



LIBERATION OF TEA

Logos

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SOME SNIPPETS

- * Typhoo Tea Ltd. was acquired by SCHWEPPEs (one of the leading firms in Mineral Waters - note the combination between tea and mineral waters) in 1968 for a total consideration of £45 million made up to £4 million for cash, £10 million for tangible assets and the balance for "goodwill".

* * *

- * Brooke Bond (43%) Typhoo Tea Ltd. (18%) Lyons Groceries Ltd. (12%) and Co-operative Tea Society Ltd. (12%) together accounted for about 85 percent by volume of the retail market in tea in 1969 in Great Britain.

* * *

- * Profits before interest and tax, and return on capital calculated on historic cost less depreciation, are as follows:-

	<i>Year ended</i>	<i>Profit in Pence per lb. (to nearest penny)</i>	<i>Percentage return on capital</i>
Brooke Bond	1970	5	19
Typhoo	1969	12	37
CTS	1969	3	11

- "Tea Prices" (London HMSO 1970)

* * *

Sri Lanka exported 200,798 metric tons of tea in 1971, of which 46,731 went to U. K. (the highest) next to USA - 20,182; Iraq - 18,736; Australia - 14,692; South Africa - 10,832; the rest all under 9,000 to 32 other countries.

* * *

U. K. imports tea from many countries, - the highest from Sri Lanka. In 1969 she imported 70,797 metric tons out of which she exported to other countries 7,904 (this too is her highest export)

- International Tea Committee Annual
Bulletin of Statistics 1972

I. INTRODUCTION & SOME POSSIBLE LINES OF ACTION

TOWARDS THE LIBERATION OF TEA

Tea is still the life blood of our economy. It is also the deepest and widest area of exploitation in our society. Most of us are involved in the perpetuation of this situation. There is yet far too little information and awareness of the nature and extent of this exploitation. There is large scale ignorance of this among people of goodwill both in this country and in Britain which mainly benefits from this colonial economic relationship. Even the research bodies in Sri Lanka be they of the Central Government, Tea Industry, Universities, Churches, Trade Unions, Newspapers – neglect the socio-economic aspects of Tea. Extremely little has been published about this world-wide network of mass exploitation. We present some data that has been collected from the few published works. This is only a preliminary survey. It can help others to probe deeper.

The economic and social development of Sri Lanka is intimately tied to the Tea industry. It has been so in the past 100 years and will continue to be at least for the next one or two decades. A study of action for the liberation of tea in Sri Lanka can indicate to us the nature of the domination and dependence relationship among the different social classes of the country and between Sri Lanka and the dominant imperial power, Great Britain. Though Sri Lanka has been politically free for over 25 years, her economic dependence on Britain particularly on the British Tea Industry has continued up to the present times.

In the consideration of the entire Tea Industry we see a **line of exploitative relationships** between the hardworked producer on the plantations, principally the labourer, and the consumer who buys the tea. The labourer on the estates, works under conditions of semi-slavery with very low wages - receiving a very small portion of the value of his product. As the product moves from the field to the factory, the port of Colombo, the distributors in Britain and the retailer, a certain value is added to it; but most

of the earnings from tea are taken by persons such as the estate superintendent, broker, tea taster, accountant, lawyer, shipper, insurance agent and specially the wholesale distributors. There is exploitation in that those who work the hardest throughout the year under difficult conditions in producing the tea receive the least for their contribution; their position has hardly improved over a 100 years. On the other hand the supervisory category and specially the big shareholders of companies, major distributing houses and shipping companies etc. have improved their financial position several fold even over the past few decades.

However, at present there is rather a **favourable atmosphere** for a concerted action in order to remove, or at least reduce, social injustices connected with tea. In Sri Lanka itself we have a government pledged to a more or less socialistic policy, and a growing consciousness among the people that we should be more self reliant in our country and ensure a fairer deal for the plantation workers of Indian origin. Even the middle class is more conscious of the exploitation at the different levels of the Tea industry.

Similarly in Britain over the past year or so a certain awareness has been growing concerning the grave injustices associated with the cup of Tea, the British housewife is fond of; they are beginning to see how historically the British have been responsible for these injustices specially through the large firms involved in tea. A new feature which is being initiated is the linking up of persons and groups in Sri Lanka and Britain with a view to bringing about greater social justice in the tea industry. There is thus, perhaps, for the first time regarding tea a link between such groups in dominant and the dependent countries. Britain having a Labour government, pledged to more socialistic measures may be a help towards ensuring justice in the relationships concerning tea.

PROBLEMS AND OBJECTIVES IN THE PROCESS OF THE LIBERATION OF TEA

The Tea industry involves a world wide network of inter-relations with an inbuilt system of exploitation. Action for the liberation of tea requires clear awareness of and a conscious option in favour of justice specially to the workers. Effective steps have to be taken to bring this about. One radical solution is the expropriation of all the tea estates by a revolutionary government in Sri Lanka and the effort to work out a completely self reliant economy if necessary even in isolation from the rest of the world. In the present situation in the country and the world a series of

gradual steps taken consistently seems to be the more feasible proposition. In stages Sri Lanka can get control over its tea and the workers can obtain a better deal, provided there is a consistent push in that direction.

The following are some of the problems involved in the overall issue of the liberation of tea. In enumerating them we have, included problems and desirable goals to be achieved at different levels by a combination of study, consciousness raising and action including governmental measures. No single step alone is adequate. We should be careful to keep the total problem in our minds while tackling the issues even piecemeal, due to the paucity of our resources and the powerlessness of the workers. Even the government of Sri Lanka is rather weak in the face of the world wide giant monopolies that control the Tea Industry.

(a) **At the level of the estate or the plantation.**

- (i) Relieving the immediate shortage of food
- (ii) Improvement of the *conditions of the workers* - increasing their wages; ensuring a monthly wage; regular employment at least 5 days a week; improvement of housing and health; provision of plots for the cultivation of their food requirements; take over of the estate schools and their integration into the general educational system of the country; extension of the franchise more speedily to those who will remain in Sri Lanka, and ensuring satisfactory conditions of return to those repatriated to India under the agreements between the two governments.
- (iii) Changes in the *ownership and the management* of the estates by the transfer of ownership from British companies to the Sri Lanka State Plantations Corporation, State Sponsored Cooperatives; Ceylonese Private enterprise and to communitarian patterns of ownership by the workers.
- (iv) New relationships of management and worker with a *reduction in the inequalities* between the two and the growth of workers' participation in management and hopefully in the ownership of the plantations.
- (v) The *integration of the labour force within the socio-economic life* of the surrounding villages. The major problems of the plantation workers cannot be resolved without a close relationship to those of the Kandyan peasantry who have suffered much due to the take over of their lands by the planters.

- (vi) The re-organisation of the whole up country area in such a way that the Tea plantations be integrated within the overall socio-economic structure including paddy cultivation, other agricultural crops and the small industries. Within this pattern the Tea plantation itself may be able to provide further lines of employment such as the packeting and the blending of tea, the growing of subsidiary food crops and perhaps animal husbandary (including bee keeping) within the plantations. Gradually the tea may be given up on the marginal lands and replaced by essential food crops.

(b) At the level of the city of Colombo.

- (i) Control or the Take over of the *Agency houses* which supervise most of the big estates. These are firms with international linkages with the tea plantations of other countries, the big tea distributing companies and also the firms supplying machinery, fertilizers and services of shipping, insurance and banking to the tea industry. The agency houses are of primary importance for the management of the estates, the control over the sale of tea from Sri Lanka and for its purchase by the main British distributors. Hence the necessity of adopting of some means for breaking the monopoly of the few firms that control the various stages in the tea industry. Government action is necessary for this.
- (ii) *Consciousness raising* concerning the socio-economic and political aspects of our Tea industry among (a) the local economic elite regarding the injustices in their supervision of the estates and the performance of their functions in Colombo concerning the tea industry. (b) The State agencies concerned with tea – the Tea controller's department; The State Plantations Ministry; Land Reform Commission; Tea Research Institute. (c) Private agencies – Estate Employers Federation; Planters' Association; Trade Unions; Voluntary Research Institutes, Religious groups, Youth groups, newspapers, radio and specially political parties.
- (iii) An analysis of the manipulations and the collusion at the *Colombo Auctions*.
- (iv) To encourage the *Tea Research Institute* to study lines such as the packeting, blending, marketing and the making of 'Instant Tea', as well as the socio-economic and political aspects of the tea industry.

- (v) *Sri Lanka Trading (Consolidated Exports) corporation* to investigate all possibilities of selling direct to countries and also encourage or undertake packeting and blending. To help in their sales and the popularization of their brands.

