



Treaty Series No. 12 (1934)

Agreement

between the Governments of France, the United Kingdom,
India, the Netherlands and Siam

to Regulate Production and Export of Rubber

London, May 7, 1934

*Presented by the Secretary of State for Foreign Affairs
to Parliament by Command of His Majesty*

LONDON

PRINTED AND PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

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1934

Price 3d. Net

Cmd. 4583

AGREEMENT BETWEEN THE GOVERNMENTS OF FRANCE, THE UNITED KINGDOM, INDIA, THE NETHERLANDS AND SIAM TO REGULATE PRODUCTION AND EXPORT OF RUBBER.

London, May 7, 1934.

THE Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the Government of the United Kingdom), India, the Kingdom of the Netherlands and the Kingdom of Siam;

Considering that it is necessary and advisable that steps should be taken to regulate the production and export of rubber in and from producing countries with the object of reducing existing world stocks to a normal figure and adjusting in an orderly manner supply to demand and maintaining a fair and equitable price level which will be reasonably remunerative to efficient producers, and being desirous of concluding an agreement for this purpose;

Have accordingly agreed as follows:—

ARTICLE 1.

The obligations under this Agreement of the Government of the French Republic apply to French Indo-China; those of the Government of the United Kingdom to Ceylon, the Federated Malay States, the Unfederated Malay States, the Straits Settlements, the State of North Borneo, Brunei and Sarawak; those of the Government of India to India (including Burma); those of the Government of the Kingdom of the Netherlands to the Netherlands Indies; and those of the Government of the Kingdom of Siam to Siam.

ARTICLE 2.

For the purposes of this agreement—

(a) "Basic quotas" means the quotas referred to in Article 4 (a).

(b) "International Rubber Regulation Committee" means the Committee referred to in Article 15.

(c) "Control Year" means any calendar year during the continuance of this Agreement, or, in the case of the year 1934, the portion of that year between the date of the coming into force of the regulation under Article 3 (b) and the 31st December, 1934.

(d) "Rubber plant" means and includes plants, trees, shrubs or vines of any of the following:—

(A) Hevea Braziliensis (Para Rubber).

(B) Manihot Glaziovii (Ceara Rubber).

(C) Castilloa elastica.

(D) Ficus elastica (Rambong).

(E) Any other plant which the International Rubber Regulation Committee may decide is a rubber plant for the purpose of this Regulation.

(e) "Rubber" includes (a) rubber prepared from the leaves, bark or latex of any rubber plant and the latex of any rubber plant,

whether fluid or coagulated, in any stage of the treatment to which it is subjected during the process of conversion into rubber, and latex in any state of concentration; and (b) all articles and things manufactured wholly or partly of rubber.

(f) "Replanting" or "replant" means planting during the period of the Regulation more than thirty rubber plants on any acre, or seventy-five rubber plants on any hectare of any area carrying rubber plants at the date the Regulation becomes operative.

(g) "Net exports" means the difference between the total imports of rubber into a territory during a period and the total exports of rubber out of that territory during the same period, provided that, notwithstanding the meaning attached to "rubber" elsewhere in this Agreement, imports or re-exports of articles and things manufactured wholly or partly of rubber and rubber consumed in the country of production shall not be included in arriving at net exports.

(h) "Owner" means and includes the proprietor occupier or person in the possession or in charge of a holding or such person as is, in the opinion of the Government concerned, the Manager or Agent of or entitled to act for or on behalf of such proprietor occupier or person.

(i) "Holding" means land on which rubber plants are grown which is in the ownership possession or occupation or is being worked by or under the control of the owner.

(j) "Person," unless the context otherwise requires includes a company corporation partnership or other body whether corporate or not.

ARTICLE 3.

(a) The contracting Governments undertake to take such measures as may be necessary to maintain and enforce in their respective territories, as defined in Article 1, the regulation and control of the production, export and import of rubber as laid down in Articles 4, 5, 6, 8, 9, 10, 11, 12 and 13 of this Agreement, hereinafter referred to as "the regulation."

