production lost as a result of delay.

26. The Replanting Scheme of 1957 aimed at replanting 70,000 acres of land in 10 years at the rate of 7,000 acres per annum. A graded scale of subsidy ranging from Rs. 250 to Rs. 400 per acre according to the size of the estate was

Unsatisfactory progress of replanting scheme.

prescribed. The following table shows the progress of the scheme:

(In acres)

Year	Target of replanting	Area replanted by		Total
		Small growers	Large growers	
1957	7,000	1,449	1,367	2,816
1958	7,000	2,091	2,057	4,148
1959	7,000	2,036	1,645	3,681
TOTAL	21,000	5,576	5,069	10,645

27. It will be seen that as against the target of 21,000 acres for the 3 years 1957 to 1959, the actual area replanted was only 10,645 acres, i.e. about 50 per cent. Thus the progress achieved has been none too satisfactory. This position appears more disappointing when compared with Ceylon and Malaya.

Examples of Ceylon and Malaya.

28. In this connection the Committee understand that in Ceylon a replanting subsidy scheme was launched in May, 1953. It aimed at replanting of 90,000 acres in 5 years from 1953 to 1957 and prescribed a graded scale of subsidy ranging from Rs. 700 to Rs. 1,000 per acre. The actual area replanted by the end of 1957 was 90,206 acres i.e. 206 acres above the target. The scheme has been continued for a further period of 5 years and it is expected to replant 1,10,000 acres by the end of 1962—making a total of about 2 lakhs acres.

29. In Malaya a replanting scheme was launched in 1953. It prescribed a graded scale of subsidy ranging from Rs. 625 to Rs. 960 per acre. The scheme was divided into two parts—one covering large growers owning 100 acres or above and the other covering small holdings of less than 100 acres. The Rubber Industry (Replanting) Board concentrated on the latter and the former was left to be carried by big holdings. The target of replanting for small growers was fixed at 5 lakhs acres to be completed in 7 years period 1953 to 1959. During the first five years of the scheme (i.e. upto the end of 1957) 4,54,900 acres were replanted by the small growers.

Adequate forethought and planning not gone into the matter.

30. The unsatisfactory progress of replanting scheme in our country was ascribed to the unattractive scale of subsidy which has since been enhanced to Rs. 1,000 per acre. Why the inadequacy of the subsidy was not apparent to the authorities having the examples of Ceylon and Malaya

before them is not clear. It is most unfortunate. In matters of this nature adequate forethought, careful planning and utmost expedition should be shown.

31. New targets for replanting after the increase in the subsidy to Rs. 1,000 are as follows:—

	Acres	Revised targets of replanting unrelated to requirements.
1960	7,500	
1961	8,000	
1962	8,500	
1963	9,000	
1964	9,500	
1965	10,000	
TOTAL	52,500	

32. Far back in 1951 the Development Committee had assessed the area requiring replanting at 1,20,000 acres. The replanting scheme of 1957, however, aimed at replanting of 70,000 acres by 1965-66. The targets as now revised envisage replanting of 63,145 acres only by the end of Second Plan period. If the area requiring replanting was estimated at 1.2 lakhs acres as far back as 1951, one should normally have expected this area to increase substantially by now. But on the other hand the target of replanting expected to be achieved by 1965-66 is approximately 50 per cent of the estimates made in 1951.

33. The Committee recommend that immediate steps should be taken to make a detailed assessment of the area requiring replanting and a programme drawn up to replant that area within a reasonable period. Concerted drive and leadership would be required for his purpose.

34. The success of the replanting programme depends a great deal on the officers and their approach to the task. At present inspection of the replanted area is carried out by the field staff of the Board who do not appear to be well trained for the job. In this connection, the Committee understand that in Ceylon there are Panels of Visiting Agents, formed by the Rubber Control Department from amongst the experienced planters, to undertake these inspections. The Chairman of the Board readily agreed that such panels would be effective in this country also. The Committee recommend that the desirability of having such Panels should be examined by the Board.

D. Planting Material

Large area continue to be planted with ordinary seedlings.

35. A statement showing the area planted and the planting material used annually since 1950 is given below:—
(In acres)

Year	Total planted area			
	Ordinary	Budded	Clonal	Total
Earlier than 1950	1,32,092	23,402	9,168	1,64,662
1950	1831	660	481	2,972
1951	668	670	548	1,886
1952	1,465	864	757	3,086
1953	2,238	1,039	1,675	4,952
1954	5,834	1,628	3,406	11,168
1955	14,657	2,002	6,640	23,299
1956	15,119	3,841	10,165	29,125
1957	15,776	5,291	12,938	34,005
1958	11,429	3,954	9,167	24,550
1959	2,358	1,010	2,439	5,807
TOTAL	2,03,467	44,661	57,324	3,05,452

36. It will be seen that approximately two-thirds of the area continues to be planted with ordinary varieties of seedlings. Explaining the reasons for this, it was stated that consequent on the Kerala Agrarian Relations Bill, rush planting on unsuitable land had been resorted to with ordinary seedlings. Why this should have been so when the Act envisaged that planting and re-planting could only be undertaken after a licence duly obtained from the Board is not apparent. In other countries the use of high-yielding material is a pre-condition to the issue of a licence which is also given after an inspection of the land as to its suitability. Power could at least have been assumed to prevent or prohibit planting with ordinary seedlings and on unsuitable land in 1956 after the Plantation Inquiry Commission had recommended that planting should be permitted only of high yielding varieties and in areas suitable for rubber. Thus adequate measures do not appear to have been taken by the Board. The Committee trust that the Board will at least now take necessary steps to ensure that only high-yielding varieties are made available and used. If necessary statutory powers in this regard may be assumed.

Supply of high yielding material by the Board far below the requirements.

37. The supply of high yielding material at subsidised rates to small growers has been an important item of the Board's developmental work since 1950. For this purpose, it had been maintaining two nurseries of about 5 acres each till 1956. Since then clonal seedlings and budwood multiplication nurseries covering a total area of 10 acres have been established and there are plans for starting more nurseries of this type in the important rubber growing districts.

38. During the period 1950 to 1960 the Board has supplied approximately 233.5 lakhs of clonal seeds, 2.5 lakhs of clonal seedlings and 8.925 budgrafts. The actual area planted with this material is not known but it was estimated that 50 per cent of the demand had been met by the Board and the remaining 50 per cent by the private nurseries or by import. It will, however, be seen (*Vide para 35*) that out of the total new planted and replanted area of 1,40,850 acres between the years 1950 to 1959, only 69,475 acres had been planted with budgrafts and clonal seedlings. Considering that 50% of this area was planted with the high yielding material supplied by the Board. The same would work out to 34,738 acres i.e. about 25% of the total planted area of 1,40,850 acres. Thus the supply of high yielding planting material by the Board has been far below the requirements. The Committee hope that the pace of establishing more nurseries will be stepped up so as to meet the increasing demand for high yielding material.

39. At present no licence is required under the Act for the establishment of nurseries by private parties. In this connection the Committee understand that in Ceylon a permit is necessary under their Rubber Control Act for the establishment of a nursery. The Committee feel that with a view to ensure that only high yielding material is supplied by the nurseries and planted by the growers, some measure of control over the nurseries is necessary. They recommend that the matter may be examined by Government.

Need for a statutory provision to regulate development of nurseries.

E. Small Holdings and Estates

40. Rubber plantations in this country range in size from a fraction of an acre each to estates of as much as 3,000 acres. Owners of holdings of 50 acres and below are called "small growers" while plantations above 50 acres are called "estates". The following table shows the growth of small holdings and estates during the period 1955 to 1959:—

Trends in growth of small holdings and estates.

Size of holdings and Estates	1955			1959		
	No. of Units	Area (acres)	% age of total rubber area	No. of units	Area (acres)	% age of total rubber area
A. Small holdings (50 acres and below)						
5 acres and below	23,364	45,193	22	47,436	88,826	29
above 5 acres and upto 10 acres	1,948	14,083	7	4,529	33,306	11
above 10 acres and upto 50 acres	1,475	30,394	15	2,729	56,729	18
TOTAL HOLDINGS	26,787	89,670	44	54,694	178,861	58

Size of holdings and Estates	1955			1959		
	No. of Units	Area (acres)	% age of total rub- ber area	No. of units	Area (acres)	% age of total rub- ber area
B.—Estates (above 50 acres)						
above 50 acres and upto and including 100 acres	209	16,756	8	251	19,918	7
above 100 acres and upto and including 500 acres	179	37,182	18	203	40,392	13
above 500 acres and upto and including 1000 acres	33	23,666	11	31	21,286	7
above 1000 acres and upto and including 1500 acres	15	18,566	9	16	19,382	6
above 1500 acres and upto and including 2000 acres	4	6,826	3	5	8,493	3
above 2000 acres	6	14,573	7	7	17,120	6
TOTAL ESTATES	446	117,569	56	513	126,591	42
GRAND TOTAL	27,233	207,239	100	55,207	305,452	100

Small Hold-
ings of
5 acres
and below
recorded
the highest
increase.