(c) **At the level of Operations in Great Britain**

A study and action concerning

- (i) *The operations of the big four holding companies—Brooke Bonds, Lyons, Typhoo, English & Scottish Cooperative.* The interlocking directorates i. e. individuals having financial interests in the different stages of the tea industry – packeting, freight, insurance, banking, accounting etc.
- (ii) *The workings of the London tea auctions.*
- (iii) *The Agency houses and Sterling companies, registered in Britain e. g. regarding the repatriation of profits and the checking of their accounting processes.*
- (iv) *The shareholders in Britain who obtain profits from the production and distribution of Tea.*
- (v) *The blending and packaging industries in Britain.*
- (vi) *The world wide pattern of Tea distribution to other countries.*
- (vii) *The British consumer who pays the retail prices – even perhaps to obtain a higher price from consumers so that the terms of trade for Tea producing countries would be better.*
- (viii) *Study and cooperation with action groups in G.B. interested in bringing about reforms in the tea industry – “World Development Movement”; “War on Want”; “Tri Continental Liberation”; British Council of Churches; Justice and Peace, TV.; Press.*
- (ix) *Influence the British trade unions to pay attention to problems affecting fellow workers in Sri Lanka.*
- (x) *Evaluate operations of the Ceylon Tea Propaganda Board.*

- (xi) Influence *Universities and Research Institutes* to relate their studies to practical issues such as the big British monopolies.
- (xii) *British public* to be made aware that the British economy has been built at the price of tremendous exploitation which has left enormous burdens to the exploited peoples such as the imposition of one million plantation workers of Indian origin in Sri Lanka.
- (xiii) Pressure on the *British government* which determines much of the policy concerning monopolies and trade. The British investors who got our lands for a few shillings per acre have recovered their capital several fold. They should be made to realize this and this should be taken account of in any question of compensation.

(d) At the level of the buying Countries.

- (i) Studying the *mechanisms of marketing*, blending and packeting of the countries in which tea is resold by British companies e.g. in U. S. A., Australia, Canada, New Zealand, or directly by Sri Lanka companies or government e. g. as to Pakistan.

A few companies dominate the market for the import and distribution of Tea in Pakistan. The companies like Brooke Bonds and Liptons sell Ceylon tea blended with other teas in Pakistan. If the governments of Sri Lanka and Pakistan – both of which are pledged to socialistic policies – cooperate in the tea trade, the big foreign companies can be by-passed. Thereby both the producer in Sri Lanka and the consumer in Pakistan can get a better deal from Tea. Such action by governments needs research and action by groups in both Sri Lanka and Pakistan. Cooperation between action groups in the two countries can help in this aspect of the liberation of Tea.

(e) At the International Level

- (i) Among *producer countries* e. g. India, Bangla Desh, Sri Lanka and East Africa – cooperation to outbid or by pass the big multinationals.
- (ii) Effective consciousness raising within and by the *International agencies* concerned with Tea e. g. Gatt; ITC; ILO; UNCTAD; ITA.

- (iii) Study of *international capital* and the relationship of tea and coffee, mineral waters and other beverages due to their being controlled by a few large multinationals e. g. Nestles, Cadburys, Schweppes.
- (iv) Finding of *alternative markets* to sell direct to purchasing countries and also through distribution channels such as the Third World markets in Europe. This is mainly a responsibility of governments; however non-governmental groups can help in the furtherance of these objectives.

Further Study Required

Of the above problems enlisted, some could be tackled in Sri Lanka, some by the people of Britain and some by a joint co-operation of the two. However, to realise these objectives, it is primarily necessary that there be a serious factual study of the Tea industry. There is a great deal of ignorance in almost all these fields and a difficulty of finding information. The usual books on the Tea industry hardly deal with this problem. Even the study of economics and sociology in the universities in Britain and in Sri Lanka do not lead one to an understanding of the ramifications and manipulations of the Tea industry, to a clear knowledge of the agreements for pricing of Tea, the control of production, or the monopoly conditions of the world Tea Market. Much of the study of international economics was related to the general theory of international trade without research into the operations in the actual market. Even the people of goodwill in Britain do not know the collusion between the agency houses, the companies and the oligopolists who control the distribution.

The Tea Research Institute in Sri Lanka is itself more concerned with production including blending and purchasing rather than the control of human exploitation. There are a few studies by the Central Bank of Sri Lanka but these have received very little publicity. The local elite of Sri Lanka employed in the tea industry has not contributed much to any serious socio-economic analysis of Sri Lanka. The trade unions in Sri Lanka have been more concerned with the conditions of the workers on the estates but have not paid much attention to the overall pattern of exploitation in tea

specially at the world level. Certain private groups in Sri Lanka have been interested in research and their publications include the Tea dossier by G. C. of the Christian Workers Movement; Logos issue Vol. 14 No. 1 from the Centre for Society and Religion, and recently the National Christian Council. A co-ordinating Secretariat for Plantation Areas was set up in October 1974 at Satyodaya Centre, Pushpadana Mawatha, Kandy.

Another obstacle facing the liberation of tea is that companies in Britain and the Agency Houses in Sri Lanka are rather secretive about their operations. A Commission on Agency Houses in Sri Lanka was appointed by the Sri Lanka government and though the report was ready in April 1974, it has not yet being published.

A study therefore of all these problems can be a major contribution to awareness building and to relevant and effective action. Such a study is best undertaken on a trans-continental basis with researchers principally in Sri Lanka and Britain. These researchers should eventually have opportunities to meet each other to deepen the analysis. At present it is only the owners of capital that meet - as between different countries. This study has to be intimately related to action for justice. The action itself can be a stimulus to the research.

ACTION GROUPS

The second means is the organisation of action groups in Sri Lanka, Britain and elsewhere to create awareness and bring pressure on and through governments for achieving the above objectives. It is necessary to correlate the various work and studies of the action groups involved on tea throughout the world by the establishment of communication channels and contacts among action groups. Some action groups in Britain are now beginning to take an interest in the tea industry particularly in the condition of the workers of the Tea industry. The "War on Want" publication on 'The State of Tea' by Edith Bond; the Granada TV film on Tea and the activity of the action groups of the World Development Movement (WDM) and correspondence in the daily papers of G. B. have also created a certain interest in Sri Lanka tea. However the British awareness is still geared to the

exploitation of the worker on the tea estates than to the whole world wide exploitative structure of the tea industry based principally around the British interests.

All these have to be gradually pushed till a whole movement is generated in Sri Lanka, Britain and other countries connected with the problems of Tea, towards the liberation of Tea. Fortunately during the past four years much more has been done in Sri Lanka towards these goals than during the previous century specially due to the policies of the Sri Lanka government. Yet we are only at the beginning of a long struggle. We can all contribute something to this cause which is so vital to the well being of the people of Sri Lanka. The tragic circumstances of our food crisis specially on the estates must compel us towards radical options due to the gravity and urgency of the issues.

According to our understanding of the problems we can try to work out solutions. We hope this issue of **Logos** will help in the creation of awareness both here and in other groups.

The Churches themselves should set themselves the task of evolving a theology and a strategy of liberation concerning Tea. To continue to neglect this major issue is to turn a blind eye to the evils of the pharisees and scribes of modern civilization who oppress the poor workers. Christians cannot be indifferent to the condition of Dives and Lazarus in our world and country. The existence of the millionaire Earl of Inchcape and half starved Meenachchi in the same society and industry has to be a challenge to the conscience of all men and women dedicated to the ideals of religions.

We hope the different political parties of Sri Lanka will give deep thought to the liberation of Tea. They should evolve strategies to face this problem in the coming years. Both the parties of the Left and of the Right would do well to cooperate in this common struggle of the oppressed for liberation.

We shall be grateful for any criticism and further information concerning these issues.

- The Editor -

2. *CONDITION OF WORKERS*

2. 1. **LIFE STYLE OF THE TEA ESTATE LABOURER**

GEORGE CAIUS

The recent Indo-Lanka talks discussed the fate of the immigrant Indian labour in Sri Lanka. The irony of the talks was the fact that the fate of a million people was discussed without inviting any participation whatever from the people involved. This painful etiquette of contempt has been the hall-mark of treatment meted out to this class of people not only by the imperialist British planter but also by successive governments of both India and Sri Lanka.

Hundred years ago British planters brought into Lanka, Indian labour and Burmese rice. Today both the British planter and Burmese rice has faded from Lanka's scene. However Lanka is saddled with a huge human problem involving a million estate labourers of Indian origin.

According to available figures the Indian immigrant population in the plantations stand at 951,785. This constitutes 7.5% of the country's population of 12.7 million. Their numbers increased rapidly as could be observed in the following statistics.

YEAR	POPULATION
1891	253,000
1931	700,000
1964	825,000
1971	951,785 (74,000 repatriated)

it is interesting to note that within a span of 80 years this population has increased four fold.