(b) The said regulation shall come into operation on the 1st day of June, 1934, and shall remain in force until the 31st of December, 1938, as a minimum period.

(c) Not more than twelve calendar months and not less than nine calendar months prior to the 31st December, 1938, the International Rubber Regulation Committee shall make a recommendation to the contracting Governments as to the continuation or otherwise of the regulation. The recommendation, if in favour of continuation, may suggest amendments to the regulation and include proposals relating to the other provisions of this agreement.

(d) Each contracting Government shall signify to the International Rubber Regulation Committee and to the other contracting Governments its acceptance or rejection of the recommendation referred to in the immediately preceding paragraph within three calendar months after the date of the receipt of such recommendation.

(e) If the said recommendation is accepted by all the contracting Governments, the contracting Governments undertake to take such measures as may be necessary to carry out the said recommendation. The Government of the United Kingdom shall in this event draw up and communicate to all the other contracting Governments a declaration certifying the terms of the said recommendation and its acceptance by all the contracting Governments.

(f) If the said recommendation is not accepted by all the contracting Governments, the Government of the United Kingdom may of its own motion, and shall, if requested by any other contracting Government, convoke a conference of the contracting Governments to consider the situation.

(g) Unless a recommendation to continue the regulation is accepted under paragraphs (d) and (e) above, or unless an agreement for continuation is concluded between the contracting Governments at the conference referred to in paragraph (f) above, the regulation and all the obligations arising out of this agreement shall terminate on the 31st December, 1938. If at the conference referred to in paragraph (f) above an agreement for continuation is concluded between some but not all of the contracting Governments, the regulation and all the obligations arising out of this agreement shall terminate on the 31st December, 1938, in respect of any contracting Government not a party to the agreement for continuation.

ARTICLE 4.

In the case of the Straits Settlements, the Federated Malay States, and the Unfederated Malay States and Brunei (which shall be deemed to constitute a single group of territories for this purpose), and of the Netherlands Indies, Ceylon, India (including Burma), the State of North Borneo, Sarawak and Siam, the exports of rubber from the territory shall be regulated in accordance with the following provisions:—

(a) The following annual quantities in tons of 2,240 English pounds dry rubber shall be adopted as basic quotas for each territory or group of territories for the control years specified:—

	1934.	1935.	1936.	1937.	1938.
	Tons. $\frac{7}{8}$ of 604,000	Tons. 538,000	Tons. 569,000	Tons. 589,000	Tons. 602,000
Straits Settlements, Federated Malay States, Unfederated Malay States and Brunei					
Netherlands India	$\frac{7}{8}$ of 352,000	400,000	443,000	467,000	485,000
Ceylon	$\frac{7}{8}$ of 77,500	79,000	80,000	81,000	82,500
India	$\frac{7}{8}$ of 6,850	8,250	9,000	9,000	9,250
Burma	$\frac{7}{8}$ of 5,150	6,750	8,000	9,000	9,250
State of North Borneo	$\frac{7}{8}$ of 12,000	13,000	14,000	15,500	16,500
Sarawak	$\frac{7}{8}$ of 24,000	28,000	30,000	31,500	32,000
Siam	$\frac{7}{8}$ of 15,000	15,000	15,000	15,000	15,000

(b) The International Rubber Regulation Committee shall fix from time to time for each territory or group of territories a percentage of the basic quota. Except in the case of Siam, the percentage of the basic quota fixed by the International Rubber Regulation Committee shall be the same for each territory or group of territories. In the case of Siam, the percentage of the basic quota for that territory shall not be less than 50 per cent. for the year 1934, than 75 per cent. for the year 1935, than 85 per cent. for the year 1936, than 90 per cent. for the year 1937, and 100 per cent. for the year 1938.

(c) In each control year the quantity of rubber, which is equivalent to the percentage so fixed of the basic quotas of each territory or group of territories, constitutes for that territory or group of territories the "permissible exportable amount" for such territory or group of territories.

ARTICLE 5.

