

ESTIMATES COMMITTEE (1966-67)

**HUNDRED AND TWELFTH REPORT
(THIRD LOK SABHA)**

MINISTRY OF COMMERCE

Action taken by Government on the recommendations contained in the Hundred-Fortyighth Report of the Estimates Committee (Second Lok Sabha) on the erstwhile Ministry of Commerce and Industry—Rubber Board.



**LOK SABHA SECRETARIAT
NEW DELHI**

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CORRIGENDA

To

112th Report of the Estimates Committee
(Third Lok Sabha) on Rubber Board.

p.(v), para 2, line 3, for 'or' read 'on'.
p.1, line 12, for 'replacing' read 'replanting'.
p.2, para 2, line 4, for 'annual' read 'actual'.
p.2, line 2 from bottom, for 'therefore'
read 'therefor'.
p.4, line 8, insert 'and' between the
words 'production' and 'consumption'.
p.8, under recommendation S.No.7, line 2,
for 'any' read 'and'.
p.11, under recommendation S.No.12,
line 5, for 'forethought' read
'fore-thought'.
p.12, line 8 from bottom, for 'hast' read 'had'.
p.13, line 22, for 'application' read
'applications'.
p.15, under recommendation S.No.16, line 7,
for 'increasingly' read 'increasing'.
p.19, line 1, insert 'that' after the
word 'recommend'.
p.19, under recommendation S.N. 27,
line 3, for 'surely' read 'sorely'.

C O N T E N T S

	P A G E
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I— Report	1
CHAPTER II— Recommendations that have been accepted by Government	3
CHAPTER III— Recommendations which the Committee do not desire to pursue in view of Government's reply	27
CHAPTER IV— Recommendations in respect of which replies of Government have not been accepted by the Committee	29
APPENDIX— Analysis of the Action taken by Government on the 148th Report of the Estimates Committee (Second Lok Sabha)	35

ESTIMATES COMMITTEE

(1966-67)

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(i)

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SECRETARIAT

Shri Avtar Singh Rikhy—*Deputy Secretary.*

Shri G. D. Sharma—*Under Secretary.*

INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee, present this Report of the Estimates Committee on the action taken by Government on the recommendations contained in the Hundred and Forty-eighth Report of the Estimates Committee (Second Lok Sabha) on the erstwhile Ministry of Commerce and Industry—Rubber Board.

2. The Hundred and Forty-eighth Report of the Estimates Committee was presented to the Lok Sabha on the 6th December, 1961. Government furnished their replies indicating the action taken or the recommendations contained in this Report on the 16th August, 1965. The replies were considered by the Convener of Study Group 'F' of the Estimates Committee on the 31st January, 1966. The Convener of the Study Group desired that further information in respect of ten recommendations might be called for from Government. Further replies in respect of these ten recommendations were received from Government on the 20th May, 1966 and were considered by Study Group 'D' of the Estimates Committee on the 5th September, 1966. The Report was considered and adopted by the Committee on the 29th November, 1966.

3. The Report has been divided into the following four Chapters:

I. Report

II. Recommendations that have been accepted by Government.

III. Recommendations which the Committee do not desire to pursue in view of Government's reply.

IV. Recommendations in respect of which replies of Government have not been accepted by the Committee.

4. An analysis of the action taken by Government on the recommendations contained in the Hundred and Forty-eighth Report (Second Lok Sabha) of the Estimates Committee is given in the Appendix. It would be observed therefrom that out of 48 recommendations made in the Report, 40 recommendation i.e., 83.3 per cent

(vi)

have been accepted by Government and the Committee do not desire to pursue 2 recommendations i.e., 4.2 per cent in view of the Government's reply. Replies of Government in respect of 6 recommendations i.e., 12.5 per cent have not been accepted by the Committee.

NEW DELHI-1,

November 30, 1966.

Agrahayana 9, 1888 (Saka).

ARUN CHANDRA GUHA,

Chairman,

Estimates Committee.

CHAPTER I

REPORT

Delay in launching the Replanting Scheme

The Committee in paras 24-25 of their 148th Report (Second Lok Sabha) on the erstwhile Ministry of Commerce and Industry had referred to the Replanting Scheme of the Rubber Board which was submitted in 1949 but was finally approved and taken up for implementation in 1957—eight years after it was first evolved. The Committee felt 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. The Committee observed that much valuable time and production had thus been lost by this delay. After the replacing scheme was taken up there had 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, and that would have saved valuable foreign exchange amounting to approximately Rs. 88 lakhs annually.

Government have informed the Committee in August, 1965 that "The Replanting Scheme submitted by the Board had to be examined in all its implications especially with regard to the financial capacity of the Board to give replanting subsidy. The delay on the part of Government in finally approving the scheme was unavoidable."