Tea Rubber and Coconut gross up a third of the country's G N. P. Export of tea alone brings home a good 60% of Lanka's Foreign Exchange earning. Agency houses, Import, Export and Broker firms, Production and maintenance Engineering services, significant sections of Road and Rail transport, Power, Banking, Insurance and other commercial enterprises along with a mass of petty traders are solely dependent on estate agriculture. Employment thus created in these spheres of activity amount to hundreds of thousands. The contribution of the Indian immigrant labour force could make towards future development of this country is vital. The preliminary report of the Socio Economic

survey of 1969/70 conducted by the Department of Census and Statistics observes and underline the continued importance of the activity in the estate area to the economy of Ceylon.

At the first general elections of independent Lanka, the Indian estate labour was allowed to vote. Out of 95 seats 8 were captured by these people. The Indian estate labourer was immediately dis-franchised and thus a class of stateless people were created.

Though his contribution to the national economy is vital, strangely the Indian estate labourer is cut off from the mainstream of the nation's activities. He is often confined to the boundaries of a plantation. His life is unsophisticated, needs and aspirations few. His ignorance of the outside world and the degree of exploitation of his people, a blessing to a point of silent acceptance of his unenviable tenure of life.

The labour force as a proportion of the estate sector population is over 50%. Female participation is exceptionally high and is rated at 56%. This is about 3 times as much as the total female labour force in the urban and rural sectors

There is an impressive array of labour legislation dating back to 1912 covering the employment of estate workers. Wages, hours of work, holidays etc. are determined by tripartite wages Boards established under the wages Boards Ordinance. However the estate worker is regarded as being among the cheapest source of labour in the world. In the publication, labour in the *Economic & Social Development of Ceylon*. Laksiri Jayasuriya refers to plantation labour as, not wage labour in a free competitive market. Today the male worker is paid Rs. 3.62 and the female worker Rs. 2.49 per day. A nine hour working day (with one hour lunch break), a weekly holiday **without pay** Annual holidays based on attendance are prescribed.

It may be said that on an average the estate worker does not get more than 3 to 4 days work per week. During drought, workers do not have regular work. The female worker employed mainly for plucking green leaf is often more regularly employed. All workers could be laid off at the will of the management for different reasons; drought, heavy rains etc. The workers are paid only for the actual number of days worked. Numerous labour laws and emergence of strong trade unions have yet to destroy completely the old colonial tradition of master servant *relationship yet existing on the estates.*

The first trade union for plantation workers was founded in 1931. It is intriguing and uncomfortably true to realise that it was K. Natesa Iyar, an Indian journalist who banded a group of estate workers under a trade union banner for the first time. However, that was 80 years after the planters (employer) formed their Association in 1851 and 40 years after the formation of the Colombo Printers Association, the first workers union in Ceylon.

Today there are more than a dozen registered trade unions ostensibly to represent the interests of the estate workers. The more powerful of these amount to 4 or 5 some are controlled directly by political parties, some trade unions though not directly connected have thrown their lot unreservedly with governments in power. The agglomeration of unions to represent one class of worker has more than confused the worker. Today the workers stand divided due to conflicts that need not be, and an atmosphere of rivalry among the workers has only helped to push back a concerted effort to win their fundamental rights which could be achieved only through a united struggle.

What has union leadership done to the morale of the estate worker? Is the worker helped to think in terms of emancipation liberation? Estate worker has not been encouraged to think in terms of his significant contribution to the nations' economy and his right for appropriate recognition. Instead he is made to feel grateful to the union and the management for a 10 cent increase to his daily wage. In the situation he feels happy that the increase was obtained by his union and not by the union to which his brother belongs. Any thought of liberating himself and his people seem to elude him. His thinking appears to be controlled and regulated. Is he, in the process of relieving himself of one state of suppression perpetuated through the 'Periya Dorai' falling into the regimentation perpetuated through the 'Thalaivar' (Local Union Boss).

Small mercies in the form of fringe benefits appear to have helped, palliate and domesticate the worker. The worker has responded passively and permitted himself to be used as an agitational weapon in the hands of his union to achieve union's political ends.

Estate schools are run by the management and the law requires that children under 14 years of age resident on the estate should attend school. Normally a married teacher resident on the estate conducts classes. Classes are conducted up to grade 5 and often this is the zenith of an estate child's education. Much is to be desired of this education. In his article '*working conditions*

on tea estates' G. A. Gnanamuttu states, Estate schools cannot be expected to provide more than a basic education considering the qualification of the teachers, the number of hours spent by the children at school and the equipment at their disposal. At 14 years, boys and girls find employment on the plantation, and around 1% enter another school or prepare for higher examination. Many children are sent out as domestic servants to homes all over the country. They return to the estates, old-enough to obtain some work on the estate.

The literacy rate of 61% on the estate sector is the lowest in the land. The rural sector is significantly higher at 84% and in the urban areas, it is still higher at 89%. The free education programme has produced the exceptionally high literacy rate of 91% in the age group 10 to 24 years. However, the estate population falling within this age group do not appear to have benefitted appreciably from the free education programme.

Student population on estates is significantly low at only 19%, where as in the rural and urban sectors the corresponding figures are 31% and 33% respectively.

A recent survey revealed that the proportion of persons who have had no schooling is notoriously high in the estate sector. Out of 100 estate workers, 39 have not been to a school. In the urban and rural sectors, the rating was 11% and 16% respectively. It is interesting to note that, in the estate sector, the proportion is more than double that of rural sector, which in turn is considerably behind the urban sector.

13% of the urban population and 7% of the rural population have passed the G. C. E. or higher examination. However, only 1.3% of the estate population have similar qualification. If this qualification is to be the criterion. The opportunities of an urban child is 10 times better and that of a rural child 5 times better than the opportunity offered to an estate child.

Housing conditions of the estate workers are far from satisfactory, over crowding and inadequate facilities being the chief characteristics. It is normal practice to build 10 to 20 living units under one roof, (two rows 5 or 10 houses each) built, back to back. In one compound there could be more than 2 or 3 such lines. Such a house has one door and no windows. There is one living room, a small kitchen and a verendah. The verendah is some times, open, with a half wall, in front. On the average one block of 10 houses is provided with 2 lavatories and 2 taps. This works out to a rate of 25 to 30 people using one lavatory and

one tap. During drought some taps run dry, and the workers go in search of water. Majority of tenants do not have motorable roads and it is not uncommon to see a patient being carried to the road or of a bride tucking up her saree to trek home. Each tenant is allotted a strip of land normally about 15 to 20 ft. opposite or behind it. Vegetables are grown in these plots by the workers. A few hens, one or two head of goats, and a cow if possible are also reared.

The children play their odd games on the little strip of land stretching along the front of their homes. It should not be difficult to imagine their cramped living.

Estate houses are the smallest, considering floor area. Socio-economic surveys have shown that the estate worker's house is the smallest in the land. An estate house hold registers more than 5 occupants. The following observations made by the Dept. of Census & Statistics are relevant.

In the urban and rural sector the highest concentration of housing units was in the size group 250 to 500 sq. feet. However in the estate sector almost 2/3 of the housing units had a floor area of less than 250 sq. feet.

A sector wise analysis shows that while in the estate sector, almost half of the housing units had only one living room, in the rural and urban sectors the majority of the housing units had 2 or 3 rooms.

Considering the monthly rental value, the estate sector housing is once again at the bottom of the scale. The following findings are interesting.

MONTHLY RENTAL VALUE

	Urban	Rural	Estate
Below Rs. 20/- per month %	37.7	63.2	86.9
Exceeding Rs. 100/- per month %	14.6	.1	0.3

Under the diseases (labour) ordinance No. 10 of 1912, labour lines have to be lime or cement washed, annually. Lavatories drains etc. are to be maintained in a good state of repair. The Government has power to demolish unsanitary lines, reconstruct them and charge all expenses to the management. Experience of the recent years show that at least in some small holdings these requirements are observed more in the breach. Health welfare and accident prevention aspects are comprehensively

covered by labour legislation. Majority of estates observe the conditions laid down. Considering the incidence of sickness the estate worker is not worse off than the average worker in the country. In fact he is better off than those in the rural sector. The mortality rate in the estate sector is 7.2% and compares favourably with that in the rural sector which is 8.9%. However the mortality in the urban areas is low at 6%.