The net exports of rubber from each territory or group of territories shall be limited to the "permissible exportable amount";

Provided that (1) in any control year the net exports may be permitted to exceed the "permissible exportable amount" by a quantity not greater than 5 per cent. of that amount but, if the "permissible exportable amount" is exceeded in any year, the net exports for the immediately following control year shall be limited to the "permissible exportable amount" for such year less the amount of such excess for the previous year;

(2) If any territory or group of territories has exported in any control year less than its "permissible exportable amount," the net exports from such territories or group of territories for the immediately following year may be permitted to exceed the "permissible exportable amount" for such year by an amount equal to the deficiency below the "permissible exportable amount" for the previous year if such deficiency was not more than 12 per cent. of such "permissible exportable amount," or equal to 12 per cent. of such "permissible exportable amount" if the deficiency exceeded 12 per cent.;

(3) In the case of the group of territories comprising the Straits Settlements, the Federated Malay States and the Unfederated Malay States and Brunei, the obligations arising under this Article may be executed (a) by controlling the actual production of rubber on the islands of Singapore and Penang (parts of the Straits Settlements), and (b) by controlling the exports of rubber from the remainder of this group of territories in such a manner that the total of the production of rubber during the control year in question in Singapore and Penang, together with the net exports of rubber during the said year from the remainder of the group of territories, shall not exceed the amount of the "permissible exportable amount" for the whole group of territories.

(4) For the purpose of the preceding proviso and of the provisions of Articles 9, 10 and 13 below, the entry of rubber from the remainder of the group into Singapore or Penang, or *vice versa*, shall be deemed to be an export or import as the case may be.

ARTICLE 6.

In the case of French Indo-China, the Administration (i) shall maintain a complete record of all rubber leaving the territory and will establish such control as is necessary for this purpose, and (ii) on the happening of the events specified in paragraphs (a) or (b) below, shall cause the quantities of rubber specified in those paragraphs (taken in conjunction with paragraphs (c) and (d)) to be delivered to the order of the International Rubber Regulation Committee in accordance with the provisions of paragraph (e) below:—

(a) If in any control year the total quantity of rubber leaving French Indo-China for any part of the world shall exceed 30,000 tons (of 2,240 English pounds), but shall be less than the total quantity of unmanufactured rubber entering and retained in France in that year, a quantity of rubber shall be delivered equivalent to 10 per cent. of the amount by which the total quantity of rubber leaving French Indo-China exceeds 30,000 tons.

(b) If in any control year the total quantity of rubber leaving French Indo-China exceeds the total quantity of unmanufactured rubber entering and retained in France in that year, a quantity of rubber shall be delivered equivalent to 10 per cent. of the difference between 30,000 tons and the amount of the retained quantity aforesaid, together with an additional quantity corresponding to a percentage of the difference between the total quantity of unmanufactured rubber entering and retained in France, and the total quantity of rubber leaving French Indo-China for any part of the world during that year, such percentage being the average percentage of reduction of basic quotas which shall have been applied in that year in the territories specified in Article 4, excluding Siam.

(c) The quantities above mentioned or referred to shall be reduced for the control year ending the 31st December, 1934, to 7/12ths of those quantities.

(d) Provided, however, that the quantity of rubber to be delivered by French Indo-China in any control year shall not exceed a quantity equal to the percentage of the total quantity of rubber leaving French Indo-China corresponding to the average percentage of reduction of the basic quotas which shall have been applied in that year in the territories specified in Article 4, excluding Siam.

(e) The quantities of rubber referred to in paragraphs (a) and (b) above (taken in conjunction with paragraphs (c) and (d)) shall be notified to and agreed with the International Rubber Regulation

Committee and delivered free of cost and all charges in the form of Singapore standard sheets or Singapore standard crêpe, to the order of the International Rubber Regulation Committee in Singapore (or any other port or place selected by the International Rubber Regulation Committee) within three months after the expiration of the control year in question.

ARTICLE 7.

The International Rubber Regulation Committee may dispose of all rubber delivered in accordance with the provisions of the preceding Article in such manner as it shall deem to be most beneficial to the objects which are envisaged in the provisions of the present Convention.

ARTICLE 8.