The Committee are not convinced by the explanation given by Government for the delay of about eight years in finally approving the scheme. While it is necessary that the financial implications should be fully examined before a scheme is finally approved, the period of eight years for this purpose cannot be considered as unavoidable. The Committee regret that Government have not as

yet realised that delay of eight years for such an important scheme was inordinate and should not have been allowed to happen. The Committee cannot over-emphasise the need for expeditious action in these matters and hope that such delay would not recur in future.

Unsatisfactory progress of replanting scheme

2. In para 26, the Committee referred to the Replanting Scheme of 1957 which aimed at replanting 70,000 acres of land in 10 years at the rate of 7,000 acres per annum and stated that as against the target of 21,000 acres for the 3 years 1957 to 1959, the annual area replanted was only 10,645 acres i.e., about 50%. The Committee had observed that the progress achieved had been none too satisfactory and that the position appeared more disappointing when compared with Ceylon and Malaya.

Government have stated in reply that "the facts in the recommendation are generally accepted. The Replanting Scheme has, however, not been unsatisfactory in recent years. This will be evident from the following figures:

Year	Units	Acres	Subsidy paid
			Rs.
1961	980	5608.43	37,58,351
1962	1,245	5521.81	32,36,695
1963	661	5018.34	24,37,078
1964	496	5524.41	21,60,361"

Even after 1959 there has been very slow progress in replanting. During the five years period 1960—64, the actual area replanted has been about 24,825 acres only as against the target of 42,500 acres therefore i.e., 58% The Committee would stress that adequate steps should be taken by the Board to attain the envisaged annual target.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Serial No. 1, Para 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.

REPLY OF GOVERNMENT

With a view to maintain coordination between the Rubber Board and the Development Wing, a senior officer of the Development Wing dealing with rubber and rubber industries has been nominated to the Rubber Board.

[Ministry of Commerce D.O. No. 20 (4) Plant (B) /61, dated 16th August, 1965].

Recommendation (Serial No. 2, Paras 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 at least to narrow it down considerably.

REPLY OF GOVERNMENT

The following statement indicates the production and consumption of natural rubber—

Year	Production	Consumption	Gap
1961-62	28,600 tonnes	42,700 tonnes	14,100 tonnes
1964-65	45,600 tonnes	48,800 tonnes	3,200 tonnes

From the foregoing statement it will be observed that there is an increase of production during these years by 78 per cent and the gap between production consumption has been considerably abridged.

[Ministry of Commerce D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965].

Recommendation (Serial No. 3 Para 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.

REPLY OF GOVERNMENT

The average yield per acre in 1964-65 is 375 pounds per acre. In the meantime, the Experimentation Station of the Rubber Board has developed clones which in experimental tapping have, in the initial stage, yielded about 1518 lbs. per acre. This is expected to go up in subsequent years. The Rubber Board has also obtained high-yielding clones from Malaya which are being distributed among the planters. It is therefore hoped that the average yield will, in the near future, be quite satisfactory.

(Min. of Commerce D.O. No. 20(4) Plant (B) 61, dated 16th August, 1965).

Recommendation (Serial No. 4, Para 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.

REPLY OF GOVERNMENT

The rate at which the consumption of rubber is increasing is more than the rate at which its production can be stepped up. It will be observed that there has been an increase during the last four years of about 78 per cent in production. Increased production will, no doubt, abridge the gap to a certain extent but it is doubtful if ever we will be able to be self-sufficient.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please state what special steps have been/or are proposed to be taken by Government to reduce, if not altogether eliminate, the gap between production and consumption of natural rubber in the country, especially in the context of the present foreign exchange position.

(Lok Sabha Sectt. O.M. No. 5-3/EC/64, dated 3rd Feb., 1966).

FURTHER REPLY OF GOVERNMENT

The Rubber Board has taken the following steps to increase the production of natural rubber in the country and thus reduce the gap between production and consumption :—

- (1) Payment of a replanting subsidy at the rate of Rs. 1000/- per acre.
- (2) Grant of loans at the rate of Rs. 750/- per acre to small growers to increase their acreage so as to turn their holdings into economic units (5 to 15 acres). The proposal to increase the rate of the loan so as to make the Scheme more attractive to the growers is under consideration.
- (3) Maintenance Loans at the rate of Rs. 475/- per acre are sanctioned to small growers. In this case also, the Board proposes to increase the rate of the loan.
- (4) The Rubber Board is rendering technical assistance to the Plantation Corporation of Kerala set up by the Government of Kerala. The Corporation has undertaken rubber cultivation in an area of 15,000 acres. During the

current Plan period the Corporation has already planted over 13,000 acres and proposes to plant another 2000 acres in May, 1966. The entire investment is met by loans advanced by the Centre.