The estate worker is hardier than the city worker. He works in open fields, exposed to the elements, the scorching sun, pelting rain, shivering cold and racing winds. He has not heard of rest rooms, canteens, changing rooms, Redifusion, subsidised meals etc:

Every estate has its Dispensary and maternity ward and employs a medical officer, midwife, assistants etc. Workers and their relatives resident on the estate are visited by the medical officer when they are ill and when such a visit is necessary. Women workers are entitled to 6 weeks maternity leave. Whilst in the maternity ward, mothers and babies are nursed and fed free of charge. The management runs a creche to look after the babies whilst mothers go out to work. Nursing mothers are entitled to two one-hour nursing intervals per day. These intervals are in addition to the usual lunch hour. Patients are transported free to the nearest hospital. As in the case of the male worker the female worker too is hardier than her city counterpart. An expectant mother would tire herself out in the field and then walk up to the maternity ward, just in time to deliver her baby.

The estate worker is among the poorest paid in the country. His living conditions could not be poorer. Throughout his career he is in debt to and dependent on the provision store and the village bootlegger. He has to put up with sub standard goods and short measures. Malnutrition is written all over his face and during lay off periods he lives on the brink of starvation. The free measure of rice is not enough but he has no money to pay for extra rice. The standard substitute is wheat flour. He has a good meal at night, (either rice or thosai) for breakfast he eats Rotti, and lunch is always a snack, either bread or Rotti. The Rotti is circular in shape. Wheat flour is battered to a thick paste adding salt, coconut and water and is flattened to its shape. It is then roasted over a hot metal disc. Fish is not available to him. Beef he does not eat because the bull is sacred according to his religion. He cannot afford to eat mutton or chicken. His meals include the monotonous menu of dried fish, dhal and one or two vegetables. The eggs collected from the few hens are for sale.

The average size of an estate house hold is 5.2 occupants. In 86% of the houses, two family members are employed. A study of the average monthly income of all households in the country has surfaced the following. The lowest income is in the estate sector household with Rs. 211/- per month. This is less than half of the monthly income of Rs 453/- in the urban sector. An average rural household receives a monthly income of Rs. 264/-.

Average monthly income of an estate worker is Rs. 71/-. His counter part in the rural sector receives Rs. 139/- whilst the urban worker receives Rs. 257/- per month. If money income is used as the criteria for measuring the standard of living it is observed that the standard of living in the urban sector is comparatively much better than that in the rural sector, although living standard in the rural sector is almost twice as high as that in the estate sector.

After deductions such as Provident fund contributions, advances, provisions account etc., the average take-home salary is about 20/- to 30/- when the liquor account with the bootlegger is settled very little money is left. At the present level of commodity prices his current wage is not far from what estate labour wages were known to be in the years before 1927 - subsistence rates.

The life of the estate worker today is not far removed from the primitive ways of his ancestor who lived at the turn of the century. His maximum possession is a few sovereigns of gold worn by his wife. In his home one can see 2 or 3 chairs, an old table a bed and the unmistakable trunk. He has no wardrobe, dressing table, dining table etc. A stove, sewing machine, radio, refrigerator etc. are superfluous to him. Of course there is the odd man who owns a transistor.

An analysis of the expenditure pattern of the estate worker is interesting. A little over 60% of his income is spent on food and drink. Liquor and tobacco amount for 10%, clothing, household textiles, footwear, personnel effects etc. account for another 12% personal care and health, recreation, educational and cultural affairs and consumer durables are at the bottom of his priority list. These items take up 2.1%, 1.7% and 1.5% respectively of his income. Considering the average monthly income of Rs. 211/- per household consisting 5.2 occupants, these proportions work out as follows.

Personal care and health.....	85 cents per person per month	
R��creation, education & cultural	69	—do—
Consumer durables	61	—do—

It is evident from these figures that the estate worker spends in total the rediculously low amount of Rs. 2/15 per month, on his non basic needs. One packet of quality cigarettes cost more than this amount. His range of consumer - goods is limited to saree, sarong, shirt or blouse material and an occasional pair of slippers. He indulges in no recreation worth mentioning. Holidays and trips are not for him. His only outing will be that rare pilgrimage to Kataragama.

The estate worker has a regular engagement at the end of a hard day's work. He walks up to a hill-top rendezvous with the village bootlegger. A few drams of Kasippu or 2 bottles of 'Kitual' and that's another evening spent in his moonshine club. He rambles home in the dark, takes his dinner and off to his mat, only to get up the next morning for another monotonous day.

In his calender there are two red letter days. Thai Pongal which the worker lovingly refers to as Pongal falls in January, and the 'Sami Kumbudu' is the feast of the local (Division) Kovil at whlch they take a statue in procession invoking its blessings on the estate. Generally all of the staff including the Superintendents contribute to and partake in this. This is the occasion on which the estate belles turn out in strength clad in their Sunday best. Their jackets and long frocks are made of the brightest of every known colour and together can put the rainbow to shame. Pongal on the other hand is more an occasion for the family for which the parents bring home their children working in other homes and hotels.

Asked the question "what is your ambition in life? a worker gave a reply typical of the lethargic attitude of his people. "What sir" he said "we will soon die, it is the children we are worried

about". He has almost perfectly reconciled himself to his lot here. There seems to be no fight in him. The spirit in him for change has been either numbed or tamed. Bereft of honest leadership he appears to be clinging to images.

He gets more than temporary entertainment from the silver screen. The South Indian cinema seems to provide some form of sustenance to his saging morale. The estate worker particularly the youth stream into picture houses specially during the week-ends. He clings to an image from South Indian politics. He awes at his idol and from his exploited position of a discard, worships his hero.

Even among themselves, serious inequalities exist. A so called high caste worker will not take a drink from a low caste house. A young man having to marry a girl from a different caste risks the wrath of his community. Marriage in defiance of caste barriers could get off on a painful start. Parents will disown such a couple, friends and neighbours will discard them. There have been instances where the superintendent in the interest of peace have been compelled to order such couples out of the estate. In the event of a function in a low caste family, they are compelled to have high caste cooks. The invitees will otherwise not partake of the meal.

A youth with different ideas is viewed with suspicion. If he calls for reform or a more meaningful role in the decision making machinery, his own people will rise up to thwart him. Normally management has its own ruse of containing such men.

Vast majority of the estate workers are Hindus with a sprinkling of Christians. Religion has failed so far to arouse in them a realistic and courageous evaluation of their life. The type of orientation necessary for the integral development of this community, religion has failed to provide. Instead it has provided a sort of soothing fatalism to these people; to accept

their miserable lot as inevitable. The workers seem to kiss the shackles that keep them in bondage.

Out in the bazaars and buses they are discriminated. They are not one with the rest of the people. Yet, they have accepted their second class treatment without protest. There appear to be mutual mistrust between these people and the Sinhalese villagers around them.

The Indian estate labourer, in spite of a century in Ceylon do not seem to have uprooted himself from India. There seems to be something that makes it difficult for him to develop a sense of belonging to Lanka. The Indian President on a recent visit to Malaysia urged migrant Indians there to be loyal to their country of adoption. Not think in terms of India as their country, but Malaysia. Fair amount of misgivings among the communities in the estate areas could ease if the Indian estate workers have addressed their minds seriously to the advice given to their counter-parts in Malaysia. It is not overlooked however that through out their stay in Lanka, conditions have not been conducive to encourage such a frame of mind.

Now that the Indo-Lanka problem appears to be finally solved, both the people and the government of Lanka should adopt a more charitable understanding and a realistic concern for these people. India will take in a section of these people and hence, whether we like it or not, the problem will remain physically with Lanka. Even after the last man is re-patriated, many hundred thousands of these people and their natural issue will remain in Lanka. A more constructive approach is therefore necessary. Let the people of Lanka make an honest effort to restore to these people their human dignity now denied.



2. 2 600,000 WOMEN - SEMI LIVES IN SRI LANKA

TISSA BALASURIYA, O.M.I.

Ours is an exploitative society. Within it some are more exploited than others. Among the worst exploited are the labourers of Indian origin on the Tea and Rubber plantations. Among these, the women are a particularly exploited category. Since we are preparing for 1975 the **International Year of the Woman** this note has been written to focus attention on one of the most exploited groups of women in the whole world. The cup of tea depends on them; the Ceylonese Upper classes live on them; big multinational companies like Liptons and Brooke Bonds have grown rich on their exploitation for well over a century. We give here some statistical data that can serve as a background to understand in at least a small measure the immense human misery on which the prosperity of the rich is based even today.