The provisions of Articles 9, 10, 11, 12, 13 and 14 below apply to all the territories specified in Article 1 unless the contrary is expressly stated.

ARTICLE 9.

The exportation of rubber from a territory or group of territories shall be prohibited under penalties that will be effectively deterrent, unless such rubber is accompanied by a certificate of origin duly authenticated by an official duly empowered for this purpose by the administration of the territory or group. The penalties which may be imposed for this offence shall include (a) the destruction, and (b) the confiscation of the rubber. This Article does not apply to the islands of Singapore and Penang.

ARTICLE 10.

The importation of rubber into a territory or group of territories shall be prohibited, under penalties that will be effectively deterrent, unless such rubber is accompanied by a certificate of origin duly authenticated by a competent official of the Administration of the territory or group of origin. The penalties which may be imposed for this offence shall include (a) the destruction, and (b) the confiscation of the rubber.

ARTICLE 11.

(a) Every owner shall be prohibited, under penalties that shall be effectively deterrent, from having in his possession or under his control within a territory or group of territories at any time stocks of rubber exceeding 20 per cent. of the quantity of rubber wholly grown and produced and removed from his holding during the

preceding twelve months, or, alternatively, a quantity equivalent to twice the amount he is entitled to export during any month.

(b) The total of all other stocks of rubber in the territory shall be limited to a quantity not exceeding $12\frac{1}{2}$ per cent. of its "permissible exportable amount" for the control year.

(c) The preceding provisions of this Article do not apply to French Indo-China, India (including Burma), the islands of Singapore or Penang, Sarawak or Siam, but in India (including Burma), Sarawak and Siam the stocks of rubber shall be limited to normal proportions having regard to the amount of rubber internally consumed.

ARTICLE 12.

(a) Except as provided in paragraphs (b) and (c) of this article, the planting of rubber plants during the period of the Regulation shall be prohibited absolutely under penalties that shall be effectively deterrent, such penalties including the compulsory eradication and destruction at the expense of the owner of the plants so planted.

(b) In Siam the planting of an area not exceeding in the aggregate 31,000 acres may be permitted.

(c) In all territories—

(i) The planting of small areas for exclusively experimental purposes may be permitted provided that during the period of the Regulation the total area of such permitted plantings in any territory or group of territories shall not exceed the equivalent of one-quarter of 1 per cent. of that territory's or group's ascertained total area planted at the date of commencement of the Regulation.

(ii) The limited replanting of areas at present carrying rubber plants may be permitted upon the following conditions: An owner who desires to replant part of his holding shall be obliged first to notify the Administration of the territory or group of territories of his intention to replant and to give such particulars of the proposed replanting as may be required by the Administration, and he may then be permitted to replant in any control year to the extent set out in such particulars an area not exceeding 10 per cent. of the total planted area of his holding in the territory or group of territories at the date of commencement of the Regulation, provided that the aggregate of the areas so replanted during the minimum period of the Regulation (specified in Article 3 (b)) shall not exceed 20 per cent. of such total planted area of his holding.

ARTICLE 13.

The exportation from the territory or group of territories of any leaves, flowers, seeds, buds, twigs, branches, roots or any living portion of the rubber plant that may be used to propagate it shall be prohibited under penalties that shall be effectively deterrent.

ARTICLE 14.

The contracting Governments and the Administrations of the territories or group of territories to which the present Agreement applies will co-operate with each other to prevent smuggling evasions and other abuses of the Regulation.

ARTICLE 15.

(a) An International Committee, to be designated "The International Rubber Regulation Committee," shall be constituted as soon as possible.

(b) The said Committee shall be composed of delegations representing the territories or groups of territories to which the present Agreement applies, and the numbers of the respective delegations and the numbers of the persons who may be nominated as substitutes to replace members of delegations who are absent shall be as follows:—

	Members.	Substitute Members.
(1) Straits Settlements, Federated Malay States, Unfederated Malay States, Brunei	4	2
(2) Netherlands India	3	2
(3) Ceylon	2	1
(4) India, including Burma	1	1
(5) French Indo-China	1	1
(6) State of North Borneo	1	1
(7) Sarawak	1	1
(8) Siam	1	1

(c) The Government of the United Kingdom shall be informed as soon as possible by the other contracting Governments of the persons first designated as members of delegations representing their respective territories. All subsequent changes in the membership of delegations shall be notified by communications addressed to the Chairman of the Committee.

