

MC:OCT/25/67(FIN)

SINGAPORE GOVERNMENT PRESS STATEMENT

SECOND READING SPEECH TO THE RUBBER ASSOCIATION
OF SINGAPORE (INCORPORATION) BILL, 1967.

This Bill is designed to incorporate the Rubber Association of Singapore (hereinafter called "the Corporation") as a corporate body.

2. Since its inception in 1963, the Rubber Association of Singapore has been responsible for regulating transactions in the Singapore rubber market. Its responsibilities were inherited from its original sponsors the Rubber Trade Association of Singapore and the Singapore Chamber of Commerce Rubber Association. The Association not only deals in the day-to-day operation of the clearing house, regulation of trading, shipping and fixing of prices, but also in the fields of contracts, arbitration, packing standards and disciplining of the market.

3. The Association's income depends entirely on members' subscriptions, tender fees and commissions on auction sales. In recent years, the Association's income from these sources has declined. To enable the Association to function effectively and competitively and to maintain and approve the high standards of conduct of the Singapore rubber market, it is clearly necessary that the Association should have adequate finances. With this in mind the Association approached Government with a proposal that it should be authorised to levy a cess on rubber exportation from Singapore and to use the proceed of the cess to cover its expenditure. Since there were, however, legal objections to empowering the Association, as incorporated under the Societies Ordinance to collect a cess, it was considered that the most appropriate means of overcoming these objections was to constitute a corporation to replace the Association. The assets and property of the Association would then vest in the Corporation. This is effected under clauses 3 and 4 of the Bill.

4. The principal objects of the Corporation are to promote sales and exports of rubber from Singapore, to collect a cess on rubber exports for this purpose, and make rules and regulations governing the marketing of rubber (clauses 4 and 14). The management of the statutory body is vested in a Management Committee, which consists of fifteen members, seven of whom are nominated by the Rubber Trade Association of Singapore and 7 of whom are nominated by the Singapore Chambers of Commerce Rubber Association. The remaining member is a public officer. It is proposed that this public officer will be the Director of Trade of the Ministry of Finance. This officer will not, however, be concerned with the day-to-day operations of the Rubber Association. The Chairman and Deputy Chairman will be appointed by the Minister from the fourteen members of the Committee representing the two component associations

mentioned above (clause 10). All the powers of the Corporation are subject to the provisions of the Act and the rules made thereunder, vested in the Management Committee. The Committee will, subject to the directions of the Minister, control the Singapore Rubber Fund which is established under clause 13 of the Bill. All moneys received by the Committee, including the proceeds of any cess collected under clause 14 will be paid into this Fund and the Fund will be used to pay the expenses of the administration of the Committee and for carrying out the purposes of this legislation generally. The accounts of the Fund will be subject to audit. The Minister under clause 14, acting on the recommendation of the Corporation has power to make orders for the imposition, collection, variation or cancellation of a cess on rubber exported from Singapore. Any orders made by the Minister under this provision are to be published in the Gazette and presented to Parliament. It is made clear in the Bill that all expenses incurred by the Corporation in the administration of this legislation shall be borne by the Corporation. The Corporation may, with the approval of the Minister, make rules for the purpose of this legislation. The Corporation may revoke, amend or add to the rules, but such revocation, amendment or addition will not be effective until ratified by the Minister and published in the Gazette (clause 17)

5. It is intended the existing Rules of the Association will with certain modifications form the basis of the rules to be made under this proposed legislation. This will ensure continuity, assist the Association in its transition to a corporate body, and cause the minimum of disruption to the rubber industry in Singapore.

31ST OCTOBER, 1967.