

## TRAGIC PROTECTION PREFERENCE AND PLANNING

### The History of Tea

BEFORE the 1914-18 war the London market was the world market for tea. Almost all the tea grown came to London and was auctioned there. From India, Ceylon, the Dutch East Indies and China all came to London mainly in British ships, insured by British insurance companies, financed by British banks, organized by British merchants at home or overseas. After the auction in London tea was again shipped, insured, financed and agented by British concerns until it reached its ultimate consumer.

That was what is nowadays described as the 'Inglorious failure of Free Trade and *laissez faire*.'

The forerunner of the modern planner arrived and despite the protests and desires of the tea trade a preferential tariff in favour of teas of so-called British origin was introduced. The result was that teas grown in the Dutch East Indies, largely by British capital and British companies, and China teas, were penalized in this market and tended to avoid it. Previous to this China teas wanted for many places such as Australia and New Zealand were bought in London and shipped, insured and financed from there. Afterwards, such tea went direct and mainly the British profit of the shipping, insurance and financing of China tea and of most of Dutch tea was lost to Britain.

The Dutch now began to plant on a great scale, and shortly there was a world glut.

Again our planners, with the help of the governments, entered the field and arranged a tea restriction scheme which amongst other things limited the amount of tea which each producer could market, and which also restricted the amount of new tea acreage which could be planted. This had a specially severe effect on a small new producer, Africa, where the British were opening new plantations. In order to gain the adherence of the Dutch it was necessary to offer them unfair advantages in quotas and so for the second time the British tea trade, planters and all, was penalized.

The recent war arrived. The Dutch and China tea was cut off and only India, Ceylon and Africa were left. The British government began centralized government purchasing and bought the world crop. Instead of the British planters and merchants being able to reap a harvest for Britain from the world shortage of tea, the British Government was obliged for political reasons to act as lady bountiful to the outside world by supplying cheap tea. (This also applied to rubber and tin.)

Now the war is over. The Indian and Ceylon governments have thrown overboard the British Government control of their markets and have instituted auctions in Colombo and Calcutta instead of in London. The Dutch and China producers are finding it a long process to restore their pre-war production, a state of things which may last for some years. Thus world tea supplies must come from India, Ceylon and Africa. The result is a shortage, as is shown by the steady rise in prices week by week in the auctions at Calcutta and Colombo.

The Indian and Ceylon governments have noted this position and are levying increasing export taxes on tea as the price rises. At the moment India gets 4d. per lb. and Ceylon 7d. per lb. on all the tea we purchase.

In this situation a sensible being would expect to find (or would he?) our super-planners and socialist collectivists endeavouring to open up alternative sources of supply. What do we find?

We see the United Aid to China Fund under Lady Cripps giving a million and a half sterling for China relief at the same time that Sir Stafford Cripps stands for a restricted quota for exported China tea to the British market, Sir Stafford damaging Sino-British tea trading. In Africa we find the government still agreeing to the restriction of planting of new tea areas. Thus both in China and in Africa the Planner is restraining and

discouraging the expansion of tea supplies. The British government is thereby encouraging and supporting the semi-monopoly which has developed in India and Ceylon of which the Indian and Ceylon governments are taking such profitable advantage at a cost of millions to Britain.

Tea takes about eight years from planting to reach profitability so that to-day it is too late to be planting in Africa for this present crisis. We must suffer for the actions of our 'intelligent and well-meaning' planners in past years in their restriction of planting in Africa. Shortly we may reach an even worse crisis.

The production of tea in India is greater than that in any other country and must account for about two-thirds of the tea at present coming to the world market. The Indian tea plantations are mainly situated in the North-East of India, Assam, Bengal, Cachar, Sylhet, Darjeeling and neighbourhood. This is the area of India where the population is about half and half Muslim and Hindoo. It is undoubtedly one of the storm centres of India. All this tea must travel through this area to Calcutta and Chittagong for shipment. There is no alternative. In fifteen months we are pledged to leave India and most authorities agree that continued peace there is an improbability.

Are our Planners—so esteemed and exalted by all three British political parties; by almost all our really modern economists, philosophers and statisticians—providing wisely for this most probable dislocation of tea supplies? There is no sign of it whatever. The restrictions on African planting continue; the restraint, by quota, on the export of China teas to the British market persists.

Unless the supply of tea from the Dutch Indies increases at a pace greater than is at present expected there will be a shortage of supply of tea in the world market which will have a calamitous effect upon our British tea ration and the price we shall have to pay for it.

It is, of course, consoling to know that present-day politicians, experts and economists agree that planning is the only way to secure the minimising of price and supply fluctuations, the absence of fear and want, and organized prosperity. But would we not rather have plenty of cheap tea, a healthy tea trade and no parasitic politicians and planners producing a paralysed commerce in tea?

Expressed mathematically in the manner so highly esteemed by our modern pseudo-economists the above reads:—

The World tea market in London + PLANNERS + 40 years =  
No tea market in London + Tea shortage.

31st March, 1947.

WILFRID HARRISON.

A PLANNING ACHIEVEMENT.—A programme for the production of 45,000,000 tons of opencast coal in the three years 1947-49—at a loss of 7s. 6d. a ton—has been approved by the Treasury. Sir Frank Tribe discloses this in the Civil Appropriation Accounts (Class X War Services), 1945-46, published by the Stationery Office at 1s. 6d. yesterday.—*Daily Telegraph*, April 22.

The Hull and District Chamber of Trade (*Hull Daily Mail*, March 20) has declared that the present poundage of the rates demonstrates the need for the repeal or amendment of the De-Rating Act which relieves those in productive industry of 75 per cent. of their rate contributions.

More than a century ago, according to "Miscellany" in the *Manchester Guardian*, March 24, it was only with the greatest difficulty that any accurate surveys for railways could be made by daylight. Indeed, at some points on the projected London and Birmingham line the hostility of landowners was so great and the vigilance of their servants so strict that surveys had to be made with dark lanterns at night. One parson carried his opposition to such lengths that it was decided that entry on to his land could be made only while he was actually in the pulpit. A strong force of surveyors kept watch till he had left for the church, then invaded his land and by good organisation the work was done before the parson left the church.