(d) The Government of the United Kingdom will convoke the first meeting of the Committee as soon as possible, and may do so when the members of six delegations have been designated.

(e) The principal office of the Committee shall be in London and its meetings shall be held in London. The Committee shall make such arrangements as may be necessary for office accommodation and may appoint and pay such officers and staff as may be required. The remuneration and expenses of members of delegations shall be defrayed entirely by the Governments by whom they are designated.

(f) The proceedings of the Committee shall be conducted in English.

(g) The Committee shall at its first meeting elect its Chairman and Vice-Chairman.

(h) The Chairman and Vice-Chairman shall not be members of the same delegation.

(i) Meetings shall be convened by the Chairman, or in his absence by the Vice-Chairman. Not more than three calendar months shall elapse between any two consecutive meetings. An extraordinary meeting shall be convened at any time at the request of any delegation within seven days of the receipt of the request by the Chairman.

(j) The Committee shall perform the functions specifically entrusted to it under Articles 3 (c), 4 (b), 6, 7, 17 and 18 of this Agreement, and shall, in addition, collect and publish such statistical information and make such other recommendations to Governments relevant to the subject-matter of this Agreement as may seem desirable, in particular with reference to the disposal of any rubber which may come into the ownership of any Government as the result of the carrying out of Articles 9 and 10 of this Agreement. The Committee shall do all such other lawful things as may be necessary, incidental or conducive to the carrying out of its functions, and give such publicity to its actions as it may deem necessary or desirable.

(k) Each delegation shall vote as one unit. In case of delegations composed of more than one member, the name of the member entitled to exercise the vote shall be communicated in case of the first meeting of the Committee to the Government of the United Kingdom and thereafter to the Chairman of the Committee. The voting member may in case of absence, by communication to the Chairman, nominate another member to act for him.

(l) Each delegation shall possess a number of votes calculated on the basis of one vote for every complete 1,000 tons of the basic quota of the control year for the time being for the territory or group of territories represented by that delegation, and for the purpose of voting the territory of French Indo-China shall be deemed to have the following quotas, viz. :—

						Tons.
1934	...	...	...	...	...	22,500
1935	...	...	...	...	...	27,000
1936	...	...	...	...	...	34,000
1937	...	...	...	...	...	44,000
1938	...	...	...	...	...	52,000

(m) The presence of voting members of at least four delegations shall be necessary to constitute a quorum at any meeting; provided that if within an hour of the time appointed for any meeting a quorum as above defined is not present, the meeting may be adjourned by the Chairman to the same day, time and place in the next week, and if at such adjourned meeting a quorum as defined above is not present, those delegations who are present at the adjourned meeting shall constitute a quorum.

(n) Decisions shall be taken by a majority of the votes cast; provided that—

(i) A decision fixing or varying the permissible exportable percentage of the basic quotas, or making or modifying or abrogating the rules of procedure shall require a three-fourths majority of the total votes which could be cast by all the delegations entitled to vote, whether such delegations are present or not;

(ii) The delegations representing French Indo-China shall only be entitled to participate in any discussion or vote on the permissible exportable percentage of the basic quotas if and so long as this territory is conforming to the Regulation on the basis of Article 6 (b).

(o) The Committee shall at the beginning of each control year draw up its budget for the forthcoming year. The budget shall show under appropriate headings and in reasonable detail the estimate of the Committee of its expenses for that year. The budget shall be communicated to the contracting Governments and to the Administrations of the territories or group of territories to which the present Agreement applies, and shall show the share of the expenses falling upon each territory or group of territories in accordance with the provisions of Article 16.