41. It will be seen that during the period of four years shown in the table, the number and area of small holdings has nearly doubled. The number of small holdings of 5 acres and below rose from 23,364 in 1955 to 47,436 in 1959 and the area from 45,193 to 88,826 acres during the same period. The average size of these holdings is less than two acres.

Need for
detailed ex-
amination of
the problems
of small
holdings.

42. The Committee were informed that holdings of less than 5 acres were considered uneconomical. This was not, however, based on any detailed study with the result that there is no clear formulation of policy either to prevent their growth or to make them economic by measures such as consolidation, co-operative farming, etc. The representative of the Ministry admitted in this connection that detailed examination of the problem was called for. The Committee trust that the Board will examine the matter without delay.

Cooperatives
of small
growers—
Delay in implemen-
ting reco-
mmendation
of Plantation
Inquiry
Commission.

43. In 1956, the Plantation Inquiry Commission recommended that steps should be taken to form multi-purpose co-operatives for the benefit of small growers who suffered from several handicaps. The recommendation was accepted by Government in 1958. A Deputy Registrar of Co-operative Societies was appointed for the purpose in February, 1960. The officer who was loaned by the Kerala State retired after a year and a new Deputy Registrar was

posted in his place in April, 1961. The representative of the Ministry admitted that undue delay had taken place in the matter and that the services of an officer who was due to retire after a year, should normally not have been accepted. *The Committee trust that adequate care will be taken to avoid delays in taking a decision on and implementing the recommendations of a body like the Plantation Inquiry Commission. They further hope that short term appointments of executive officers will be avoided in future.*

44. Eleven co-operatives of small rubber growers have been registered so far of which only two—one licensed to deal in rubber and another to distribute manure on agency basis—have started functioning. *The progress is, therefore, not very satisfactory. The Committee recommend that a planned programme for development of co-operatives of small growers with annual targets may be evolved and implemented at an early date.* Unsatisfactory progress in the formation of co-operatives.

45. The Committee note that several large rubber estates above 50 acres have been fragmented into smaller units due either to family partition or labour laws or land ceilings or sale. The following table shows the number of estates units fragmented since 1955:— Several large estates fragmented into smaller units.

	No. of units as per original registration	Fragmentation	
		No. of Units	(Area acres)
1955-56	28	101	1280
1957	25	107	1666
1958	27	187	2213
1959	16	30	1155
1960	14	38	668
1961	10	26	429
TOTAL	120	489	7416

46. It was pointed out that the Board could not take any action to prevent fragmentation under the present law. *Since fragmentation appears to result in loss of efficiency and lower yield, there is need to halt this trend. It is understood that in Ceylon not even a sale or transfer of an estate over 100 acres in extent, or any portion thereof, is valid without the approval of the Fragmentation Control Board which has been set up under an Act. The Committee recommend that Government may examine the matter and, if necessary, assume powers in this regard.* Desirability to halt fragmentation.

F. Research

47. The Act of 1947 envisages the Board undertaking, assisting or encouraging scientific, technological and economic research. *It was not till June, 1954 however that a scheme for the establishment of a Rubber Research Institute and an Experimental Station was approved. The scheme envisaged the working of four Research Divisions—* Delay establishment of Research Institute.

Agronomy, Botany, Plant Pathology and Chemistry—under a Director.

48. The delay in the setting up of the Research Institute as also its importance were admitted by the Minister of Commerce and Industry in his speech in the Lok Sabha during the debate on the Rubber Amendment Bill on 24th November, 1954. He said:

"Government might even plead guilty to the charge that we have not been able to set up a research institution...the importance of research is so great that no price is big enough to get a proper man for doing this."

49. Even after 1954 there has been little progress in this regard. The post of the Director of Research remains to be filled up and the Chemistry Division has not been organised. The building to house the Research Institute is still under construction at Puthupally at a cost of about Rs. 10 lakhs and is expected to be completed in the current year, i.e., seven years after administrative approval. It is hardly necessary to state that Government should not have allowed such an inordinate delay in the matter of setting up the Institute and staffing it.

No worthwhile achievement in research.

50. A resume of the work done by the Agronomy, Botany and Pathology Divisions, which are functioning since 1955, is given at Appendix II. It will be seen that their work has been confined mainly to field experiments at the Board's Experimental Station and on private estates. Thus there has been no significant achievement which has contributed to the greater development of the industry in the country.

Need to make the place of research institute easily accessible.

51. The Research Institute at Puthupally is situated on the top of a hill not easily accessible during the rainy season for want of a proper road. The Committee trust that suitable action will be taken to see that the communication to the Research Institute is improved so as to enable the public to have easy access to the same.

G. Extension Service

An account of working.

52. An extension service was organised by the Board in 1955, which now consists of 3 Field Officers, 4 Junior Field Officers and 32 Instructors. These officers visit the estates and give technical advice on improved scientific methods of planting. An account of the working of this service during the last 3 years is given below:—

Year	No. of Estate inspected or visits paid	No. of un-registered cases detected	Sprayers and dusters [availed of by	
			No. of small growers	Acreage sprayed
1957-58 . . .	10,499	1,500	208	(acres) 780
1958-59 . . .	9,351	428	444	1,750·83
1959-60 . . .	8,757	512	1,080	4,017·23

vice

53. Considering that there are about 55,000 units of small holdings with an acreage of 1.79 lakhs, the service rendered by the extension service can hardly be considered as adequate. During evidence the Chairman of the Board also admitted that the present extension service was quite insufficient and the field staff required specialised training also. The Committee trust that the Board will take urgent steps to strengthen and improve the existing extension service to enable it to be of real service to the small growers.

Present extension service inadequate.

54. Rubber plants are prone to serious diseases like secondary leaf-fall and powdery mildew. An infected plant can at best yield only about 35 per cent. of what it would give in a healthy state. As the disease is due to virus the infection can also spread. At present, the diseases are quite common in the holdings of the small growers. They can be controlled by spraying fungicides and sulphur dust. At present spraying is not compulsory with the result that large areas remain affected by these diseases. The Committee recommend that the desirability of introducing compulsory spraying may be examined by the Board.

Plant protection against diseases.

IV
FINANCE AND ACCOUNTS
A. Funds of the Board

55. The Board maintains two funds, a General Fund and a Pool Fund.

(i) General Fund:

Receipts & Expenditure. To the General Fund are credited all amounts paid to the Board by the Central Government from out of the proceeds of duty of excise levied under the Act. It is applied for meeting all the expenses of the Board. The proceeds of the duty of excise are first credited to the Consolidated Fund of India and then paid to the Board on the basis of yearly budget estimates, after appropriation by Parliament.

56. The following table shows the amounts of duty credited to the Consolidated Fund of India since 1-8-1955 (the date when the amended Act came into force) and the payments made to the Board therefrom:—

Year	Amounts of duty credited to the C. F. I.	Payments to the Board
	Rs.	Rs.
1-8-1955 to 31-3-57	23,83,124	3,84,000
1957-58	20,64,454	17,00,000
1958-59	20,33,452	17,00,000
1959-60	20,77,332	14,00,000
TOTAL	85,58,362	51,84,000
		BALANCE Rs. 33,74,362

Large funds
not utilised.

57. The proceeds of the duty credited to the Consolidated Fund exceed the payments made to the Board by about Rs. 34 lakhs. Explaining this the representative of the Ministry stated that the Board had not approached the Government for more funds and that no attempt had been made on their part at any time, to reduce the requirements of the Board. *Considering the magnitude of the difficulties and problems facing the industry it is sad that such large funds have remained un-utilised by the Board for the purpose for which they were sorely needed. Government itself could have given the Board a timely and correct lead in this respect.*

58. The following statement shows the Revised Estimates and actuals of the various Branches of the Board during the last 3 years:—

Large savings even on budgeted amounts..