The 1969/70 survey* shows that there are 632,700 females of all age groups in the estate sector out of a total population of 1,314,700. Of these 238,300 are below the age of 14, and 144,800 are of the age group of 15 to 24. (Table 1.0). Of this population in the estate sector 78.7% are Indian Tamils, 10.9% Sinhalese, 9.2% Ceylon Tamils and the rest Ceylon Moors, Malays, and Burghers. (Table 4.0). By religion 80.7% are Hindus, 11.8% Buddhists, 6.4% Christians and 1.1% Muslims. (Table 5.0). Out of the female population **53.8% are employed**. The corresponding figure for males in these estates being 56.3% (table 19.3). A total of **300,400** women are employed in the estate sector, the number of males being **336,900**. (table 16.0). The employment rate of the whole country is 51.0% for males and 15.4% for females (table 19.0). Hence employment of females is very high in the estate sector. In the urban sector the employment of females is only 10.4% and in the rural sector 11.1%. Out of a total of **823,800 females employed in the country, 300,400 are women in the estate sector**. The number of women employed is 100,700 in the urban sector and 422,800 women in the rural sector. Therefore nearly 3/8ths of the total women labour force is from the estate sector. The estate women compose 300,400 out of the 3,595,000 employed persons in the whole island (Tables 16 to 19). They are one twelfth of the total labour force of this country.

Out of the 300,400 women employed in the estates **102,300 are from the age group 15 to 24**. Only 4.1% of this age group of females in the estates are students and 70.7% are employed. On the contrary in the urban sector 26.9% of the females of this

*Socio Economic Survey of Ceylon 1969-1970. Dept. of Census and Statistics. Oct. 1971.

group are students and only 11.0% are employed. In the rural sector 23.1% of this age group 15 to 24 are students and 12.0% are employed. (Table 19). This shows the very grave **imbalance in the educational opportunities** for this age group on the estates.

By way of classification of work, the women are in the category of agriculture, forestry, hunting, fishing etc. The workers in the estate sector are 295,800 male and 295,300 female. 98.3% of these employed women are manual workers whereas only 87.8% of the men are manual workers. Out of the total 336,900 men employed in the estate sector, 14,800 are in the services or sports and recreational work and 9,100 are craftsmen, 5,400 are salesworkers, 5,400 are clerical workers, 3,700 in *professional and administrative tasks. But women workers are* mainly manual workers and only 1,400 in all workers of administration, sales or clerical nature (Table 22.0).

Employment among the Women on the Estates.

Whereas 40,200 men are categorised as unemployed only 10,900 women are unemployed in the estate sector. Of these 9,700 are of the age group 15 to 24 (Table 17.0). Therefore almost all adult women in the estates are employed or engaged in household work. From these we can see that about half the work in the estates is performed by women labourers and these are mainly of Indian origin. Tea and Rubber exports alone account for 75% of total exports in 1969/70. These 300,400 women are about half the work force that earns this foreign exchange of Rs. 1500 million out of our total Rs. 2000 million foreign exchange earnings. (Central Bank Report 1973 page 215).

incomes of the women in the estates

Incomes are very low. From the table on Page XII of the Survey we see that the average income of an income receiver on the estates is Rs. 71/- per month. Of this the males receive Rs. 86/- and females Rs. 55/-. The women on the estates are **among the lowest paid category** of workers on an all island basis. The average income of an urban income receiver is Rs. 257/-, of a rural income receiver Rs. 139/-. A female; income receiver in the city gets Rs. 168/- and the rural areas Rs. 78/-. (Table 36.3). Out of a total 307,800 female income receivers in the estate sector 300,960 or 97.8% receive below Rs. 100/- per month and their average income is Rs. 53/- per month. 6,270 receive from Rs. 100/- to Rs. 200/- with an average of Rs. 121/-. 570 income receivers obtain between Rs. 200/- to Rs. 600/- and no one above. The comparison of absenteeism as among males to females is 30.8 to 38.5 in the estate sector (Table 13.0).

The total income of estate sector income receivers below Rs. 400/- is only Rs. 44.8 million (Table 36.3).

The total income received for one month by 307,800 women employed of all ages on the estates is Rs. 17,061,500 or about Rs. 204 million for the year. They constitute about half the labour force of 650,655 on the estates. Even if we take only Tea and Rubber estates the produce exported is worth Rs. 1,500 million of foreign exchange. This can give us an indication of the extent of exploitation of these women who obtain about Rs. 204 million. The males received about Rs. 351 million. Together the payment for workers of all grades was about Rs. 555 m. out of a total of foreign exchange earnings of about Rs. 1500 m. This excluded Tea and Rubber sold in the domestic market, and the value obtained by retailers in foreign markets. The companies have other expenses such as fertilizers and machinery. This is a very rough indication of the situation.

It will therefore be seen that the women on the estates are among the most exploited in our country while they contribute perhaps as much as any one else to the national income and to the foreign exchange earnings of our country. In fact it is on the basis of their labour under difficult circumstances, and in all kinds of weather that the standard of living of the urban population, specially of the upper classes, is maintained. The foreign companies also have for over a century benefitted from such inhuman conditions where women are paid about Rs. 2/- per day for the manual work which maintains our tea and rubber industry.

Incomes have not gone up very much since 1970. But the cost of living has increased enormously. Rice was about a Re. 1/- per measure and bread 25 cents a lb. in 1969. Today there is a scarcity of rice and bread and prices are in the region of Rs. 4 - 6/- per measure for rice, and Rs. 1/- per lb. for bread. Manioc then was 6 cts. a lb. now it is 50 - 60 cts. and hardly available. A sarong was Rs. 8 - 10 now it is Rs. 25 - 30.

The number of work days has been reduced to 3 - 4 days per week in many company estates. Hence their money incomes are not likely to be higher. **But their real incomes are much lower** due to high prices and shortage of goods.

This note deals with the condition of women employees on estates, but their fate explains partly the agonizing conditions of malnutrition and slow death from starvation that now pervades the estate sector due to the food crisis.

Literacy in the Estate Sector

Literacy in the Estate Sector is the lowest in the whole country. In the whole country 82.6% are considered literate whilst in the estates the percentage is only 61.2 (Table 6.0). In the estate sector out of the female population of over 5 years 289,300, i.e. 51.81%, have had no schooling at all. 234,300 have been to primary school. 31,400 to middle school and 3,100 have passed G. C. E. (A. L.). The opportunities for education for females in the estate sector are the worst in the whole country. In the urban sector only 7.2 males and 15.7 females above 5 years have had no schooling at all. In the rural sector the corresponding figures are 10.4 for males and 22.2 for females (Table 7.1). Therefore not only are the female workers on the estates exploited but they are also maintained illiterate and employed at a very early age. In the age group 5 - 14, 89,500 females are in school, out of only 6,000 of the age group 15 to 24 attend school. Therefore the vast majority drop out before the age of 15. These figures together indicate to us that in Sri Lanka the women are exploited particularly by the estate system though they are almost as important as men for the working of the economic system.

The earnings of the workers on the estates are also relatively lower and this compels the men and children of the estates sector to give themselves to work without; being able to continue their education. It is important that the wage rates of those workers be considered if there is to be social justice to the estate labourers, specially the women. When we compare the prices obtained for our tea in other countries, thanks to the work of the companies, we see that the estate labourer is among the most exploited person in the whole world. A pound of tea fetches from Rs. 10/- to Rs. 12/- in the British, European and American markets. But the labourer who works for it from early morning, in sun and rain, get a few cents per pound ? This is a crime not only of the Ceylonese population but particularly of the foreign companies which have for many decades benefitted from such conditions of semi-slavery.

ousing.

When we consider the housing conditions then we can see the further difficulties that are imposed on the estate families, and once again on the women who spend most of their free time in the houses. The houses of workers on the estates are generally in the form of "lines". Each family; having a small room of about 10 x 10, a small verandah and a kitchenette. 65% of the houses are from 100 to 250 sq. ft. i.e. from 10' by 10' to 10' by 25'. 26% of the houses are from 250 to 500 sq. ft.. The

computed rent of nearly 87% of the houses is less than Rs. 20/-. Compared to these are the palatial bungalows of the Superintendents, which are usually situated on the top of a hill and furnished as well as any mansion in the world. One can then understand the enormous disparities and the utterly inhuman exploitation of the workers of the estates. Only 2.8% of the houses in the estate sector have electricity, 97.1% have to depend on kerosene. Whereas in the urban sector 36.7% have electricity as a source of energy for lighting and cooking. 26.9% of the houses on the estates do not have facilities for toilets. This seems slightly better than the all island average of 32.1%. Again the fact that people live in lines is not at all satisfactory. These women after having worked the whole day have to look after the families, cook the food without any of the domestic appliances which the urban population can afford. Only 1.3% of the estate houses have a cooker. Whereas 35.3% of the urban households have cookers. There is hardly ever a refrigerator in the houses of these people.

The housing is not related to the size of the family. Housing becomes worse as the families grow in size. The houses do not belong to them; hence they cannot expand them. They do not have land for cultivation of some food crops - or the space is very limited. Often there is more land for the Superintendent's family than there is for a 100 families in the lines.

The Superintendent has a very large house, with ample land. Sometimes a swimming pool, and a mini golf court. He has opportunities to have a dairy, a poultry run, as well as a flower and vegetable garden. He is provided with servants to work in these. He is given a car, an entertainment allowance, and even furlough or home leave in England.