- (5) The Rubber Board is maintaining regional nurseries and is supplying to the growers high-yielding materials from its own nurseries or collected from approved sources.
- (6) The Rubber Board arranges to supply fertilisers, fungicides and sprayers to small growers through Co-operative Societies and also arrange for aerial spraying. Free technical advice is given to the growers by the Board.
- (7) At the instance of the Rubber Board, the Agricultural Refinance Corporation has agreed to advance loans through the Scheduled Banks at the rate of Rs. 2,100/- to estates and Rs. 1,600/- to individuals for new plantation of rubber. The Corporation has also agreed to advance loans for maintenance of immature areas, construction of factories and smoke houses etc.
- (8) The Rubber Board is exploring the possibilities of utilisation of new areas for rubber cultivation. The Board has advised the Governments of the States where certain areas are considered suitable for rubber cultivation, to release such areas for planting rubber.

2. The gap between the production and consumption of rubber is largely met by imports. There has, however, been a steady reduction in the imports of Natural rubber and Synthetic rubber during recent years as is evident from the table given below:—

Year	Imports (Tonnes)	
	Natural rubber	Synthetic rubber
1963-64	26,275	8,812
1964-65	15,003	3,315
1965-66	15,276	2,179
(April-Dec. '65)		

3. The increase in consumption of natural rubber during 1964-65 over that in 1959-60 was 51%, whereas the increase in the production during the same period has been 89%. With the supply of high-yielding planting material plants protection chemicals, and the assistance given to planters for undertaking new planting and replanting, the production of natural rubber will increase though it may not be possible to meet the entire requirements of the rubber manufacturing industry.

[Min. of Commerce O.M. No. 20(4) Plant (B)/61, dated 20th May, 1966].

Recommendation (Serial No. 5, Para 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.

REPLY OF GOVERNMENT

As against the production target of 45,000 tonnes, the actual production is 45,600 tonnes during 1964-65. The target has been more than achieved. It is expected that at the end of the Third Five Year Plan period i.e., 1965-66, production will be about 50,000 tonnes.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 6, Para 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.

REPLY OF GOVERNMENT

More than 80 per cent of the production is consumed by the tyre and shoe companies and a substantial quantity goes for the manufacture of materials for industrial uses. Non-essential rubber goods are manufactured only by small units and the quantity consumed by them is very little. Though it is very difficult to draw a line of

demarcation between essential and non-essential rubber goods, the recommendation has been noted.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 7, Para 18)

The latest assessment made by scientists on the current situation concerning natural any 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.

REPLY OF GOVERNMENT

Noted.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 8, Paras 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 planting etc. should be prepared on the basis of the data so collected and co-ordinated centrally.

REPLY OF GOVERNMENT

With a view to determine the area suitable for rubber cultivation, State Governments were requested to furnish information regarding

land suitable for rubber cultivation in the States. The figures received were as follows:—

<i>State</i>	<i>Acres</i>
Kerala	50,000
Madras	6,000 (Approx)
Mysore	20,000 "
Maharashtra	1,000 "
Andamans	6,000 "
Tripura	300 "
Assam	1,000 "
Goa	Large areas are available for rubber cultivation. This depends upon the success of experimental planting in these areas.
Orissa	
Madhya Pradesh	Some areas in Bastar Distt.

Survey has been completed in respect of Kerala, Mysore, Tripura, Assam, Orissa, Goa, and Andaman & Nicobar Islands. Though large areas are found suitable due to the specialised agro-climatic condition for rubber cultivation in Tripura, Assam, Orissa, Goa, Maharashtra, Andaman & Nicobar Islands, planting on an experimental basis in small plots only has been undertaken at present. About 3 lakh acres may be possible to bring under rubber in various States and Centrally administered areas.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

- (a) Please state whether any survey regarding the suitability of areas for rubber plantations (e.g. Sunderbans, Terrai, etc.) in other States has been undertaken. If so, with what results.
- (b) It is stated in the reply that it may be possible to bring about 3 lakh acres of land under rubber in various States and centrally administered areas whereas the total State-wise area given therein comes to about 84,300 acres. Please furnish break-up of the total area of 3 lakh acres.

(Lok Sabha Sectt. O.M. No. 5-3/EC/64, dated 3rd Feb., 1966).

FURTHER REPLY OF GOVERNMENT

(a) & (b). The Rubber Board has conducted preliminary surveys in different States in order to find whether certain additional areas are suitable for rubber cultivation. On the basis of these surveys, the following areas have been considered suitable for rubber cultivation :

	Acres (Approximately)
Assam	10,000
Tripura	10,000
Goa	20,000
Mysore	35,000
A & N Islands	15,000
Madras	10,000
Kerala	80,000
Mahrashtra	1,000
Orissa	50,000
TOTAL	2,31,000

Sunderbans and Terrai were reported by the State Government to be not suitable for rubber cultivation. No Survey was therefore, undertaken in these areas.