Year	Administration		Research	
	R.E.	Actuals	R.E.	Actuals
1957-58	2,00,190	1,90,157	1,40,700	1,22,592
1958-59	2,36,500	2,07,288	11,25,320	10,90,972
1959-60	2,35,100	2,06,992	1,41,800	1,03,277

Year	Development		Total		Variations
	R.E.	Actuals	R.E.	Actuals	(+)Excess (-)Saving
1957-58	11,69,200	7,36,809	15,10,090	10,49,558	(-)4,60,532
1958-59	14,17,650	8,13,345	27,79,470	21,11,605	(-)6,67,865
1959-60	12,34,600	11,08,592	16,11,500	14,18,861	(-)1,92,639

59. It will be seen that there have been large savings even in regard to sanctioned amounts. These were attributed to the shortfall in payment of subsidy, delay in the sanction of posts etc. The Committee trust that the Board would exercise a more careful anticipation of expenditure and budget accordingly. Having budgeted, the Board should see that the funds are fully utilised.

(ii) Pool Fund:

60. Under Section 9B of the Act the Pool Fund shall be credited with all sums realised by sale of rubber imported or purchased under Section 8A which reads as under:—

Receipts.

"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."

61. In terms of the above Section, Government can authorise the Board to import natural rubber to meet the shortage in the country. It was, however, stated that in view of the difficulties involved in the Board handling the import of rubber and the fluctuations in the world price, Government decided that licences for the import of raw rubber should be issued to the manufacturers. The manufacturers would arrange for the imports themselves, subject to the condition that they would pay to the Rubber Board the difference between the landed cost of imported rubber and the controlled price of indigenous rubber. At present, therefore, the Board does not import rubber for sale or purchase it in the internal market. What it does is to collect from manufacturers the difference between the landed cost of imported natural rubber and the price of

indigenous natural rubber and credit the same to the Pool Fund.

62. The above arrangement, it was stated, has worked well but the Rubber Board could itself import the rubber. The Committee recommend that Government may examine the feasibility of the Rubber Board itself importing the natural rubber to meet the shortage in the country which the statute seems to require.

Very low expenditure from the Pool Fund.

63. Under Section 9B (2) of the Act, the Pool Fund is to be applied only to the rehabilitation of the small growers. The following statement shows the position regarding the receipts into and the expenditure from the Pool Fund since 1955-56:

(In Rs.)				
Year	Quantity of N.R. Imported (tons)*	Receipts	Expenditure	Percentage of (4) to (3)
(1)	(2)	(3)	(4)	(5)
1955-56	3,839	Nil.	Nil.	Nil.
1956-57	6,463	2,06,872.69	Nil.	Nil.
1957-58	9,677	11,77,082.63	Nil.	Nil.
1958-59	11,876	62,49,558.85	12,936.06	0.2%
1959-60	14,486	1,88,690.82	39,078.76	20.6%
1960-61	..	8,886.92	1,382.30	15.5%
(Provisional)				
TOTAL		78,31,091.91	53,397.12	0.68%
		BALANCE	Rs. 77,77,694.79	

Reasons for low expenditure.

64. It will be seen that the expenditure from the Pool Fund has been negligible and there are heavy balances in the Fund. This was attributed to the delay in framing rules regarding expenditure from the Fund and the limited scope for incurring substantial expenditure thereunder.

No justification for delay in framing the Rules.

65. The Rules regarding expenditure from the Pool Fund were framed only in March, 1958. It was stated that the need for promulgating these rules was not felt earlier as the credits in the Fund were not appreciable. There appears to be no justification for this delay of 11 years in framing the rules relating to the Pool Fund. The Committee trust that Government will in future avoid such delays in framing rules.

*This is for Calendar year.

66. The Rules provide for expenditure on items like Board has additional subsidy, subsidy for supply of manure, seeds and grant of loans for replanting or new planting in connection with the rehabilitation of small growers. It is only recently that Government have approved a scheme for granting new planting loan from the Pool Fund and it is expected that the entire accumulations in the Fund will soon be utilised. This should have been done earlier. The Committee feel constrained to observe that the Board had not applied itself to the rehabilitation of small growers even though funds therefor were available. They trust that the Board will at least now take up the rehabilitation of small growers in earnest. In case the funds are utilised in full and the demand for loans by new plantations assumes greater proportions beyond the capacity of the Board, the Government may consider providing the necessary funds for the purpose.

B. Rubber Cess

67. Under the provisions of Section 12 of the Act, a duty of excise, which is in the nature of a cess, is levied on all rubber produced in India. Originally the cess was levied at the rate of 8 annas per 100 lbs. of rubber produced in the country. It was raised to one anna per lb. w.e.f. 1-3-55 and has been further raised to 30 nP. per K.gm. w.e.f. 1-4-61.

68. Under the Act the Board was made responsible for assessment and collection of cess from the producers*. The following table summarises the position regarding the cess collection during the period January, 1955 to March, 1961:—

Period	Area Under Rubber** (Acres)	Estimated production (Tons)	Cess assessable on the estimated production	Cess actually collected	Percentage of (5) to (4)
			Rs.	Rs.	(4)
(1)	(2)	(3)	(4)	(5)	(6)
January 1955 to March 1956	2,07,240	26,819	24,02,518	17,39,547	72.4%
1956-57	2,34,351	23,681	33,15,340	21,73,525	65.6%
1957-58	2,61,998	24,148	33,80,720	20,52,482	60.7%
1958-59	2,86,567	23,788	33,35,316	18,35,180	55%
1959-60	3,05,452	23,792	33,35,926	17,26,792	51.8%
1960-61	NK	25,292	35,46,211	8,01,383	22.6%

*With the passing of the Rubber (Amendment) Act, No. 21 of 1960, the cess is now being collected from the manufacturers of rubber goods w.e.f. 1-4-61.

**This is for the Calendar year.

69. It will be seen that the percentage of the cess collected to the cess assessable on estimated production is abnormally low and what is worse has been declining. It has come down from about 72.4 per cent in 1955-56 to 22.6 per cent in 1960-61. In no year was the total assessable amount collected. This is accounted for the following reasons:—

- (i) delay in assessment.
- (ii) delay in collection of the assessed amount.

Arrears in Assessment.

70. The position regarding the arrears in assessment, collection, the number of units involved is given in Appendix III. It will be seen that there are at present nearly 1.91 lakhs cases still to be assessed pertaining to a period of over 6 years involving a sum of about Rs. 76 lakhs.

71. The delays in assessment were attributed to the evasion by the owners of the estates in submitting returns of production or to furnishing of incorrect or defective returns. In this connection, Section 12(5) of the Act provides as under:—

"If any owner or manufacturer fails to furnish, within the time prescribed, the return referred to in sub-section (4) or furnishes a return which the Board has reason to believe is incorrect or defective, the Board may assess the amount of the duty of excise in such manner as may be prescribed."

Powers not exercised timely and properly.

72. The Committee were informed that upto 1957 there was practically no procedure prescribed for assessment in cases falling under section 12(5) above. In 1957 a procedure to deal with such cases was evolved but was not strictly followed. Thus it would appear that though under the Act the Board had enough powers for assessing the duty on the estates which gave an incorrect or defective return, they have not been exercised timely and properly with the result that large arrears in assessment have accumulated. Even the assessed amount of cess has not been collected fully and there are arrears amounting to Rs. 8.6 lakhs on this account. This was stated to have been reported to State Governments for recovery as land revenue.

Committee's observation.

73. The Committee feel that both the Board and the Ministry have not enforced properly and effectively the financial provisions in the matter of collection of cess on rubber. There is likelihood of loss of large revenue to the Board. In this connection, it may be recalled that during the period from October, 1947 to December, 1954, 20,608 tons of rubber escaped assessment on which the Board suffered a loss of Rs. 2,30,805. Considering the fact that 1.91 lakhs cases involving a sum of Rs. 76 lakhs pertaining to the period from 1955 onwards are awaiting assessment, the loss of revenue to the Board during this period is likely to

be much greater than that of the earlier period. The Committee trust that Government would investigate the matter with a view to fixing the responsibility and eliminating the chances of such lapses in future.

74. In regard to the completion of assessment work which is in arrears, the representative of the Ministry stated that it was fairly an uphill task but efforts were being made to expedite it. The Committee hope that Government would find ways to clear off the arrears of assessment and make recoveries within a reasonable time.

Need to expedite assessment work.

V

ORGANISATION

A. Composition of the Board

75. The Rubber Board consists of a Chairman appointed by the Central Government and 24 other members as shown in statement at Appendix IV.

Interests and
authorities
represented
on the
Board.

