

REPORT
OF THE
OFFICIAL TEAM
ON THE
TEA INDUSTRY



1952

MINISTRY OF COMMERCE & INDUSTRY
GOVERNMENT OF INDIA
NEW DELHI

Price Rs. 1-12-0 or 2sh. 6d.

TABLE OF CONTENTS

Paragraphs .		Page
1—4	Appointment of the Official Team and terms of reference	1
5—6	Method of Inquiry	1—2
7	Importance of the Tea Industry	2
8—12	Post-Korean slump—Tea Prices also affected	2—3
13—17	Causes for the decline in prices	3—5
18—19	Lack of demand for medium quality tea	5—6
20—23	Allegations that prices of Indian tea have been depressed	6
24	Removal of the subsidy in U. K.—Effect on prices	6—7
25	Brokers' valuation—complaint that they undervalue purposely	7
26	Reasons why prices are not rising to the extent desired	7—8
27	Financial difficulties	8
28—31	Remedies suggested to overcome financial difficulties	8
32—35	Deferred payment of Excise Duty and Income Tax	8—9
36—41	Remedies suggested to correct imbalance between production and demand—Restriction on production	9—10
42	Stimulation of Demand—Need for expansion of foreign markets	10—12
43—49	Factors responsible for the reduction of India's exports in certain countries	15—16
50	Need to explore foreign markets	16—17
51—53	Need for external propaganda	17
54—55	Need for internal propaganda	18
56—59	Improvement in quality	18
60	Need for improvements in other directions	18
61—66	The Wage Bill—Industry's demand for its reduction	18—19
67—75	Suspension of the operation of the Minimum Wages Act	19—22
76—78	Team's observations regarding Minimum Wages	22—23
79—84	Conversion of the foodstuffs concession into cash benefits	23—25
85—87	Industry's request for removal of other charges	25
88—93	Industry's representation for the suspension of the operation of the Plantations Labour Act	25—26
94—104	Reduction or abolition of the Excise/Export Duty	26—28
105—111	Sales Tax and the Industry	28—29
112—113	Reduction of Railway freight charges on the movement of coal and other material to the Tea gardens	29
114—116	Request for transport facilities	29
117—118	Surplus Labour	30
119—124	Tea chests	30—31
125—126	Reduction of import duty on Tea machinery	31
127	Relaxation of some of the provisions of the Factories Act	31
128	Sale of Export Quota rights	31
129	Customs procedure	31
130	Re-exports of Tea from the U. K.	32
131	Tea Cess	32
132	Merger of the small gardens	32
133—134	Reservation of fixed minimum quota for Calcutta auctions	32
135	Difference between wholesale and retail prices	32—33
136—137	Decline in quality of retail Tea	33
138	Supply of Fertilizers	33
139—140	Special difficulties of Tripura	33
141—145	Special problems of Darjeeling	33—35
146	Immediate Measures of Relief requested by the Industry and Team's recommendations thereon	35
147	Summary of recommendations	35—37
148	Acknowledgments	37

APPENDICES

A	Statement of prices of tea at London, Calcutta and Cochin auctions	38—48
B	Calcutta auctions—Packages offered and sold	53
C	Cost Accountant's Report	54—82
D	World Supply and Absorption of Tea	83—84
E	Relaxation of the provisions of Section 18 A of the Income Tax Act—Tea Companies	85
F	Tea production in India—Forecasting for future years	86—89