The Medical Facilities

Those available on the estates are generally unsatisfactory. Estate dispensers are hardly qualified for the responsibilities they bear. The expenditure on the medicines is also inadequate. While the higher staff on the estates can go to Government hospitals the estate workers have usually to satisfy themselves with the poor quality of the services provided for them.

The infant mortality rate in the estate sector is higher than in the rest of the country. The deaths of infants under one year of age per 1000 live births was 50 for the whole island in 1958. Nuwara Eliya district which has the highest percentage of Indian Tamils in the country (56.8%) had an infant mortality rate of 82

children per 1000 live births in 1968. The estate districts of Kandy (65), Badulla (58) and Ratnapura (62) had higher than average infant mortality rates. (cf. Statistical Abstract of Ceylon 1969 pp. 32 and 60)-

These Indian Tamil Workers in the estates live more or less as they did a century ago - with of course increasing prices. They do not have even burial ground. The dead are buried behind the tea bushes.

They are like daily paid labour, **always temporary**. There is no security of employment. Only agitation by unions can prevent retrenchment. Yet they are the most permanent labour force in the country as they are tied to the estates and cut off from relations with the outside world.

The labourers of Indian origin are a real semi-slave force among us. They have no political rights. Ceylon was to disenfranchise them. The women among them are even more exploited being obliged to work as well as look after the home and children under very difficult conditions. One of the first acts of Independent.....?

These statistics can give only an indication of the enormity and depth of human suffering imposed on these women by our society.

The agreement to send back 575,000 of them to India is another cause of suffering - even though it may be a political necessity. They have to go back to a land which many of them have never known. They have been pawns in the game of empire building just as was the Kandyan peasantry. They suffer today because of the decisions of British planters and governments of the past hundred years. The **companies** which have reaped enormous profits over the centuries and built themselves into gigantic multimillionaire, multinational corporations do not pay any heed to these consequences of their greed. Their economic philosophy provides no responsibility for the social consequences of their unscrupulous profit maximization. They leave their human tragedies to be dealt with by other countries.

It is to be hoped that the Ministry of Plantations Industry and the Ministry of Agriculture that take over estates would look into the conditions of these workers.

A few minimum Requests are

- that they be paid a monthly wage
- they be given better housing, some land for food production
- that they be admitted early to **full citizenship**, at least within the framework of the Sirima-Sastri pact.
- that wages be in keeping with their work and needs.
- that women be paid equal pay for equal work.
- that estate schools be nationalized as promised by the Electoral Common Programme of the United Front.

Even today 75% of our foreign exchange, and 35 - 40% of the country's gross national product are from the plantations. We generally turn our back on the problem of these semi slaves in our country. We even wish the problem to be resolved by regarding it as India's responsibility. We may prefer in our radicalism to espouse the cause of Vietnam, Bangladesh, Blacks in South Africa, Mozambique and Angola or Chile. But right here in our Central highlands are these exploited immigrants whose labour we profit from, to whom we refuse the benefits of a free, civilized, human existence.

It is they who produce much of our Wealth. Yet we treat them as sub-human beings. Unless we can create the conditions of a decent human existence for them (as well as for the other exploited classes as the poor peasants and slum dwellers) we ourselves will be increasingly dehumanised. We shall be alienated from our own humanity. Much of the value systems of our society is already deeply infected by this inhumanity to men and women. Our religions, our educational system, our mass media, our theatre, our films are all, perhaps unwittingly, dehumanised and dehumanising is not dealing with this problem. Now much worse is the situation of those who directly benefit from the exploitation in live luxuriously while the producers of their standard of living live in semi-slavery.

"This is at the heart of our national problem. We shall not be able to resolve our national problems till we shall restore the humanity of the Indian worker who have been alienated from his humanity from the day he arrived in our fair land" said Mr. Hector Abhayawardena at the recent Marxist Christian dialogue in Kandy. All the principal political parties, Trade Unions and religious cultural groups must get together to wipe out this most exploitative situation for which we are commonly responsible.

2. 3. EDUCATION OF THE CHILDREN OF PLANTATION WORKERS OF INDIAN ORIGIN

G. A. GNANAMUTTU

*Retired Assistant Commissioner of Labour, and
at one time a Teacher in a Planting district*

The almost wholesale neglect of the proper education of the children of the estate labourers of Indian origin in Sri Lanka is one of the worst blots on the social record of this country. The estate labourers have contributed very much to the gross national product, and earned over 75% of the foreign exchange of this country. Yet they and their children have not had much chances of even receiving a secondary education. Hardly any child of an estate labourer can enter the Universities in our country. Yet Sri Lanka has one of the best educational services in Asia.

Ever since Sri Lanka obtained self rule in 1931, these people have been systematically left out of the benefits of education. The present government pledged itself in 1970 to remedy this situation. Presently August 1974 pretty little has been done in this direction. We hope it will be faithful to its promises to mete out justice to these long exploited million people.

Mr. Gnanamuttu's article gives the background to this sad situation and proposes some solutions.

Editor.

1. INTRODUCTORY

According to the Census of 1971, out of a total population of 12,711,143 for the whole of Sri Lanka, that of the estate population was 1,161,611. Of these 951,785 were Indian Tamils, 6,610 Indian Moors, 71,191 Ceylon Tamils, and 6,402 Ceylon Moors; the total number of Sinhalese on estates was 122,566 (71,626 Low Country and 50,940 Kandyan). The majority of those who have been classed as Ceylon Tamils or Moors would appear to be persons of Indian origin.

At the time of the signing of the Sirima-Sastri Pact (1964) a little over 134,000 persons of Indian origin were said to have

obtained Ceylonese citizenship; of these about 100,000 would have been workers on estates. It was agreed that of the 975,000 who had been categorised as 'stateless' 300,000 were to be given Ceylonese citizenship, and 525,000 repatriated to India over a period of 15 years; the fate of the remaining 150,000 was to be decided on at a later date. It has now been agreed that a further 75,000 will be given Ceylonese citizenship at the end of the 15 year period. Thus over 500,000 persons of Indian origin with their natural increase will ultimately become citizens of this country, while a large number of those who are due to return to India will live and work here for several years more.

Our concern in this study is with the facilities available for the education of the children of these people, estimated to number over 150,000.

II. EDUCATION OF ESTATE CHILDREN - (A) PRIVATE ENTERPRISE.

The State took little or no interest in the education of these children during the 19th century. This responsibility had, therefore, to be undertaken by private agencies - religious and secular. Among these were -

The Christian Missions, who established schools on estates and in the planting districts as a means to the propagation of their faith.

The chief of these were the **Anglicans**, whose **Tamil Cooly Mission** (now called the Tamil Church Mission) began its work in 1854. The Mission ran two types of schools, viz., Anglo-Vernacular schools (later English schools) for the sons and daughters of the supervisory staff, and what are now called estate schools which taught the children of labourers the 3 R's in the mother tongue. Two examples of the former (thought sited in Colombo) were the Borella Boarding Schools for Girls (1867) and for Boys (1875), which were amalgamated in the 1920's with Mowbray, Kandy, and Christian College, Kotte, respectively. The Anglican contribution is really the schools like St. Mary's Bogawantalawa, St. Andrew's Nawalapitiya, Christ Church, Wategama and Holy Trinity, Nuwera Eliya, which were attended not only by children of members of the supervisory staffs but also by those of labourers and of the local population.

The **Methodists** managed a few estate schools in the Kalutara District and were the first in the field of estate education at Hatton, but do not appear to have had the resources to carry

their work very far. Their greater contribution is schools like Highlands, Hatton, which is attended largely by children of estate workers, and the bigger secondary schools like Kingswood, Kandy and the Girls' High Schools at Kandy and Badulla. Of these Kingswood and Girls' High School, Badulla, (now Visaka Vidyalaya) do not teach in the Tamil medium now.

The Roman Catholics have one school that caters almost entirely to children from the estates, viz., St. Patrick's College, Talawakelle; but their main contribution is through schools, big and small, established in the planting districts. Examples of these are St. Anthony's Dehiowita, St. John Bosco's, Hatton, St. Bede's Badulla, and St. Anthony's Katugastota. Even after the schools' take-over Roman Catholic priests and nuns serve on the staffs of some of these schools. Some of them teach in estate schools.

Private bodies. Private fee-levying schools appear to have been in existence in the planting districts even in the 19th century. There are a few such even today, e.g., the Asoka School (on the premises of the Asoka Students' Hostel), Kandy, and St. Christopher's College, Peradeniya.

Self help. There is evidence that from the time children were able to accompany their parents to this country in sizeable numbers it was the practice of **kanganies** to provide education though of a limited type to members of their families and of their 'gangs'. Here again two types of 'schools' appear to have been in existence - one for the children of **Kanganies** and another (even more rudimentary) for the children of labourers. Such schools are in existence even today on estates where no other means of learning is available.