76. The Committee were informed that out of the four nominees of the Central Government who do not represent any specific interest, two were large growers, one a scientist and one a dealer. Thus the various interests and authorities at present represented on the Board are as follows:—

Officials	5
Large growers	6
Small growers	3
Members of Parliament	3
Manufacturers	2
Labour	4
Dealer	1
Scientist	1

Undue
weightage
given to
large growers.

77. It will be seen that there are nine growers on the Board six of whom are from large growers and three from small growers. In this connection it may be stated that the acreage under small growers at the end of 1959 was 1,78,861 acres as against 1,26,591 acres under large growers. *Therefore, undue weightage seems to have been given to the large growers on the Board.*

Committee's
recommendation.

78. *There is no justification for having as many as six representatives of large growers as compared to three of the small growers. The Committee feel that the size of the Board could be reduced and it could be made a more compact body—a suggestion with which the representative of the Ministry seemed to agree.*

B. Committees of the Board

Meetings
held during
last three
years.

79. Section 7(2) of the Act lays down that the Board may appoint such committees as may be necessary for the efficient performance of its duties and functions. At present it has six committees. Their names, number of meet-

ings held during the last three years are shown in the table below:—

Name of the Committee	No. of meetings held			Total
	1957-58	1958-59	1959-60	
(i) Small Holdings Development Committee	Nil.	Nil.	Nil.	Nil.
(ii) Editorial Committee	2	Nil.	Nil.	2
(iii) Import/Export Committee	2	Nil.	1	3
(iv) Labour Welfare Committee	3	1	1	5
(v) Planting Committee	3	2	3	8
(vi) Executive Committee	7	1	3	11

80. It will be seen that none of these Committees had met regularly. No meeting had been held of Small Holdings Development Committee during the last 3 years; of the Editorial Committee during the last 2 years and of the Import/Export Committee in 1958-59. Even the Executive Committee met only once in 1958-59 and thrice in 1959-60. Thus none of them appears to have performed their functions in a business-like manner. The Chairman of the Board admitted that all the Committees required to be revitalised. The representative of the Ministry further agreed that the Import/Export Committee and the Editorial Committee were not in fact necessary.

None of the Committees functioning in a business-like manner.

81. The Committee trust that the Board will go into the matter of working of these Committees, retaining such of them as may be really necessary and also lay down a suitable procedure for their effective functioning. In this connection, the Committee would suggest that in view of the importance of replanting and research, the desirability of having separate Committees for these purposes may be examined.

Committee's recommendation.

C. Personnel Matters

(i) Chairman of the Board:

82. The Chairman of the Board is working whole-time. He is the principal executive officer of the Board and is responsible for its proper functioning, implementation of its decisions and the discharge of its duties. Regarding the consideration governing the selection of the Chairman, the Committee were informed that no criterion as such had been laid down in this regard. The post had been equated to that of a Deputy Secretary to the Government of India and an official was appointed to it on the basis of his administrative experience and suitability.

Existing method of selection of Chairman of the Board.

83. Since 1st August, 1955 when the amended Act provided for a full-time Chairman, there have been three changes in the incumbency of this post. The Committee feel that frequent transfers of the Chairman are not conducive

Need to avoid frequent transfers of Chairman.

to the efficient functioning of the Board and should be avoided.

(ii) Staff Position:

Important
technical
posts lying
vacant

Committee's
suggestion.

84. The Board's Office consists of three Branches—Administration, Development and Research. A chart showing the sanctioned and the actual strength of officers and staff of various Branches is given at Appendix V. *It will be seen therefrom that a number of important technical posts viz. that of Rubber Production Commissioner, Director of Research, Rubber Chemist, Agronomist and Junior Chemist are lying vacant.* The Chairman of the Board ascribed this to the shortage of suitable technical personnel as also to the existing scales of pay being not sufficiently attractive. He felt the need to relax the qualifications prescribed for the posts as also to make the scales of pay more attractive. *The Committee trust that Government would examine the matter and take suitable steps without any further delay. In this connection the desirability of sending suitably qualified persons for training abroad may also be considered.*

D. Government Control

Matters re-
quired to be
referred to
Ministry.

85. The Ministry of Commerce and Industry exercises overall control over the Rubber Board. The executive officers of the Board viz. the Chairman, the Rubber Production Commissioner and the Secretary are appointed by the Central Government. Under Section 22 of the Act, all actions of the Board are also subject to the control of the Central Government which may cancel, suspend or modify them. The Budget Estimates of the Board in respect of the General Fund are submitted to the Ministry and releases are made only after voting by Parliament. Further the following matters are also subject to the approval of the Ministry:—

- (i) New schemes including creation of posts required for their implementation;
- (ii) Appointments to all posts carrying a salary in excess of Rs. 500 p. m.;
- (iii) All proposals involving an expenditure above Rs. 10,000; and
- (iv) Any proposal involving an expenditure not provided for in the Budget.

86. In regard to (ii) above the Committee were informed that general executive instructions had been issued to the effect that no post should be filled without the prior approval of the Ministry. The Board had, therefore, to seek

the approval of the Ministry for appointments to all the posts. The Chairman of the Board further explained that in a majority of cases they had to approach the Ministry with the result that the cases got prolonged and there was very little progress.

87. The following table shows the time taken in giving Government approval to the various proposals for appointments made by the Board since 1-8-1955:—

Brief particulars of the proposal	Date on which proposal submitted by the Board to the Min. of C. & I.	Date of sanction by the Ministry	Time taken in according Ministry's sanction	Delays in giving Government approval to proposals for appointments and development schemes.
1. Appointments to 1 post of U.D.C. and 2 posts of peons	6-12-55	3-2-56	59 days	
2. Appointments to 45 posts of various categories	6-12-55	3-2-56	59 days	
3. Appointment to 1 post of Librarian-cum-Asstt. Editor	25-10-56	20-12-56	57 days	
4. Appointments to 2 posts of Research Assistants	N.A.	27-5-57	47 days	
	(sanctioned by Board on 10-4-57)			
5. Appointments to 11 posts of various categories	23-11-57	2-4-58	130 days	
6. Appointments to 44 posts of various categories	14-8-58	19-2-60	554 days	
7. Appointments to 34 posts of various categories	20-5-60	5-6-60 21-6-60 21-2-61	(1 post) 15 days (1 post) 31 days (1 post) 276 days	
	(Sanction in respect of other 3 posts still pending)			
8. Appointments to 38 posts of various categories	18-6-61		Still pending	
9. Appointments to 11 posts of various categories	18-6-61		Still pending	

88. As regards Development Schemes put up by the Board the time taken by the Ministry in according sanction has been as follows:—

Scheme	Date of submission to Ministry	Date of Ministry's sanction	Time taken in giving sanction
(i) Replanting Subsidy Scheme	2-12-55	14-4-56	134 days
(ii) Revised Replanting Subsidy Scheme	2-3-60	27-8-60	178 days
(iii) New Planting Loan Scheme	3-3-60	11-10-60	222 days
(iv) Draft Rules of expenditure from the Pool Fund	15-12-60	5-8-61	233 days
(v) Pilot Project for extension in Admanan and Nicobar Islands	31-1-61	..	Still pending

89. It will be seen that in some cases considerable delays had occurred in giving Government sanction to the development schemes or proposals for appointments made by the Board. The representative of the Ministry explained that the examination of the proposals involved inter-Ministry references or back references to the Board. He, however, admitted that delays had occurred and promised to adopt measures for speedy disposal of cases by the Ministry.

90. The Committee deplore the delays in such sanctions to the development schemes or proposals for appointments as they have retarded the progress of many schemes of the Board. They trust that Government would review the existing procedures with a view to simplify them and avoid delays. They would further suggest that the desirability of enhancing the powers of the Board suitably may also be considered.

Committee's
observation.

VI OTHER MATTERS

A. Study of Foreign Organisations

91. The Committee were greatly surprised to learn that no comparative study of the organisations, methods and activities for promoting the development of the rubber industry in other large rubber producing countries like Malaya and Ceylon, (whose organisations, acreage under rubber and production etc. are given in Appendix VI) had so far been undertaken by the Board or the Ministry. This should be undertaken without delay so as to benefit from their experience.

Need for study of foreign organisations.

92. The Committee would further suggest that the Board should maintain close liaison with the various international agencies concerned with the promotion of rubber industry like International Rubber Study Group and benefit from their collaboration.

close liaison with international bodies suggested.

B. Labour Welfare

93. The Rubber (Production and Marketing) Amendment Act of 1954 enjoined the Board to secure better working conditions, amenities and incentives for workers. No provision of expenditure in this regard was made by the Board prior to 1956-57. The following table shows the Budget Estimates and actual expenditure incurred on welfare measures since 1956-57:—

Provision and expenditure on labour welfare.