The figure of 3 lakh acres furnished earlier was a rough estimate of the possible additional areas in the country which might be suitable for rubber cultivation, based on the available data relating to agro-climatic conditions. If the trial plantations in all the new areas prove successful, it might be possible to achieve this target eventually.

[Min. of Commerce O.M. No. 20(4) Plant (B) /61, dated 20th May, 1966].

Recommendation (Serial No. 9, Paras 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 areas of rubber cultivation.

REPLY OF GOVERNMENT

Accepted.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 12 Para 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. 1,000 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.

REPLY OF GOVERNMENT

Noted.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

(Recommendation (Serial No. 13, Paras 32-33))

If the area requiring replanting was estimated at 1.2 lakh 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. 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. Concered drive and a leadership would be required for this purpose.

REPLY OF GOVERNMENT

A detailed assessment of the area requiring replanting has been made by the Working Group set up for the Third Five-Year Plan. This Working Group after reviewing the progress of replanting recommended the following targets:—

Year	Area (acres)
1960	7500
1961	8000
1962	8500
1963	9000
1964	9500
1965	10000

The Working Group for Fourth Five-Year Plan has recommended a yearly target of 10,000 acres from 1965 onwards for a period of seven years. They have also stated that the yearly target can be enhanced to 12,000 acres per year if found feasible. The area so far replanted under subsidy scheme is 35,841 acres.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 14, Para 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.

REPLY OF GOVERNMENT

The question of having panels of Visiting Agents on the pattern of Ceylon has been examined in detail but because of the peculiar circumstances in which the rubber industry is placed 62 per cent—of which consists of small growers (71,000 units)—it has not been possible to adopt the Ceylonese pattern. The Rubber Board is, however, following the Malayan system of inspection and they are accordingly sending their technical staff for inspecting the plantations.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please furnish a comprehensive note on the system of inspecting of replanted areas in Malaya.

[L.S.S. O.M. No. 5-3/EC/64, dated 3rd February, 1966].

FURTHER REPLY OF THE GOVERNMENT

The Rubber Fund Board looks after the Replanting Scheme in Malaya. This Board has two branches, Fund 'A' and Fund 'B' for large and small growers respectively. These funds are operated by the Chief Replanting Officer who is the Chief Executive. He is assisted by Dy. Chief Replanting Officers and State Replanting Officers. To implement the scheme in the field replanting assistants and replanting subordinates are recruited in States. These junior officers carry out replanting inspection and check-inspections are made by the Senior Officers.

Modus Operandi (*Replanting Small Holdings*):

Every year beginning from September to December the Registers for applications for replanting grants in the following year are opened. This is the same period when the publicity campaign is carried out. Application forms are made available in States at places where the publicity campaign is held. The staff attending the campaign assist the small holders to fill in the forms and answer their queries. These forms are also available through the Board's field staff, the field staff of the Rubber Research Institute the Agricultural Department, District Offices and in the various Offices of the Replanting Board. Whenever circumstances require, the period of the opening of the Registers is extended to a further two or three months.

When applications are received in States, these are immediately acknowledged by a Card. The small holders are advised not to proceed with the felling of their rubber until approval is granted. All applications are then registered in the 'Register of application' and the temporary numbers are allotted. After this, a check is made against the Mukim Registers and the name Index including identity card number. This check will disclose if any of the applicants or lands have already participated in the replanting scheme. Following this, applications are sorted out by Mukims and the Titles are shown in the application forms, are then checked against those in the Registry of Titles at various Land Offices or in the Office of Registrar of Deeds as in Malacca. Only those application with Titles recognised by the State Government are accepted. Apart from the Titles other particulars like Express or special condition, charge or *Caveat*, Trusteeship, date of ownership, Acreage and nature of cultivation are also being noted. Complications are experienced during such title checks especially in case of subdivided lands, owners with undivided shares, change of Titles and illegible records.

Where titles are not in order the applicants are then advised that their applications are rejected. In respect of those whose titles are in order arrangements are made to carry out preliminary inspections. These inspections are to determine if the lands applied for have a stand of old rubber and whether soil conditions are suitable for replanting with rubber. If the lands are low-lying and more suitable for paddy or perhaps other crops then reference is made to the Department of Agriculture for their advice.

On receipt of favourable reports, State Replanting Officers will then advise the small holders to proceed with their felling work and prepare the lands ready for planting. Details of the minimum

field requirements which will qualify them for the 1st grant payment are sent to the small holders. They are also advised to inform the State Replanting Officers by a return card when they have carried out the field requirements. Under normal circumstances, the small holders should be able to complete the preparation of their lands by August or September and planting can then be carried out during the favourable planting period October-December. Inspections for first grant payments are made on receipt of advice from the small holders. Provided the field operations such as lallang eradication, felling, renticing, digging of planting holes etc., are satisfactory then payments are made out to the small holders. Normally it will take from 2-3 weeks from date of inspection before payment warrants are forwarded to the applicants.

