

CHAPTER V

RESPONSE OF THE SMALLHOLDERS  
IN THE INITIAL STAGE

The result of replanting for smallholders has been provided in table 3 which shows the progress of replanting in the various states.

TABLE 3

RESULTS OF REPLANTING IN THE VARIOUS STATES

State	Total acreage replanted (1953-1955)	Quota for the period	% of success
Joh.	12,550	51,000	25
Malacca	13,496	8,100	167
Neg. S.	9,389	12,000	78
Sel.	9,747	16,200	59
Perak	14,571	26,700	55
Pah.	2,545	9,200	28
Prov. W.	1,306	2,800	47
Ked/per.	4,511	13,500	34
Kel.	5,414	6,600	82
Treng.	1,778	4,200	43

Source: Rubber Industry Replanting Board, Report on Operations for the year 1962.

From the table we see that in one state, Malacca, the

percentage of success much exceeded the target. This will be explained later. We see that seven out of the ten states have less than 60% of achievement while five have less than 50%. A large percentage of the smallholders in these states with low achievement were in the low income group. Besides the low income which did not permit them to undertake replanting, the grant from the Government in the early stage was also not inductive. Furthermore there were many problems which hindered the efficient operation of the scheme in the early years.

Firstly, there was the difficulty in getting enough personnel for the job. The staffing problem was acute and qualified personnel were in short supply. The pressure on the newly engaged staff was intense and delay was met in dealing with the applications. In many cases approval was given too late to take advantage of the best felling and clearing weather. This was due to the fact that there was insufficient men to go to the remote areas to make the necessary inspection. Thus as a result of this many of the potential replanters were not able to replant.

Secondly there was the problem of communication. This concerned contact with the approved applicants, the difficulty of which had caused a reduction in the acreage replanted in the initial stages. Communication difficulty was met in informing the applicants of the approval of their applications. This was because the postal service could not

penetrate into the more remote villages of the rural area. Frequently, letters of approval sent by the board to the individual smallholders never reached their destinations. Without any approval from the board the smallholders could not carry out the replanting.

The Emergency also had its effect on replanting. Owing to the Emergency, many smallholders were resettled far away from their holdings. It was difficult for the inspectorial staff to contact the smallholders who had resettled at a distance from their holdings because most of them left their holdings early to return to their new villages. Unknown to the inspectorial staff who visited the holdings but only to find no one there. This also reduced the acreage replanted in the early stages.

The Emergency also had a hampering effect on other operations, the administration and implementation of the scheme. It was found that a number of applicants who were permitted to replant and given advances were unable to do so for reasons of security. Furthermore, some applicants who had received advances were afterwards resettled out of access of their holdings and, where work had commenced, could not be continued. Then, there were some smallholders who were willing and able to replant but were resettled at a distance from their holdings.

All these factors contributed to the low success of about 53% of the target in the initial stage.

From the table we observe that though the overall percentage of achievement was low, the achievement in Malacca was beyond expectation. The target was exceeded by 67%. This is explained by the fact that the desire to replant with the assistance of Fund B was particularly strong among the owners of medium holdings i.e. those owners of between 25 and 100 acres. It was discovered that there was a great deal of "family fragmentation" and partnership fragmentation of holdings going on to enable some owners to qualify for participation in Fund B. This mechanism can be easily illustrated. Assume that Mr. A has 180 acres of rubber trees. Under the estate replanting scheme he is allowed to replant a total of 21% of his acreage at a grant of \$400.00 per acre from the Government. But under the smallholders scheme he could get a subsidy of \$600.00 per acre from Fund B if he has less than 100 acres. Thus to enable himself to qualify for participation under Fund B he would divide up his estate among five other members of his family, each holding ownership to thirty acres including himself. In this way they can apply for participation under Fund B. Each will be allowed to replant ten acres with a subsidy of \$600.00 per acre. All in all, he replants sixty acres with a grant of \$36,000.00 from the Government, whereas if he were to participate under Fund A he would be allowed to replant only thirty-seven acres with a grant of only \$14,000.00. Thus we see that this is a clever device used by the estate

owners to obtain more funds from the Government for replanting.

In another situation which is the opposite of family fragmentation is the plan of family aggregation. Here, Mr. A has thirty-three acres of rubber trees. He wants to replant all of them under Fund B but he is allowed to replant only eleven acres. So he goes to the other members of his family who own some acres of rubber trees and asks them to transfer their ownership to him so that he owns altogether ninety-nine acres. Thus in theory he owns ninety-nine acres and under Fund B he is allowed to replant a total of thirty-three acres under a grant of \$600.00 per acre. In this way all his thirty-three acres are replanted with Government subsidy. After replanting has been successfully carried out, he returns the ownership of the land to their respective owners.

These were the two devices used by the estates and smallholders to obtain approval to replant their desired acreage. Thus these were the reasons for the excessive replanting. Another reason was that before the Government Replanting Scheme was started most of the trees in Malacca were very old. Therefore when the scheme was launched the smallholders seized the opportunity to replant.