Year	Budget Estimates	Expenditure	Remarks
1956-57	1,00,000	Nil	
1957-58	1,00,000	1,32,251	Grant given for construction of wards in two General Hospitals (Rs. 89,753); educational stipends paid to 179 children of workers (Rs. 1,428); amount paid to Kerala Govt. for construction of two Technical Schools (Rs. 41,070).
1958-59	1,00,000	10,231	Paid as educational stipends to 296 children of workers and of members of staff (whose emolument was not more than Rs. 200 p.m.) working in rubber estates.
1959-60	1,00,000	42,298	Paid as educational stipends to 534 Children.
Total	4,00,000	1,84,780	

Performance of the Board needs to be improved. 94. It will be seen that out of a total provision of Rs. 4 lakhs for labour welfare during the years 1956-57 to 1959-60, only a sum of Rs. 1,84,780 was spent. The number of workers employed in the rubber plantation industry is estimated at 1.3 lakhs. Thus the expenditure incurred on labour welfare by the Board during the four years works out to only Re. 0.36 nP. per capita per annum. The Committee feel that very little has been done by the Board so far in this direction. It is surprising that such a state of affair prevails despite 4 representatives of labour being on the Board. They hope that the Board will evince greater interest in the welfare of the labour in future.

C. Training

Function in regard to training not fulfilled. 95. The Board has not so far taken any steps for training of persons in improved methods of planting, cultivation, manuring and spraying which is entrusted to it under section 3(2) (b) of the Act. This was attributed to lack of training facilities. It is understood that a training course is expected to be started at the Rubber Research Institute when it begins functioning. The Committee trust that the Board will commence a suitable course for training in rubber growing as quickly as possible.

D. State Government's Schemes

Need to give assistance for State Governments' Schemes on recommendation of All-India bodies. 96. The Committee were informed that the Government of Kerala had launched a scheme of planting 1,07,000 acres of land with rubber during the Third Five Year Plan involving an outlay of Rs. 6.90 crores. The Madras Government also have selected 3,000 acres for rubber planting during a period of 8 years with an investment of Rs. 32 lakhs. The financial assistance by the Central Government is confined to the Kerala Government scheme of setting up a State Planting Corporation and the Board did not come into the picture directly. The Committee feel that in cases where specialised all-India bodies exist for the development of particular commodities, Central assistance to the State Governments for their development schemes could be given on the recommendation of such bodies as far as possible, at any rate after consulting them. These bodies should maintain close liaison with the State Governments and provide necessary help and guidance in the implementation of these schemes as well as in suggesting measures required for further development.

E. Statistics

Present statistical service utterly inadequate. 97. One of the duties of the Board under the Act is to collect statistics from owners of estates, dealers and manufacturers pertaining to the rubber industry. Statistics in respect of the acreage under rubber, production, consumption, imports, stocks and prices thereof are at present given

in the reports of the Board and the annual Bulletin entitled 'India Rubber Statistics' which is being published since 1958. No statistics in regard to the tappable area, yield per acre, area requiring replanting, workers engaged in the rubber plantations and their conditions etc. are, however, given in the reports or the Bulletins. Even the statistics relating to acreage, new planted and replanted areas which are published at present in the reports and the Bulletins do not tally sometimes.

98. The Chairman of the Board ascribed this to the lack of a proper statistical organisation. The Committee feel that the present statistical service of the Board is utterly inadequate. They fail to understand how in the absence of accurate and comprehensive statistics the Board could plan properly and function effectively. They trust that the Board will now take steps to organise a proper statistical service.

F. Annual Reports

99. At present the Annual Report of the Board does not contain the accounts of any of its Branches or their Budget Estimates. Only an abstract of the Receipts and Payments account of the General Fund which is really a reproduction of the Cash Book, is given therein. A full picture of the financial position of the Board during a year cannot obviously be obtained from this statement. Nor can the actual expenditure be compared with the Budget Estimates. Normally, a non-commercial organisation is required to prepare an Income and Expenditure Statement to give a full picture of its incomings and outgoings over a specified period. The Committee, therefore, recommend that the Board should include the Income and Expenditure accounts both in respect of the General and the Pool Funds in its Annual Reports. In this connection, they would invite attention to paras 10 and 11 of their 132nd Report (Second Lok Sabha) on Indian Central Tobacco Committee.

Desirability of including Income and Expenditure Accounts in Annual Reports.

100. Further the Annual Report of the Board narrates only the activities of each Branch during the year and does not contain an appraisal of its performance vis-a-vis the approved programmes. The Committee consider it desirable that the Annual Reports of the various Commodity Boards/Committees placed before the Parliament should be made more informative. They should, among other things, clearly bring out of the physical and financial programme, achievements in relation to the programme and the prescribed objectives and functions.

Programme-cum performance Reports.

NEW DELHI;

H. C. DASSAPPA,
Chairman,
Estimates Committee.

The 5th December, 1961

The 14th Agrayayana, 1883 (s)

APPENDIX I

(Vide para 6)

Functions of the Rubber Board

The functions of the Rubber Board as defined in Section 8 of the Rubber Act, 1947 are as follows:—

- (1) It shall be the duty of the Board to promote by such measures as it thinks fit the development of the rubber industry;
- (2) Without prejudice to the generality of the foregoing provision, the measures referred to therein may provide for:
 - (a) undertaking, assisting or encouraging scientific, technological and economic research;
 - (b) training students in improved methods of planting, cultivation, manuring and spraying;
 - (c) the supply of technical advice to rubber growers;
 - (d) improving the marketing of rubber;
 - (e) the collection of statistics from owners of estates, dealers and manufacturers;
 - (f) securing better working conditions and the provisions and improvement of amenities and incentives for workers; and
 - (g) carrying out any other duties which may be vested in the Board under rules made under this Act.
- (3) It shall also be the duty of the Board:
 - (a) to advise the Central Government on all matters relating to the development of the rubber industry, including the import and export of rubber;
 - (b) to advise the Central Government with regard to participation in any International Conference or scheme relating to rubber;
 - (c) to submit to the Central Government and such other authorities, as may be prescribed, half-yearly reports on its activities and the working of this Act; and
 - (d) to prepare and furnish such other reports relating to the Rubber industry as may be required by the Central Government from time to time.

APPENDIX II

(Vide para 50)

*Resume of work done by the Agronomy, Botany and Pathology
Divisions of the Rubber Board*

AGRONOMY DIVISION:

Tentative formulations of manure mixtures based on available soil analysis data and a schedule for manuring of immature and mature rubber have been prescribed and recommended to rubber growers. A series of manurial field experiments on estates in different planting districts have been laid out and conducted with the object of determining the optimum dosage of the main plant nutrients—Nitrogen, Phosphoric acid and Potash—for rubber under varying conditions. A survey and classification of rubber soils have been started.

BOTANY DIVISION:

Breeding and Selection.—A programme of breeding by hand-pollinations between parents known for their high yielding and disease resistant qualities started during the blossom period in 1954 is being continued. The object is to develop new clones (strains) with qualities to suit local conditions. As a result of this work about 1,400 legitimate mother trees and an equal number of new clones have been established at the Experiment Station. Also, 60 new primary clones have been produced from outstanding high yielding and disease resistant mother trees selected from existing old seedling areas on estates and these have been established at the Experiment Station for further studies.

In 1956, twenty of the most promising high yielding clones developed by the Rubber Research Institute of Malaya and two American clones resistant to American leaf blight disease (caused by the fungus *Dothidella ulei*) and secondary leaf fall disease (caused by the fungus *Phytophthora palmivora*) were obtained. All these clones have been established at the Experiment Station and multiplied. Limited quantities of these are being distributed to estates for experimental planting and testing.

Yield Stimulants.—Latex yield stimulants based on plant hormones have been tested and found to be very satisfactory. The formulation tried was based on the recommendations made by the Rubber Research Institute of Malaya, which consists of the hormone 2, 4, 5-T in Palm oil to which a petroleum product (Petroletum) is added as a filler. But as palm oil has to be imported into India, trials with other indigenous oils were carried out to find a substitute for this. It has been found that some of them like coconut oil, gingely oil, etc. are very satisfactory.

The Rubber Research Institute of Malaya have kindly permitted the R.R.I. of India to register this formulation in its name in India free of any royalty and an application in this regard is pending with the Patent Office, Calcutta.

