

CONSEQUENCES OF THE DISINTEGRATION OF RUBBER ESTATES

Labour, estate services and productivity are directly affected on subdivision. Other consequences are indirect.

Where labour is concerned, the problem is not one of unemployment, though admittedly there is some initial unemployment, but rather a fall in real wages. Once a holding falls below 85 acres, the owner is no longer compelled to provide certain amenities. Thus these workers who remain on the subdivided pieces of land forgo medical attention, housing and education for their children. For these amenities they will now have to go to government clinics and schools. This will in turn, mean increased governmental expenditure. Also where labour has been working on a particular estate for a long period, a tremendous environmental change is involved.

On former estates, drains and roads were maintained by the owner. On subdivision, the hitherto unified drainage system is destroyed and flooding may result. This could lead to the abandonment of much land due to waterlogging and soil erosion. This problem is more acute in Province Wellesley where one or two very large estates had maintained all the bunds and drains.¹ For example, breaches in the bunds of Bertram estate, (part of which is sold) have already occurred.

1. CLPM: 65/57, "Report on Subdivision and fragmentation of estates", para. 13

Poor drainage measures will mean an increase in malaria.

Poor sanitation and water supply will contribute to the deterioration of health standards.

Estates maintained an extensive system of roads to facilitate movement. However, if these are no longer maintained, smallholders will find difficulty in taking out their produce and bringing in supplies.

Schools formerly maintained by estates have now been taken over by the local authorities. Often existing facilities cannot be used when the new owners are multiracial, because all the children cannot be taught in one room.

The advantages of estate production are obvious, one of them being the ~~production of first grade~~ rubber. Today, on some subdivided holdings in Penang, daily tapping is replacing alternate tapping¹. The smallholders not only do not possess superior processing facilities, but also do not maintain a high standard of agricultural practice.² Hence the rubber produced is of a lower grade. This could impair Malaya's competitive position in the world market.

The delay in the issue of new titles poses yet another problem, for replanting grants can only be obtained against a title. The

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1. Minutes of the Conference held at the District Office, Nibong Tebal on 30/5/56.
 2. If the smallholdings along the Singapore-Malacca trunk road are any indication of the standard of agricultural practice, the product would be of a lower grade because of soil erosion and slaughter tapping.

Smallholders' Replanting Scheme (Fund B) expires at the end of 1959 which means that if smallholders do not get their titles before then they will lose these grants. It is true that the Government Replanting Scheme for Smallholders does not end till 1961, but potential applicants have to be participants of Fund B. If new titles are not issued till 1961, it is probable that such land will revert to vegetables or other crops. If this occurs on a large scale, acreage under rubber will fall and this will mean a parallel fall in the revenue (from export duties on rubber) accruing to the Government.

Repeated subdivision of land would lead to uneconomic holdings. As it stands, some of the subdivided pieces are far from economic, i.e. 2-3 acre pieces. As income from such land falls, there will be a tendency to rent other pieces. The total amount of cultivable land being limited, purchase of land will become a very attractive proposition for the wealthy. In short, agglomeration may occur.

Subdivision will lead to dispersed settlement but this is contrary to the government's accepted policy because of security reasons.¹

The crux of the problem is that subdivision means a neglect of certain services which will now become a charge to the State governments instead of to private enterprise.

1. CLFM: 65/57. "Report on Subdivision and fragmentation of estates" paragraph 24.