When first grant payments are approved, individual record cards are made out so that all necessary particulars of the applicants are recorded. Debits on issues of materials such as budwood, fertilisers and dalapon are entered and the payments in cash recorded. In State Offices, the material supply and distribution section will record all material requirements and arrange for issue to be made. The Financial Section then record all the financial involvements and arrangement for warrants or cheques to be posted to the applicants. The statistics section records all relevant statistics for record purposes and for eventual information of Head Office. The records section deals with all applications and the preparation of record cards.

It is seen that Malaya has separate application forms and forms for inspection for submitting inspection reports for small holdings and estates. The inspecting officers inspect and certify the progress of work of every year in prescribed forms.

[Min. of Commerce O.M. No. 20(4) Plant (B)/61, dated 20th May, 1966].

Recommendation (Serial No. 15, Para 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.

REPLY OF GOVERNMENT

Statutory powers have been obtained to enforce the planting of high-yielding material only by amending the rules. The trend of planting with ordinary material has fallen in recent years, as will be seen from the following figures:—

Year of planting	Imported Variety			Total
	Ordinary	Budded	Clonal	
1958-59	13,251	4,803	10,729	28,783
1959-60	7,056	3,925	8,943	19,924
1960-61	6,219	3,244	10,089	19,552
1961-62	6,080	4,034	15,344	25,458
1962-63	2,999	3,131	10,292	16,422
1963-64	340	2,304	6,206	8,850
1964-65	170	366	906	1,442

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 16, Para 38)

The total area planted during the years 1950 to 1959 with the high-yielding material supplied by the Board works out to 34,738 acres i.e., about 25 per cent 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 increasingly demand for high-yielding material.

REPLY OF GOVERNMENT

Accepted. There is a Central Nursery of the Rubber Board. In addition, two Regional Nurseries have already been started. An-

other two are proposed to be started shortly. High-yielding planting materials are being supplied from private approved nurseries which total 48 in number in the country in 1965.

[Ministry of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 17, Para 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.

REPLY OF GOVERNMENT

Accepted. Inspection of private nurseries for approval has been tightened up and only senior officers of the Board are deputed to undertake the inspection. Further in granting recognition, stricter rules have been laid down by the Board.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 18, Para 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 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.

REPLY OF GOVERNMENT

A detailed study has been conducted and economic unit has been determined. About five acres have been found to be enough to support a family of five members if the area planted is with high yielding rubber.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 19, Para 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 Plantation Inquiry Commission.

(ii) The Committee noted that the officer appointed for implementation of the recommendations of the Plantation Inquiry Commission retired a year after appointment. The Committee hope that such short-term appointments of executive officers will be avoided in future.

REPLY OF GOVERNMENT

Noted. Action is being taken accordingly.

[Ministry of Commerce, D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 20, Para 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.

REPLY OF GOVERNMENT

On the basis of this recommendation, a planned programme for development of cooperatives of small growers has been drawn up according to which about 100 cooperative societies are proposed to be set up by March, 1966.

[Ministry of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 21, Para 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.

REPLY OF GOVERNMENT

Fragmentations were taking place because the planters tried to avoid obligations under the Plantations Labour Act. The Plantations Labour Act was suitably amended in 1960 and this has, to a considerable extent, checked the fragmentation of plantations.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 22, Paras 47-48)

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 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.

REPLY OF GOVERNMENT

The building of the Rubber Research Institute has since been completed and the necessary staff is in position. Work is going on in full swing.

[*Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965*].

Recommendation (Serial No. 24, Para 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.

REPLY OF GOVERNMENT

This has been implemented.

[*Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965*].

Recommendation (Serial No. 25, Para 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.

REPLY OF GOVERNMENT

Noted.

[*Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965*].

Recommendation (Serial No. 26, Para 54)

The Committee recommend the desirability of introducing compulsory spraying may be examined by the Board.

REPLY OF GOVERNMENT

There are at present 71,000 small holdings. It will be very difficult to enforce compulsory spraying among such a large number of holdings. In many of holdings food and other crops are interplanted with rubber. This also creates difficulties if compulsory spraying is enforced..

[*Ministry of Commerce, D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965.*]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please state whether any alternative steps, other than compulsory spraying, are proposed to be taken by the Board to control diseases like secondary leaf-fall and powdery mildew, in small rubber holdings.

[*Lok Sabha Sect. O.M. No. 5-3/EC/64, dated 3rd February, 1966.*]

FURTHER REPLY OF THE GOVERNMENT

Compulsory spraying in rubber holdings may not be possible, as stated earlier. However, the Board has taken necessary steps to induce more rubber growers to become plant-protection-minded. Financial aids, field demonstrations and advisory contacts are being arranged by the Rubber Board for achieving this objective.