PATHOLOGY DIVISION:

A systematic study of the main diseases and pests of the rubber tree have been made and standard treatments for this control prescribed. Intensive trials have been and are being carried out to find out a new, speedy and cheap method for the control of the most serious disease of the rubber tree in India, namely, secondary leaf fall caused by *Phytophthora palmivora*. The present method of control—Bordeaux mixture spray—though effective, is not only slow, laborious and costly but also impracticable in many hilly areas due to scarcity of water during the spraying season.

Low volume spraying of oil-based copper fungicides with a Micron sprayer has been found promising in the trials carried out by the Division in 1959 and 1960 seasons. This method is encouraging mainly because it eliminates the two difficult factors, i.e., water and extra labour required for climbing big trees to spray Bordeaux mixture. Moreover, as the operations can be carried out quickly, larger areas can be protected within the short season suitable for the operation.

Aerial spraying of oil-based fungicides to control phytophthora was tried as an experimental measure in two rubber growing areas in 1960-61. It is premature to assess the results of the experiments. In either case it was a useful and necessary experiment as if it proves successful it will be a great step forward in the combat against this disease of secondary leaf-fall in rubber estates which results in fall in production. The Board has agreed to share a third of the costs of these experimental aerial sprayings. The Board's share of the cost will come to Rs. 13,361.66.

APPENDIX III

(Vide para 70)

Statement showing the position regarding assessment, collection, number of units involved and arrears of cess as on 30-6-1961.

Period of assessment	Estimated production during the period (Tons)	Duty assessable on the estimated production (Rs.)	No. of assesses for the period	Number assessed	Amount assessed	Amount collected	Amount reported to Govts.	No. of units to be assessed	Amount to be assessed
Jan/Sept. 55	14,564	6,86,818	22,349	20,421	5,62,353	5,41,926	18,021	1,928	1,24,405
Oct. 55/March. 56	12,255	17,15,700	23,679	13,560	12,56,708	11,97,621	47,816	10,119	4,58,992
Apr/Sept. 56	11,066	15,49,240	23,880	14,124	11,34,549	10,53,984	63,596	9,756	4,14,691
Oct. 56/Mar. 57	12,615	17,66,100	24,303	13,034	11,99,893	11,19,541	64,052	11,269	5,66,207
April/Sept. 57	11,019	15,42,660	25,111	11,922	10,84,501	9,98,742	57,701	13,189	4,58,159
Oct. 57/Mar. 58	13,129	18,38,060	25,552	10,108	11,72,898	10,53,740	85,933	15,444	6,65,162
April/Sept. 58	11,241	15,76,101	25,718	9,245	10,58,318	9,15,197	1,04,594	16,473	5,17,783
Oct. 58/March. 59	12,547	17,59,215	26,635	7,959	11,21,111	9,19,983	1,47,792	18,676	6,38,104
April/Sept. 59	10,637	14,91,414	26,772	6,639	9,79,009	8,22,795	1,03,195	20,133	5,12,405
Oct. 59/Mar. 60	13,155	18,44,512	26,888	4,957	10,93,984	9,03,997	1,32,923	22,831	7,51,528
April/Sept. 60	11,376	15,95,029	26,905	2,532	9,71,261	7,99,413	33,885	24,373	6,23,768
Oct. 60/Mar. 61	13,916	19,51,182	27,322	538	12,146	1,970	78	26,784	19,39,036
Total	1,47,520	1,93,16,031	3,05,114	1,14,139	1,16,45,731	1,01,28,909	8,59,586	1,90,975	76,70,300

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APPENDIX IV

(Vide para 75)

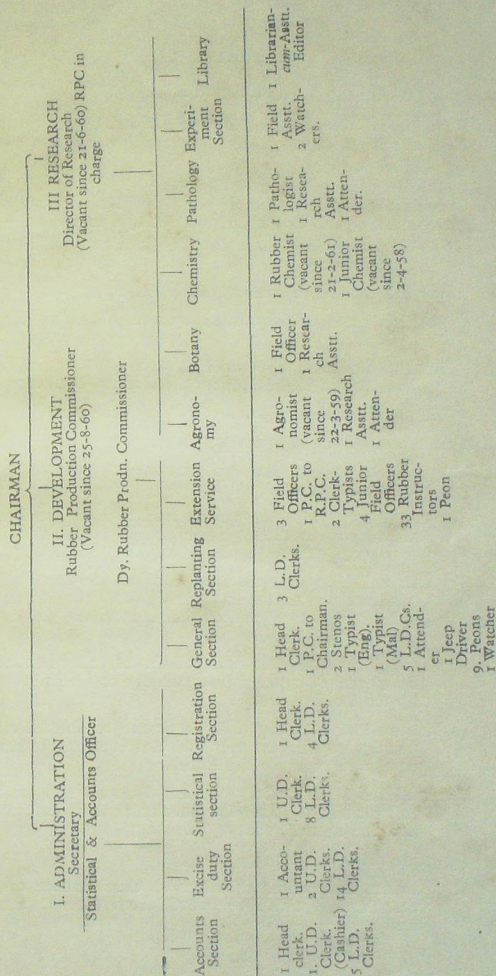
Composition of the Rubber Board

- | | | |
|--------------------------------------------------------------|----|---------------------------------------------------------------------------------------------------------------------------|
| (1) Chairman | 1 | Appointed by the Central Government. |
| (2) Representatives of the State of Madras | 2 | One is a nominee of the Government of Madras and the other representative of the large growers. |
| (3) Representatives of the State of Kerala | 8 | Two are nominees of the Government of Kerala, 3 representatives of the large growers and 3 of the small growers. |
| (4) Nominees of the Central Government | 10 | Two are representatives of the manufacturers and 4 of the labour. The remaining 4 do not represent any specific interest. |
| (5) Members of Parliament | 3 | Two from Lok Sabha and 1 from Rajya Sabha. |
| (6) Rubber Production Commissioner
(<i>ex-officio</i>). | 1 | Appointed by the Central Government. |

APPENDIX V

(Vide para 84)

Chart showing the sanctioned and the actual staff strength of various branches of the Rubber Board



APPENDIX VI

(Vide para 91)

Note showing the Organisations in Malaya and Ceylon for development of rubber industry, area under rubber and production

A. MALAYA

1. *Organisations*: There are two separate Boards to deal with the development of rubber industry in Malaya as under:—

(i) *Malayan Rubber Fund Board*: It consist of 10 members as follows:—

- (a) the Controller, who shall be chairman;
- (b) five members appointed by the Rubber Producers' Council;
- (c) two members appointed by the Minister after consultation with the Rubber Producers' Council;
- (d) two members appointed by the Minister.

The functions of the Board are:—

- (a) promote research into the production, consumption and uses of natural rubber;
- (b) co-ordinate activities within and outside the Federation relating to research, development publicity and other matters affecting the natural rubber industry;
- (c) obtain information on synthetic rubber and other like products and materials and stimulate the use of natural rubber either in competition therewith or as complementary thereto;
- (d) control the activities and policies of all research and development organisations wholly or mainly financed by the Fund;
- (e) ensure that it is kept fully informed on the activities and policies of all research and development organisations partly financed by the Fund;
- (f) keep the Minister fully informed on all matters relating to research into and the development of natural rubber and the natural rubber industry;
- (g) administer the Fund;
- (h) perform such other functions as the Minister may, after consultation with the Board, from time to time prescribe.

(1) The Board shall keep the Minister informed of the policy pursued or intended to be pursued by the Board.

(2) The Minister may from time to time issue directives to the Board as to the policy to be pursued by the Board; and any such directive shall become binding on the Board, which shall forthwith take all steps necessary or expedient to give effect thereto.

(3) If the Board objects to any such directive, the Board may submit its objections and the reasons therefor in writing to the Minister, who shall cause the same, together with his directive, to be laid before the House of Representatives.

(ii) *The Rubber Industry (Replanting) Board*

It consists of 15 representative members and 3 official members and is responsible for replanting.

2. *Acreage under rubber and production.*

Year		
	Area under Rubber	Production
	(acres)	(tons)
1958	35,00,000	6,62,800
1959	35,00,000	6,95,976

(Source: The Malayan Rubber Fund (Research and Development) Ordinance, 1958, the Rubber Industry (Replanting) Fund Ordinance, 1952 and the Annual Report of the Department of Agriculture, 1959.

B. *CEYLON*

(i) *Organisation:* In Ceylon the Rubber Control Deptt. set up under the Rubber Control Act, No. 11 of 1956 is responsible for regulating the development of the rubber industry (including the administration of Replanting Subsidy Scheme which is being operated in terms of Rubber Replanting Subsidy Act, No. 36 of 1953). There is, however, a Rubber Replanting Advisory Board consisting of Rubber Controller and six other members, appointed by the Minister of Agriculture, to advise on the administration of the replantation subsidy scheme.