Buddhist and Hindu Organisations. The difficulties that the Buddhists and Hindus faced during the early years under an educational system dominated by the Church are too well known to need mention. They were also handicapped by a lack of sufficient personnel who had the training to cope with the educational system of the day. But when these difficulties were overcome and Buddhist schools were established in the planting districts, Tamil children were admitted to them, and they suffered no discrimination. Examples of such schools are Sri Pada College, Hatton, Anuruddha College, Nawalapitiya, and Dharmaduta College, Badulla. Most of these schools do not teach in the Tamil medium now; but Hindu schools like Kathiresan College, Nawalapitiya, continue to serve them. Hindu Societies like the Saiva Paripalana Sabai (Society for the preservation of Saivism)

established some schools for the children of their faith. Some of these are now the only schools available for the education of Tamil children in these districts.

II. EDUCATION OF ESTATE CHILDREN - (B) STATE INTERVENTION.

Government records show that two estate schools were 'taken over' and run as Government schools during the last century - the ones on Spring Valley, Badulla, in 1885 and Tonacombe, Namunukula, some years later. In 1900 an Inspector was appointed to supervise Tamil schools in the Kandy District and in the Southern Province. But the general policy of Government was not to interfere with estate education otherwise than by providing a grant for the running of schools.

It was sought for the first time to make elementary education compulsory by the enactment of **Ordinance No. 8 of 1907** also called the Rural Schools Ordinance. Part V of this Ordinance provided for the establishment of estate schools, it being made obligatory for the Superintendent of every estate... 'to provide for the vernacular education of the children of labourers employed on the estate between the ages of 6 and 10 and to set apart and keep in repair a suitable school room'. Two or more schools could combine to establish a common school, and there was also provision to exempt the employer from the obligations imposed on him by the Ordinance if the Director of Public Instruction was satisfied that suitable schools were available in the neighbourhood. Where the employer failed in his duty it was lawful for the Director to build a school room on his estate and recover costs.

By the amending **Ordinance No. 1 of 1920** Superintendents were also obliged 'to appoint competent teachers' as it had been brought to the notice of the legislators that those who had been entrusted with the education of the young were sometimes **kanganies** of the gang or even lesser employees. The employment before 10 a.m. of children between the ages of 6 and 10 on estates was forbidden, penal clauses were introduced for offences under the law, and parents were compelled on pain of fine or imprisonment to see that their children attended school. An amendment introduced by **Ordinance No. 31 of 1939** gave the Director authority to vary and broaden the type of education imparted in estate schools, but he does not appear to have made use of such powers.

No mention was made regarding estate schools in the **Report of the Special Commission on Education**, also referred to as

the Kannangara Report (S. P. XXIV of 1943). But on the State Council passing without division an amendment moved by Mr. I X. Pereira (on behalf of Mr. S. P. Vythilingam) and seconded by Mr. B. H. Aluvihare, 'that all estate schools be converted into primary schools and shall form part of the system of national education' certain clauses were introduced into **Ordinance No. 46 of 1947**, which according to the Minister had this purpose in view.

The present law relating to estate schools is contained in Part VI of the **Education Ordinance Chapter 185** of the **Legislative Enactments of Ceylon (1956 Revision)** which embodies the provisions referred to earlier, and a penal clause introduced by **Ordinance No. 5 of 1951**, and the **Subsidiary Legislation** thereunder.

Under the provisions of this Chapter the owner of an estate on which there are more than 27 children between the ages of 5 and 14 and whose parents are resident on the estate is required to set apart on it premises consisting of -

- (a) a building which conforms to certain prescribed standards,
- (b) a habitable house for a married teacher, and
- (c) uncultivated land (not less than one acre in extent) to be used partly as a playground and partly as a school garden.

But the Superintendent is no longer obliged 'to make such provision as may be prescribed for the education of the children'. Instead, he or the person for the time being in charge of the estate is merely required to permit the Director of Education to establish and maintain a Government school on the premises he is obliged to provide; the law does not compel the Director either to build and maintain a Government school using the facilities provided by the employer. The reason for this obvious lacuna in the law may perhaps be looked for in the Minister's statement of the 'objects and reasons' for the Bill made on the 12th December 1946, when he said that it was proposed that Government should take charge of the education of estate labourers. Dr. Kannangara failed to be elected to the new Parliament, which a year later deprived the Indian worker of his vote.

Dr. Kannangara's successor made no reference to estate schools in his **White Paper on Education of 1950**, which contained several proposals for far-reaching reforms in education

(and embodied in Ordinance No. 5 of 1951). They were ignored both in the **Assisted Schools and Training Colleges (Special Provisions) Act No. 6 of 1960** and in the **Assisted Schools and Training Colleges (Supplementary Provisions) Act No. 8 of 1961**. The **National Education Commission** recommended in its **Final Report (S. P. XVII of 1962)** that children of estate workers be granted full educational opportunities in State schools, but was insistent that the medium of education should be the language of the environment, viz, Sinhala. The **White Paper of 1964 (Proposals for a National System of Education)** recommended that 'all estate schools be taken over and run as Basic Schools in which the medium of instruction will be the official language'. In the **White Paper on Education of 1966 (Proposals for Reforms in General and Technical Education)** the suggestion was made that either the proprietor or a person (or persons) approved by him might run private schools using the facilities the proprietor was compelled by law to provide.

III. THE POSITION TODAY - (A) ESTATE SCHOOLS.

Availability of Schools and attendance of pupils. According to the figures furnished by the Ministry of Education in its Administration Reports there were in 1948, 968 estate schools and 51,451 pupils attending them out of 88,475 children of school-going age; in 1955 (after the take-over of only 24 schools by the Government) the number of estate schools was reduced to 891 and the number attending them 67,110, while the number of children of school-going age rose to 118,856. According to the Report for 1965/66 there were only 880 estate schools attended by 80,911 children. Since that year statistics regarding estate schools are not given in the Administration Reports of the Ministry, but according to the Schools Census for 1972, 682 Sinhalese children attended 8 schools and 75,237 Tamil-speaking children attend 771 schools; and in 1973 the total number of children both Sinhala and Tamil-speaking attending estate schools was only 76,376. The steep fall in the number of estate schools and the poor attendance during the last two years could be due partly to the taking over of 11 schools by the present government and partly to the repatriation of Indian labour under the Sirima-Sastri Pact. (Schools on estates taken over by the Government are not counted as estate schools).

Teachers. The law merely requires that where the estate runs a school 'competent teachers' should be employed. According to statistics furnished by the Ministry of education there were in 1963 a total of 1 197 teachers in 875 schools attended by 80,853 pupils and that 766 of the teachers (i.e., 64% of them) were

uncertificated, most of them having the SSC or lower qualifications. There has, however, been a move in recent years to insist on the minimum qualification of the SSC with a certain number of 'credits'. The grant paid to estate schools, based as it is on results and attendance, does not provide for an adequate salary scale for teachers. However, estates that are members of the Ceylon Estate Employers' Federation pay their teachers according to a scale which enables single-session teachers to earn a maximum of about Rs. 240/- per month and double-session teachers a maximum of about Rs. 310/-. Single session teachers generally work as part time clerks in the afternoons. Quarters too are provided free. One of the reasons why the management does not spend much on buildings and equipment is that it has to spend so much on the salaries of the teachers.

Buildings and equipment. According to a senior official attached to the Ministry of Education only 38 estate schools satisfied the minimum requirements of the law in regard to buildings in 1971 (article in the 'Nation' of 15.11.71). A good many others are housed in half-walled buildings adjoining a temple, creche, store-room or weighing shed, and some in lines or in buildings meant originally for purposes other than those of schools. The furniture is equally out-moded, children often having to sit huddled on long benches, with the younger ones accommodated on the floor. Equipment is minimal, one blackboard having sometimes to be shared by the entire school. Books are, however, supplied by the estates free of charge.

Curriculum etc. Though the employment of children under the age of 14 is prohibited by law and education on estates is compulsory between the ages of 5 and 14, estate schools are not required to teach for more than two hours a day, nor anything more than the 3 R's in the mother tongue and a little speech, singing and games; even this teaching is often imparted by one teacher to several children (sometimes as many as a hundred) of differing ages and standards in one hall innocent of partitions. The teacher-pupil ratio is 1 to 64 in estate schools as against 1 to 28 in Government schools according to the Statistical Abstract for 1970-71 compiled by the Ministry of Education. Nevertheless, several schools on estates teach for 3 to 4 hours a day, and efforts are made by individual managements to provide a more varied instruction than is strictly required by the law. There has also been a move among teachers belonging to the estate Tamil community to work towards providing their charges a better type of education than had been given to them hitherto.