As soon as possible after the end of each control year, the Committee shall cause to be drawn up and audited by a duly qualified chartered accountant a statement of account showing the money received and expended during such years. The statement of account shall be communicated to the contracting Governments and to the Administrations of all territories or group of territories to which the present Agreement applies.

(p) The Committee may draw up, put into force, modify or abrogate rules for the conduct of its business and procedure as may from time to time be necessary, provided that its rules of procedure shall be at all times in conformity with the preceding provisions of this Article.

ARTICLE 16.

The expenses of the International Rubber Regulation Committee shall be defrayed by the Administrations of all territories or group of territories to which the present Agreement applies, other than Sarawak and Siam. One half of the contribution for the whole year of each territory or group of territories, as shown in the budget drawn up by the Committee, shall be paid immediately on receipt of the budget by the contracting Governments, and the balance of such contribution not later than 6 months after this date. The contribution of each territory or group of territories shall be proportionate to their respective basic quota for the control year to which the budget relates. The basic quotas of French Indo-China for this purpose shall be those specified in Article 15 (l).

ARTICLE 17.

(a) The Administrations of each of the territories or group of territories to which the present Agreement applies shall not later than the 1st January, 1935, communicate to the International Rubber Regulation Committee a declaration showing the total ascertained area in the territory or group planted with rubber on the 1st June, 1934.

(b) Each Administration will furnish to the International Rubber Regulation Committee all reasonable assistance to enable the Committee properly and efficiently to discharge its duties. Such assistance shall include all necessary statistical information and ample facilities to duly accredited agents of the Committee for the investigation of the manner in which the regulation is being carried out in the territory.

ARTICLE 18.

The International Rubber Regulation Committee shall be empowered to, and shall within one month after the date of its first meeting, invite the body or bodies they consider most representative of rubber manufacturers to nominate three persons representative of such manufacturers, of whom one shall be representative of manufacturers in America, and such representatives shall form a panel who will be invited to tender advice from time to time to the International Rubber Regulation Committee as to world stocks, the fixing and varying of the permissible exportable percentage of the basic quotas, and cognate matters affecting the interests of rubber manufacturers.

ARTICLE 19.

The contracting Governments, recognising that a natural balancing of production and consumption can be hastened by research with a view to developing new applications and by propaganda, declare that they will consider the possibility of (i) levying and collecting a uniform cess on the net exports from their respective territories during the period of the Regulation for the purpose of supporting such research and propaganda, and (ii) co-operating in the constitution of an International Rubber Research Board to plan the research and propaganda. If the proposals specified in this article are put into operation, no financial contribution will be expected in respect of Sarawak or Siam.

In witness whereof the undersigned plenipotentiaries, being authorised to this effect by their respective Governments, have signed the present Agreement and affixed thereto their seals.

Done at London this 7th day of May, 1934, in a single copy, which shall remain deposited in the archives of the Government of

the United Kingdom, and of which duly certified copies shall be communicated by the Government of the United Kingdom to each of the other contracting Governments.

For the Government of the French Republic :

CH. CORBIN.

(L.S.)

For the Government of the United Kingdom
of Great Britain and Northern Ireland :

JOHN SIMON.

(L.S.)

P. CUNLIFFE-LISTER.

(L.S.)

For the Government of India :

Subject to reservations annexed :

B. N. MITRA.

(L.S.)

In signing this Agreement on behalf of my Government, I have been instructed to make the following reservations:—

- (a) The accession of the Government of India is subject to the agreement and co-operation of rubber-producing "Indian States" in India, in which areas the Government of India has no power to maintain or enforce the restriction. The terms of the Inter-Governmental Agreement have been brought to the notice of the States concerned, and the Government of India has every reason to believe that they will act in accordance with its provisions.
- (b) In so far as legislative action will be necessary to implement the terms of the Agreement, the accession of the Government of India is subject to the approval of the Indian Legislature.

(Signed) B. N. MITRA.

May 7, 1934.

For the Government of the Kingdom of the
Netherlands :

R. DE MAREES VAN SWINDEREN.

(L.S.)

For the Government of the Kingdom of Siam :

Subject to ratification :

PHYA SUBARN SOMPATI.

(L.S.)