(ii) *Acreage under rubber and production:*

Year											Acreage under rubber	Production
											(acres)	(tons)
1959	.	.	.	.	.	.	.	.	.	.	6,68,178	91,695
1960	.	.	.	.	.	.	.	.	.	.	6,68,948	97,276 (estimate)

(Source: Administration Report of the Rubber Controller,
Ceylon for 1960.)

APPENDIX VII

Summary of Conclusions/Recommendations

Sl. No.	Reference to para No. in the Report	Summary of Conclusion/Recommendations
1	6	In view of the fact that the production of synthetic rubber has a large impact on natural rubber, the Committee are of the opinion that there should be sufficient co-ordination between the Rubber Board and the Development Wing of the Ministry of Commerce and Industry.
2	8-8A	It is seen that the gap between production and consumption of rubber has been in existence since as early as 1941 and has been widening year after year. It was a very timely step that the Government took soon after freedom to constitute the Rubber Board. The Committee, however, regret that the measures that the Government and the Board have taken all these many years have proved totally inadequate for the purpose of making the country self-sufficient in rubber. They consider that it was possible for the Board to take more effective steps both by way of promoting expansion and intensive cultivation if not to eliminate the gap altogether atleast to narrow it down considerably.
3	11	There has been no marked improvement in the yield since the setting up of the Board in 1947 when it was about 291 lbs. per acre. The average overall yield per acre in Ceylon was 417 lbs. in 1960. The yield in Malaya is also about the same. The Committee regret that even after fourteen years of the existence of the Rubber Board the yield continues to be low and that there should be so much difference between the average yield in India and that of other neighbouring countries. They hope that the Board will take energetic and effective measures to increase the yield per acre.

Sl. No.	Reference to para No. in the Report	Summary of Conclusions/Recommendations
4	12	It is seen that at the end of each Plan period the shortfall in production and consumption of natural rubber goes on increasing. The estimated deficit in 1975 alone would entail imports involving a foreign exchange expenditure of over Rs. 40 crores at the current price level.
5	13	While the Committee have their own doubt about the achievement of the production target of 45,000 tons, which the Board have placed before themselves, they hope that the Board would do every thing to realise it. If a concerted drive is made to improve the methods of cultivation it may not be impossible to attain the target.
6	14	The Committee feel that the existing control measures are not sufficiently effective as they find that rubber is being increasingly used for the manufacture of a number of consumer goods like door mats, paper weights, cushions, rubber sheets etc. for which suitable substitutes are available. Considering the tight foreign exchange position and the increasingly heavy expenditure on the import of rubber, the Committee would urge that stricter control should be exercised on the use of rubber for the manufacture of non-essential goods.
7	18	The latest assessment made by scientists on the current situation concerning natural and synthetic rubber indicate that synthetic rubber is not a complete substitute for natural rubber. This fact needs to be borne in mind in future planning of synthetic rubber.
8	19-20	No general survey to determine the suitability and availability of land for rubber cultivation in the country as a whole has yet been undertaken even after nearly sixty years of rubber production being taken up on a commercial scale. The Committee feel that such a survey was an essential pre-requisite for planned development and should have been the first step to be taken by the Board. They recommend that the Board should now at least undertake a comprehensive survey of the existing as well as potential areas for rubber cultivation in the whole country and complete the same within a given period. Development schemes for new planning etc. should be prepared on the basis of the data so collected and co-ordinated centrally.

Sl. No.	Reference to para No. in the Report	Summary of Conclusions/Recommendations
9	22—23	The increase in acreage during the period prior to 1947 had been much higher than the increase thereafter. The increase in acreage after 1947 has been either a natural one or due to extraneous factors and does not seem to have been due to any positive steps taken by the Board to extend the area of rubber cultivation.
10	24—25	The replanting scheme was finally approved and taken up for implementation in 1957—eight years after it was first evolved. The Committee feel that the matter was apparently dealt with in a leisurely manner while neighbouring countries like Ceylon and Malaya who had embarked on similar schemes about the same time went about it with a sense of urgency and fully implemented them by 1957—the year in which our scheme was finally approved. Much valuable time and production have thus been lost by this delay. After the replanting scheme was taken up there has been a progress in replanting to the extent of 3,500 acres on an average. Had the replanting been taken up in 1952 when the revised scheme was submitted and had proceeded even at the meagre average rate of 3,500 acres per year, a replanting of approximately 17,500 acres could have been completed by 1957. These plants would all have come into production by 1965. That would have saved valuable foreign exchange amounting to approximately Rs. 88 lakhs annually at current prices.
11	27	As against the target of 21,000 acres for the 3 years 1957 to 1959, the actual area replanted was only 10,645 acres, i.e. about 50%. The progress achieved has been none too satisfactory. This position appears more disappointing when compared with Ceylon and Malaya.
12	30	Why the inadequacy of replanting subsidy of Rs. 250 to Rs. 400 per acre was not apparent to the authorities having the example of Ceylon and Malaya where it was Rs. 700 to Rs. 1000 and Rs. 625 to Rs. 960 per acre respectively is not clear. It is most unfortunate. In matters of this nature adequate forethought, careful planning and utmost expedition should be shown.
13	32—33	If the area requiring replanting was estimated at 1.2 lakhs acres as far back as 1951, one should normally have expected this area to increase substantially by

Sl. No.	Reference to para No. in the Report	Summary of Conclusions/Recommendations
		<p>now. But on the other hand the target of replanting expected to be achieved by 1965-66 is approximately 50% of the estimates made in 1951. The Committee recommend that immediate steps should be taken to make a detailed assessment of the area requiring replanting and a programme drawn up to replant that area within a reasonable period. Concerted drive and leadership would be required for this purpose.</p>
14	34	The Committee recommend that the desirability of having Panels of Visiting Agents, as in Ceylon, for the inspection of replanted area should be examined by the Board.
15	36	Approximately two-thirds of the area continues to be planted with ordinary varieties of seedlings. Why this should have been so when the Act envisaged that planting and replanting could only be undertaken after a licence duly obtained from the Board is not apparent. Power could at least have been assumed to prevent or prohibit planting with ordinary seedlings and on unsuitable land in 1956 when the Plantation Inquiry Commission made a recommendation to this effect. Thus adequate measures do not appear to have been taken by the Board in this regard. The Committee trust that the Board will at least now take necessary steps to ensure that only high-yielding varieties are made available and used. If necessary, statutory powers in this regard may be assumed.
16	38	The total area planted during the years 1950 to 1959 with the high yielding material supplied by the Board works out to 34,758 acres i.e. about 25% of the total planted area of 1,40,850 acres. Thus the supply of high yielding planting material by the Board has been far below the requirements. The Committee hope that the pace of establishing more nurseries will be stepped up so as to meet the increasing demand for high yielding material.
17	39	The Committee feel that with a view to ensure that only high yielding material is supplied by the nurseries and planted by the growers, some measure of control over the nurseries is necessary. They recommend that the matter may be examined by Government.
18	42	Small holdings of less than 5 acres were considered uneconomical. This was not, however, based on any detailed study with the result that there is no clear

Sl. Reference to
No. para No. in
the Report

Summary of Conclusions/Recommendations

formulation of policy either to prevent their growth or to make them economic by measures such as consolidation, co-operative farming etc. The Committee trust that the Board will examine the matter in detail without delay.

- 19 43 (i) The Committee trust that adequate care will be taken to avoid delays in taking a decision on and implementing the recommendations of a body like the Planning Inquiry Commission.
- (ii) The Committee noted that the officer appointed for implementation of the recommendations of the Planning Inquiry Commission retired a year after appointment. The Committee hope that such short term appointments of executive officers will be avoided in future.
- 20 44 The progress in the formation of co-operatives is not very satisfactory. The Committee recommend that a planned programme for development of co-operatives of small growers with annual targets may be evolved and implemented at an early date.
- 21 46 Since fragmentation appears to result in loss of efficiency and lower yield, there is need to halt this trend. The Committee recommend that Government may examine the matter and if necessary, assume powers in this regard, as is the case in Ceylon.
- 22 47-49 It was not till June, 1954, that a scheme for the establishment of a Rubber Research Institute and an Experimental Station was approved. Even after 1954 there has been little progress in this regard. The post of the Director of Research remains to be filled up and the Chemistry Division has not been organised. The building to house the Research Institute is still under construction at Puthupally at a cost of about Rs. 10 lakhs and is expected to be completed in the current year, i.e. seven years after administrative approval. It is hardly necessary to state that Government should not have allowed such an inordinate delay in the matter of setting up the Research Institute and staffing it.

