

## CHAPTER VI

### CONCLUSION

The break-up and subdivision of rubber estates follows three main patterns.

In the north there are frequent break-ups followed by subdivision. Generally, as a consequence, conditions on the estates worsen through lack of efficient maintenance by smallholders; labour lines, fields, the quality of rubber and health conditions deteriorate and the neglect of drainage and irrigation controls place large areas out of production. The resulting low productivity reduces both the farmer's and the government's revenue.

Former employees on the land, generally find employment elsewhere, after a time; but unless re-employed on other estates, they lose the amenities and protection which they formerly enjoyed. When a worker buys up the estate, he may get an immediate high income as he is interested in quick returns. But slaughter tapping and the general lack of maintenance of the land, may considerably reduce his future income.<sup>1</sup>

Subdivision for replanting purposes generally has favourable consequences as large areas of old seedling rubber are replanted along modern lines. Close supervision during the period of replanting ensures a bright future for the farmer and the economy.

The break-up of foreign-owned estates means a net outflow of capital from Malaya.<sup>2</sup> This may be in line with government's policy of diversifying

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1. This is also the general opinion of the District Officers and especially the Commissioners of Labour and Social Welfare of Penang and Johore, and Mr. Narayanan, the General Secretary to the National Union of Plantation Workers.

A 2. Few of these companies reinvest in Malaya.

Malaya's economy;<sup>1</sup> but, such disinvestment in rubber should not take place when the price of rubber is high, because gains in rubber make for a better foreign exchange position and general prosperity. An outflow of capital at such times means the discarding of potential means of economic development.

Late 1958 and 1959 have shown confidence in rubber and general economic progress in Malaya. The recently growing tendency of amalgamation<sup>2</sup> shows that investors aim to take a firm stand against the apparently expanding threat of synthetic - the means of so doing are the opening up of new land for rubber; improving the quality of rubber, and the methods of production, to reduce costs; devoting greater effort to rubber research; bettering the conditions of work for tappers, etc.<sup>3</sup> These trends are working on the estates, but their adoption on the subdivided smallholdings will take a long time to materialise.

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1. Several new schemes have come into being, which encourage this development. For example, the New Planting Scheme which requires the planting of 6 acres of rubber, 2 acres of fruits and 2 acres of padi (in Perang). A similar scheme is in operation in Malacca.
  2. The most notable are The Highlands and Lowlands Group and the Seafeld Amalgamated Rubber Estates.
  3. The Natural Rubber News, April, 1959.

APPENDIX A IQUESTIONNAIRE IECONOMICS OF THE BREAK-UP OF RUBBER ESTATES

1. How many estates (100 acres and above) were there in 1956, 1957, 1958 and in the first quarter of 1959?
2. In each of these years how many estates were broken-up?
3. What are the sizes of the rubber estates being broken-up?
4. What are the sizes of the broken pieces?
5. (i) What is the tendency in recent years?  
(ii) Why is this so?
6. When was the process first noticed?
7. Who were the original owners of these estates?
8. Who are the buyers of these subdivided pieces of estate land?
  - (a) by race
  - (b) by occupation.
9. Through whom is the subdivided land sold?
  - (a) by race
  - (b) by occupation.
10. How much was the original estate sold for?
11. How much were the subdivided pieces sold for?
12. What has influenced land values over the last five years?
13. What do sellers gain by subdivision?
14. (i) What effects do replanting grants have on subdivision?  
(ii) What are the replanting rates?
15. What effect has subdivision had on the income levels of:-
  - (a) owners
  - (b) workers.

APPENDIX A I (Contd.)

16. What percentage of the workers remain or leave as a result of subdivision?
  17. Who replace those who leave?
    - (a) by race
    - (b) by occupation.
  18. To what use are the subdivided pieces put?
  19. What are the fees charged by government for subdivision?
  20. How long does it take to complete subdivision?
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