[*Min. of Commerce O.M. No. 20(4) Plant (B) /61, dated 20th May, 1966.*]

Recommendation (Serial No. 27, Para 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 surely needed. Government itself could have given the Board a timely and correct lead in this respect.

REPLY OF GOVERNMENT

With the schemes now being implemented by the Rubber Board, such as the Replanting Subsidy Scheme, the New planting Loan Scheme, Immature Area Loan Scheme, Development of Cooperatives, there will be fuller utilization of funds in future.

[*Ministry of Commerce, D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965.*]

Recommendation (Serial No. 28, Para 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.

REPLY OF GOVERNMENT

Noted.

[*Ministry of Commerce D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965*].

Recommendation (Serial No. 30, Paras 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.

REPLY OF GOVERNMENT

The rules have since been framed. The Rubber Board has formulated a large number of schemes to be financed from the Pool Fund which will ensure utilisation of this fund to the best advantage of the small growers of rubber.

[*Min. of Commerce D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965*].

Recommendation (Serial No. 31, Para 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.

REPLY OF GOVERNMENT

(1) The amount spent under various schemes for the development of small growers is Rs. 1,11,829 upto 30th June, 1965 of this year. There has been a marked improvement in the expenditure.

(2) It may also be noted that a substantial amount is also expended for replanting of the small holder area. During 1964, the amount under this item came to Rs. 4,68,976.

(3) In addition the amount spent for research and extension is also applicable to small growers.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 36, Paras 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 small growers. The Committee feel that the size of the Board could be reduced and it would be made a more compact body.

REPLY OF GOVERNMENT

Accepted. The recommendation will be kept in view at the time of the next amendment of the Act.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 37, Paras 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.

REPLY OF GOVERNMENT

The Board reviewed the position and decided to reduce the size of the Committees as follows:—

	Previous Strength	Present Strength	
Executive Committee	5	4	members including chariman.
Planting Committee	9	7	Do.
Smallholding Development Committee	11	5	Do.
Labour Welfare Committee	9	5	Do.
Import/Export Committee	6	4	Do.

A research Committee has been set up.

[*Min. of Commerce D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965.*]

Recommendation (Serial No. 38, Para 83)

The Committee feel that frequent transfers of the Chairman are not conducive to the efficient functioning of the Board and should be avoided.

REPLY OF GOVERNMENT

Accepted.

[*Ministry of Commerce D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965.*]

Recommendation (Serial No. 39, Para 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.

REPLY OF GOVERNMENT

The scales of pay for technical posts have since been revised and all the vacant posts have been filled. Officers of the Rubber Board are periodically sent out on delegations. The Director of Research is being deputed to Malaya shortly on a study tour.

[Ministry of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 40, Paras 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.

REPLY OF GOVERNMENT

This has been done.

[Ministry of Commerce, D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 41, Para 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 any delay so as to benefit from their experience.

REPLY OF GOVERNMENT

A study of the organisations and methods and activities of the rubber industry in Malaya was undertaken by a Delegation headed by the Chairman of Rubber Board in 1962. Many of the recommendations made by the Delegation have since been implemented by the Rubber Board and some of them are in the process of implementation. Further studies will now be undertaken by the Director of Research who is shortly proceeding to Malaya.

[Ministry of Commerce, D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 42, Para 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

REPLY OF GOVERNMENT

Accepted. The Board has already become a Member of the International Rubber Study Group and it maintains close touch with other organisations like the Natural Rubber Bureau.

[*Ministry of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965*].

Recommendation (Serial No. 43, Para 94)

The expenditure incurred on labour welfare by the Board during the four years 1956-57 to 1959-60 works out to only Re. 0.86 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 affairs 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.

REPLY OF GOVERNMENT

The Board's effort for labour welfare is restricted to only those items which are not covered by the various Statutory obligations placed on the planters under the Plantation Labour Act, 1951, Factories Act, 1948, Kerala Maternity Benefit Act, 1957 and Central Maternity Benefit Act, 1961. Consequently, the activities of the Board have been directed towards facilitating expansion of education among the plantation labour and their dependants. The Board has been giving liberal stipends to relatives of the plantation labour as are intended under the relevant rules. The Board is also contributing sums for medical relief work.

[*Ministry of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965*].

Recommendation (Serial No. 44, Para 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.

REPLY OF GOVERNMENT

The Board has since started the following training schemes:—

1. Officers from States are trained in the R.R.I.I.
2. Cooperative Societies' personnel are also being trained.
3. Seminars are held in various rubber growing tracks.
4. Training of tappers has commenced in which training in rubber growing also is given.
5. Special course in Plantation Crops has been proposed to start at Agricultural College, Vellayani.

[Ministry of Commerce, D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 45, Para 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.

REPLY OF GOVERNMENT

Accepted.