Sl. Reference to No. para No. in the Report	Summary of Conclusions/Recommendations
23 50	So far there has been no significant achievement in research which has contributed to the greater development of the industry in the country.
24 51	The Committee trust that suitable action will be taken to see that the Communication to the Research Institute is improved so as to enable the public to have easy access to the same.
25 53	Considering that there are about 55,000 units of small holdings with an acreage of 1.79 lakhs, the service rendered by the extension service can hardly be considered as adequate. The Committee trust that the Board will take urgent steps to strengthen and improve the existing extension service to enable it to be of real service to the small growers.
26 54	The Committee recommend that the desirability of introducing compulsory spraying may be examined by the Board.
27 57	Considering the magnitude of the difficulties and problems facing the industry it is sad that large funds have remained un-utilised by the Board for the purpose for which they were sorely needed. Government itself could have given the Board a timely and correct lead in this respect.
28 59	There have been large savings even in regard to sanctioned amounts. The Committee trust that the Board would exercise a more careful anticipation of expenditure and budget accordingly. Having budgeted, the Board should see that the funds are fully utilised.
29 61-62	The Committee recommend that Government may examine the feasibility of the Rubber Board itself importing the natural rubber to meet the shortage in the country which the statute seems to require.
30 64-65	It is seen that the expenditure from the Pool Fund has been negligible and there are heavy balances in the Fund.
	There appears to be no justification for the delay of eleven years in framing the Rules relating to the Pool Fund. The Committee trust that Government will in future avoid delays in framing Rules envisaged under a Statute.

Sl. No.	Reference to para No. in the Report	Summary of Conclusions/Recommendations
31	66	It is only recently that Government have approved a scheme for granting new planting loan from the Pool Fund. This should have been done earlier. The Committee feel constrained to observe that the Board had not applied itself to the rehabilitation of small growers even though funds therefor were available. They trust that the Board will at least now take up the rehabilitation of small growers in earnest. In case the funds are utilised in full and the demand for loans by new plantations assumes greater proportions beyond the capacity of the Board, the Government may consider providing the necessary Funds for the purpose.
32	69	The percentage of the cess collected to the cess assessable on estimated production is abnormally low and what is worse it has been declining. It has come down from about 72.4% in 1955-56 to 22.6% in 1960-61. In no year was the total assessable amount collected.
33	72	Though under the Act the Board had enough powers for assessing the duty on the estates which gave an incorrect or defective return, they have not been exercised timely and properly with the result that large arrears in assessment have accumulated. Even the assessed amount of cess has not been collected fully.
34	73	The Committee feel that both the Board and the Ministry have not enforced properly and effectively the financial provisions in the matter of collection of cess on rubber. There is likelihood of loss of large revenue to the Board. In this connection, it may be recalled that during the period from October, 1947 to December, 1954, 20,608 tons of rubber escaped assessment on which the Board suffered a loss of Rs. 2,30,805. Considering the fact that 1.91 lakh cases involving a sum of Rs. 76 lakhs pertaining to the period from 1955 onwards are awaiting assessment, the loss of revenue to the Board during this period is likely to be much greater than that of the earlier period. The Committee trust that Government would investigate the matter with a view to fixing the responsibility and eliminating the chances of such lapses in future.
35	74	The Committee hope that Government would find ways to clear off the arrears of assessment and make recoveries within a reasonable time.
36	77-78	Undue weightage seems to have been given to the large growers on the Board. There is no justification for having as many as six representatives of large growers as compared to three of the small growers. The

Sl. Reference to No. para No. in the Report	Summary of Conclusions/Recommendations
	Committee feel that the size of the Board "could be reduced and it could be made a more compact body.
37 80-81	None of the Committees appears to have performed its functions in a business-like manner. The Committee trust that the Board will go into the matter of working of these Committees, retaining such of them as may be really necessary and also lay down a suitable procedure for their effective functioning. In this connection, the Committee would suggest that in view of the importance of replanting and research the desirability of having separate Committees for these purposes may be examined.
38 83	The Committee feel that frequent transfers of the Chairman are not conducive to the efficient functioning of the Board and should be avoided.
39 84	It is seen that a number of important technical posts are lying vacant due to the shortage of suitable technical personnel as also to the existing scales of pay being not sufficiently attractive. The Committee trust that Government would examine the matter and take suitable steps without any further delay. In this connection, the desirability of sending suitably qualified persons for training abroad may also be considered.
40 89-90	It is seen that in some cases considerable delays had occurred in giving Government sanction to the development schemes or proposals for appointments made by the Board. The Committee deplore the delays in according sanctions to the development schemes or proposals for appointments as they have retarded the progress of many schemes of the Board. They trust that Government would review the existing procedures with a view to simplify them and avoid delays. They would further suggest that the desirability of enhancing the powers of the Board suitably may also be considered.
41 91	The Committee were greatly surprised to learn that no comparative study of the organisations, methods and activities for promoting the development of the rubber industry in other large rubber producing countries like Malaya and Ceylon had so far been undertaken by the Board or the Ministry. This should be undertaken without delay so as to benefit from their experience.

Sl. Reference to
No. para No. in
the Report

Summary of Conclusion/Recommendations

- | | | |
|----|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 42 | 92 | The Committee suggest that the Board should maintain close liaison with the various international agencies concerned with the promotion of rubber industry like International Rubber Study Group and benefit from their collaboration. |
| 43 | 94 | The expenditure incurred on labour welfare by the Board during the four years 1956-57 to 1959-60 works out to only Re. 0.36 nP. <i>per capita</i> per annum. The Committee feel that very little has been done by the Board so far in this direction. It is surprising that such a state of affair prevails despite four representatives of labour being on the Board. They hope that the Board will evince greater interest in the welfare of the labour in future. |
| 44 | 95 | The Board has not so far taken any steps for training of persons in improved methods of planting, cultivation, manuring and spraying which is entrusted to it under Section 3(2)(b) of the Act. The Committee trusts that the Board will commence a suitable course for training in rubber growing as quickly as possible. |
| 45 | 96 | The Committee feel that in cases where specialised all-India bodies exist for the development of particular commodities, Central assistance to the State Governments for their development schemes could be given on the recommendation of such bodies, as far as possible, at any rate after consulting them. These bodies should maintain close liaison with the State Governments and provide necessary help and guidance in the implementation of these schemes as well as in suggesting measures required for further development. |
| 46 | 97-98 | No statistics in regard to the tappable area, yield per acre, area requiring replanting, workers engaged in the rubber plantations and their conditions etc. are given in the Reports or the Bulletins. Even the statistics relating to acreage, new planted and replanted areas which are published at present in the Reports and the Bulletins do not tally sometimes. The Committee feel that the present statistical service of the Board is utterly inadequate. They fail to understand how in the absence of accurate and comprehensive statistics the Board could plan properly and function effectively. They trust that the Board will now take steps to organise a proper statistical service. |

Sl. No.	Reference to para No. in the Report	Summary of Conclusions/Recommendations
47	99	The Committee recommend that the Board should include the Income and Expenditure accounts both in respect of the General and the Pool Funds in its Annual Reports. In this connection, they would invite attention to paras 10 and 11 of their 132nd Report (Second Lok Sabha) on Indian Central Tobacco Committee.
48	100	The Committee consider it desirable that the Annual Reports of the various Commodity Boards/Committees placed before the Parliament should be made more informative. They should, among other things, clearly bring out the physical and financial programme, achievements in relation to the programme and the prescribed objectives and functions.

APPENDIX VII

(Vide Introduction)

Analysis of the recommendations contained in the Report

I. CLASSIFICATION OF RECOMMENDATIONS :

A. Recommendations for improving the organisation and working :

Sl. Nos. 1, 8, 14, 16, 17, 19, 22, 25, 26, 28, 29, 30, 31, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45 & 46.

B. Recommendations for effecting economy which include suggestions for increasing the production :

Sl. Nos. 3, 5, 15 and 35.

C. Miscellaneous :

Sl. Nos. 2, 4, 6, 7, 9, 10, 11, 12, 13, 18, 20, 21, 23, 24, 27, 32, 33, 47, and 48.

II. ANALYSIS OF THE RECOMMENDATION DIRECTED TOWARDS ECONOMY :

Serial No. as per
No. Summary of
recommendations

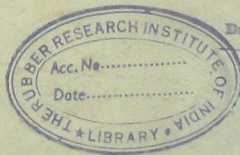
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