[Ministry of Commerce, D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

Recommendation (Serial No. 46, Paras 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 re-planted 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

REPLY OF GOVERNMENT

The Statistical service of the Board has since been strengthend and the Statistical Bulletin published by them has been considerably improved.

[*Ministry of Commerce, D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965.*]

Recommendation (Serial No. 47, Para 99)

The Committee recommend that the Board should include in 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.

REPLY OF GOVERNMENT

Accepted.

[*Ministry of Commerce, D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965.*]

Recommendation (Serial No. 48, Para 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.

REPLY OF GOVERNMENT

The Annual Reports have been made more informative.

[*Ministry of Commerce, D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965.*]

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

Recommendation (Serial No. 23, Para 50)

So far there has been no significant achievement in research which has contributed to the greater development of the industry in the country.

REPLY OF GOVERNMENT

In an agricultural commodity like rubber, result of research takes time before it can be applied to field conditions.

In the opinion of the experts who had come to study the research undertaken here, it was held that though on a moderate scale it was on right lines. With the establishment of the Institute, research activities will be speeded up.

[Ministry of Commerce D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please furnish a copy of the report of experts who had studied the research activities of the Board.

[Lok Sabha Sectt., O.M. No. 5-3/EC/64, dated 3rd Feb., 1966].

FURTHER REPLY OF THE GOVERNMENT

A copy of the Report* submitted by the Delegation of Scientists from Malaysia is enclosed.

[Ministry of Commerce, O.M. No. 20(4) Plant (B) /61, dated 20th May, 1966].

Recommendation (Serial No. 29, Paras 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.

*Not included in the Report.

REPLY OF GOVERNMENT

The manufacturers in the country require different types of rubber. Consequently, it would be somewhat difficult for the Rubber Board to consolidate the requirements of the entire industry in this behalf. It has, therefore, been decided that the Rubber Board should not at present be entrusted with the task of importing rubber for the use by the indigenous industry.

[*Ministry of Commerce D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965*].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please state whether, as an alternative, the feasibility of entrusting the task of importing rubber on behalf of the entire rubber industry, to the State Trading Corporation has been considered by Government and if so with what results.

[*Lok Sabha, O.M. No. 5-3/EC/64, dated 3rd Feb., 1966*].

FURTHER REPLY OF THE GOVERNMENT

The prices of raw rubber in the World market are always subject to wide fluctuations. It may be difficult even for the State Trading Corporation to handle the imports. Some time back, when it was suggested to the State Trading Corporation to import raw rubber from Ceylon under the Indo-Ceylon Trade Agreement, they stated that it would not be possible for them to do so.

[*Ministry of Commerce, O.M. No. 20(4) Plant (B) /61, dated 20th May, 1966*].

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Serial No. 10, Paras 24 and 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 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.

REPLY OF GOVERNMENT

The Replanting Scheme submitted by the Board had to be examined in all its implications especially with regard to the financial capacity of the Board—to give replanting subsidy. The delay on the part of Government in finally approving the scheme was unavoidable.

[*Ministry of Commerce, D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965.*]

COMMENTS OF THE COMMITTEE

Please see comments in para 1 of Chapter I of the Report.

Recommendation (Serial No. 11, Para 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 per cent. The progress achieved has been none too satisfactory. This position appears more disappointing when compared with Ceylon and Malaya.

REPLY OF GOVERNMENT

The facts in the recommendation are generally accepted. The replanting scheme has, however, not been unsatisfactory in recent years. This will be evident from the following figures:—

Year	Units	Acres	Subsidy paid
1961	980	5608.43	Rs. 37,58,351.00
1962	1245	5521.81	32,36,695.00
1963	661	5018.34	24,37,078.00
1964	496	5524.41	21,60,361.00

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

COMMENTS OF THE COMMITTEE

Please see comments in para 2 of Chapter I of the Report.

Recommendation (Serial No. 32, Para No. 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 per cent in 1955-56 to 22.6 per cent in 1960-61. In no year was the total assessable amount collected.

REPLY OF GOVERNMENT

Noted.

[Ministry of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

COMMENTS OF THE COMMITTEE

Please see page 34—

Recommendation (Serial No. 33, Para No. 72)

Though under the Act the Board has 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.

REPLY OF GOVERNMENT

There are various difficulties such as inter-planting of other crops with rubber in arriving at a correct assessment of production.

Regarding arrears in assessment, additional staff has been employed to complete the work as soon as possible.

[Min. of Commerce D.O. No. 20(4) Plant (B)/61, dated 16th August, 1965].

COMMENTS OF THE COMMITTEE

Please see page 34—

Recommendation (Serial No. 34, Para No. 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.

REPLY OF GOVERNMENT

It will be difficult to fix the responsibility on any single individual for the delay in assessment and collection of cess in rubber. It was the nature of the problem such as the existence of a large number of

small growers, insufficient data relating to production, yield, etc., that stood against all attempts for prompt assessment and collection. The arrears have, therefore, been due to an inherent difficulty which the Rubber Board could not in spite of its best efforts overcome. To avoid this leakage, the Government, therefore, decided to amend the Rubber Act, thereby providing for the collection of cess from the manufacturers instead of from the planters. The amendment took effect from the 1st April, 1961 and since then assessments are made on a regular basis.

[*Min. of Commerce D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965.*]

COMMENTS OF THE COMMITTEE

Please see page 34—

Recommendation (Serial No. 35, Para No. 74)

The Committee hope that Government would find ways to clear off the arrears of assessment and make recoveries within a reasonable time.

REPLY OF GOVERNMENT

As stated against Serial No. 33, special staff has been deputed by the Rubber Board to clear the arrears of cess collection.

[*Min. of Commerce D.O. No. 20(4) Plant (B) /61, dated 16th August, 1965.*]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE (SERIAL Nos. 32, 33, 34 AND 35).

Please furnish a statement indicating precisely the position of arrears in cess assessment and collection as at the end of each year, since 1961-62. (The information may be supplied in a tabular form on the lines of the table given in para 68 of the Report).

[*L.S.S. O.M. No. 5-3|EC|64, dated 3-2-1966.*]

FURTHER REPLY OF THE GOVERNMENT

According to the original estimates, the production of rubber from 1-1-1955 to 31-3-1961 on which cess was leviable from producers was 1,47,520 tons. The amount of cess leviable on the above estimated

production is Rs. 1,93,16,031/- . The position of arrears in cess assessment and collection as at the end of each year since 1961-62 is shown in the table given below.

It may be seen from the table that the amount that remains to be assessed as on 31-12-1965 is Rs. 48,17,753/- . This is, however, not correct. The original estimate was based on rubber consumption figures and also on production reported by big estates. The rate of production obtained by big estates cannot be made applicable to small holdings. The cess now pending assessment pertain to only small holdings, most of which are of below 5 acres in extent and planted with low yielding unselected seedling rubber. Production of such units is invariably far below than in large estates.

A sample survey carried out by the Board in 1964 has revealed that arrears of cess actually pending assessable at the time could not have exceeded Rs. 20 lakhs. Even this survey had not fully taken into account the loss of production from holdings which had been replanted under the Board's Replanting Subsidy Scheme and those which had abandoned tapping due to uneconomic yield or natural loss of trees, etc. While the loss of production from replanted areas can be readily estimated, the loss due to other reasons become known only when the holdings concerned are inspected. When such losses are also taken into account, the actual assessable amount of cess will be considerably less. From the present trends of assessments it appears that the Board may henceforth be able to assess only Rs. 5 or 6 lakhs more by way of cess from producers.

Table showing the position of arrears in assessment and collection of Excise Duty at the end of each year since 1961-62.

Date	Arrears of amount that remained to be assessed	Arrears of amount that remained to be collected out of cess assessed	
		Rs.	Rs
31-3-61	75,86,763.00	9,43,836.00	
31-3-62	57,06,764.00	12,89,985.00	
31-3-63	53,63,133.00	11,01,665.00	
31-3-64	51,40,158.00	4,00,016.00	
31-3-65	50,50,938.00	3,06,582.00	
31-12-65	48,17,753.00	4,18,330.00	

[Min. of Commerce O.M. No. 20(4) Plant (B)/61, dated 20th May, 1966].

COMMENTS OF THE COMMITTEE (S. Nos. 32, 33, 34 AND 35).

The Committee hope that with the measures proposed to be taken, the Rubber Board would complete the assessment work at an early date and that arrears of assessment would not be allowed to accumulate in future.

NEW DELHI;

ARUN CHANDRA GUHA,

November 30, 1966.

Chairman,

Agrahayana 9, 1888 (Saka).

Estimates Committee.

APPENDIX

(*Vide* Introduction)

Analysis of the action taken by the Government on the 148th Report of the Estimates Committee (Second Lok Sabha)

I. Total number of recommendations	48
II. Recommendations that have been accepted by Government (<i>vide</i> recommendations at S. Nos. 1 to 9, 12 to 22, 24 to 28, 30, 31, 36 to 48 referred to in Chapter II)	
Number	40
Percentage to total	83.3
III. Recommendations which the Committee do not desire to pursue in view of Government's reply (<i>vide</i> recommendations at S. Nos. 23 and 29 referred to in Chapter III)	
Number	2
Percentage to total	4.2
IV. Recommendations in respect of which replies of Govern- ment have not been accepted by the Committee (<i>vide</i> re- commendations at S. Nos. 10, 11 and 32 to 35 referred to in Chapter IV)	
Number	
Percentage to total	12.5

35

GMGIPND—LSI—1875 (Aii) LS—1-12-66—1339.