Health and medical care. Children in estate schools were not given CARE milk and buns (which were never a charge on

the Government) when they were given to children attending Government schools; nor are they given the biscuits that are given today to other children. They do not also enjoy the benefits of medical examination by School Medical Officers. Owing to the food crisis which has affected the estate sector more than the others, attendance in estate schools has in many instances been reduced to half.

III. THE POSITION TODAY (B) SCHOOLS IN PLANTING DISTRICTS.

So much attention has been focussed on conditions in estate schools that the fate that has overtaken the schools in the planting districts but outside the estates has been overlooked. They were attended not only by the children of members of the supervisory staff but also by the sons and daughters of labourers, who often walked several miles to attend them, especially after education became free.

While the complaint continues to be made that there are whole areas where there are no schools teaching in the Tamil medium, it has also happened that either several children are kept out of available schools or that the facilities provided for them are inadequate. The reasons are as follows:-

(a) In the process of re-organisation children receiving education in the Tamil medium in the well established and better equipped schools have been transferred to institutions which do not have the basic amenities.

(b) The division of Tamil medium schools into Tamil majority schools and Muslim Mahavidyalayas, and the rule that the head of a school should profess the religion of the majority of the pupils in the school. These principles place the head of the school in a difficult position when pupils of 'unlike' religious or language groups seek admission in large numbers; children from estates suffer an additional handicap in that children of stateless persons are not taken into account in these computations.

(c) Very often when there is a rush for admission children of the stateless are not admitted; sometimes the 'two-mile rule' (now the 'proximity rule') affects them adversely, especially as the schools are several miles away from the estates.

(d) In two-session schools the Tamil stream has generally to be satisfied with the afternoon session with its attendance disadvantages.

IV. RESULTS OF THE SYSTEM-ACHIEVEMENTS AND FAILURES.

(A) **ACHIEVEMENTS.** Those who were in a position to attend the schools run by the Religious Denominations and by the State in the planting districts were largely the sons and daughters of *kanganies* and of members of the supervisory staff. They attended not only schools like Trinity College and Girls' High School, Kandy, but ventured as far afield as St. John's College, Jaffna, and Ananda and Nalanda Colleges. Among them are those who achieved outstanding successes in studies and sports, many who made good in several walks of life, writers and poets, teachers, priests and Trade Union leaders, and a Minister of Labour. The estate schools have produced over 20 writers in Tamil and some workers' leaders.

(B) **FAILURES.** According to the latest figures published by the Department of Census and Statistics the percentage of literacy of those over 10 years on estates is 61 against 88 and 84 in Urban and Rural areas respectively, and the percentage of those without schooling among those of 5 years and over, 38.9 on estates as against 11.4 and 15.8 respectively in the urban and rural sectors. Again 19% of those attending estate schools leave after Grade 1 and only a little over 20% reach even the Grade 5 that these schools provide.

V. **CAUSES OF THE FAILURE.** Several reasons have been given from time to time for the educational backwardness of the estate Tamil community – chiefly their ignorance of the value of education and their isolationism. What is not realised sufficiently is that they are victims of circumstances imposed on them, such as economic necessity that drives very young children to work even in contravention of the law, the poor teaching and unattractive conditions in the school, and the environment in the home which is not at all conducive to study, 71% of the families living even today in one-roomed houses. But the greatest obstacle to their progress has been society's attitude towards them. Burrows in his *Report on the Education of Tamil cooly children employed on Estates* (S. P. IV of 1905) did not think that the Tamil 'coolies' should be taught anything more than to sign his name, recognize signatures, read and write simple sentences in his mother tongue and do such arithmetic as was required in the very simple accounts of his daily life; even today the law does not provide for much more than this. The early educationists and their *kanganies* (who were generally of the higher castes) provided for a lower type of education for the worker. The first Colombo-based Trade Unions did not seek to include

them in their membership, and employers did not allow them to mix with those outside their respective estates. However, conditions are changing and not only are there several Tamil labourers in the Marxist and other Trade Unions, but the major 'Indian' Unions have in their membership several thousand Sinhalese. Again, even the Tamil-speaking people of Sri Lanka did not accept them because they were largely of the depressed classes and of a lower cultural level. The Kandyans, who did not care to work on the estates during the early 'coffee days', ignored them, but economic conditions, increase of population and political consciousness brought about a change in their attitude. **The loss of the franchise was the greatest tragedy that befell them.**

VI. WHAT OF THE FUTURE ?

It does not require much imagination to realise the loss that society sustains by allowing so much potential talent to go to waste or the consequences of having in our midst an uneducated or poorly educated community with a permanent grievance. One does not have to quote either Article 26 of the Charter of Human Rights of the United Nations or the UNESCO Convention on Education, when our own Education Ordinance lays it down that 'No applicant shall be refused admission to any assisted school on account of the religion, nationality, race, caste, social status or language of such applicant or of either of his parents'. (Chapter 185, Section 34). The State could observe the same principle in its own schools.

The intention of the present Government to take over estate schools and integrate them into the national system of education was clearly and un-equivocally stated both in the **Election Manifesto of the United Front** and the **Government's first Throne Speech**. The Government has entered into dialogue with the plantation Trade Unions irrespective of party affiliations. The request was made that all estate schools be taken over and run as feeder schools to Mahavidyalayas. The Plantations Ministry asked the Unions to suggest the names of 100 schools that were centrally situated; the Unions gave the names of 165 schools as the irreducible minimum. No action appeared to have been taken on the suggestion, and it was reported that since the take-over of estates by the Land Reforms Commission several schools had stopped functioning. It is understood that a survey has been conducted since, and Government has announced its intention to take over 52 estate schools in the near future.

VII. SOME SUGGESTIONS.

1. Take over the schools which have adequate buildings, improve the rest and provide the necessary equipment. Employers could be required either to fulfill the conditions laid down by the law with regard to buildings and equipment, or contribute towards the cost.

2. Recruit qualified teachers giving preference to educated youth from the plantations. Those already in service and not adequately qualified may either be given time to qualify or be given alternative employment. Those above a certain age may be retired with compensation.

3. The syllabuses of these schools should be brought in line with those of the rest of the country and with the contemplated educational reforms. The subjects taught should include those that are related to their environment, and should include tea research, labour management and agricultural methods that would enable them to make the maximum use of the land.

4. Establish at least a few Mahavidyalayas in the plantation districts for those who pass out of estate schools. Where this is not possible facilities should be provided to accommodate children from the estates in existing schools; in certain cases estate schools may have to be up-graded.

5. It would also be necessary to work towards stability, ensuring that those who are granted Indian citizenship are enabled to leave without delay or harassment, and those who are accepted as citizens enabled to integrate with the rest of the Ceylonese community as equals. There will also be many who will ultimately return to India, but will in the nature of things and as provided for in the two recent Indo-Ceylon agreements remain in this country for some years; they too will have to be treated with consideration.

6. In all these matters the Churches and other religious bodies, voluntary organisations and study circles will have their part to play. Their primary function will be to be informed, to enter into dialogue both with the Trade Unions and with the Government, and above all to help create the psychological climate for the solution of the problems that have so far defied solution.

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2. 4. PLANTATION SECTOR AND TRADE UNION

SAM PREM KUMAR

The Plantation Sectors' role cannot be isolated from the political role played by various invaders of the Island. In 1505 the Maritime Provinces of Ceylon came under the Portuguese rule, the Dutch and finally the British took over the whole Island in 1815. During Dutch rule Ceylon was governed by the East India Company in Madras, and was regarded as a province of India. The British too continued this pattern, and both Indians and Ceylonese people were regarded as British Subjects until Independence.

British interest was mainly commercial and since the failure of Coffee Plantation they concentrated on Tea, which was making a profit. Upto date Tea is the main source of Income to Sri Lanka.

Tea Labourers from India and their conditions.

A Controller of Indian Immigrant Labour was stationed at Trichinapoli in India by the British. Recruitments were made by a Head Kangany selected from the so called high caste of the area. The Planter paid advances to the Kangany through the controller, at the rate of Rs. 50/- per head. If a person who recruits a certain number inclusive of his family he is known as Sub-Kangany. The Labourers were paid as follows:-

Men:	28 cents to 40 cents
Women	22 „ „ 28 „
Minor:	20 cents and below.

The sub-kangany also a labourer gets 4 cents paid to him on every labourer under him for each working day. and the Head-Kangany also receives 2 cents per head. Their working hours in the fields are from 6 a.m. to 5 p.m. and factory workers from 6 a.m. till the completion of the days work, for same wages. With the exception of very few estates, there was no weekly holidays: except for their annual "Swamy Kumbidu" (worship of God); and Deepavali (death of evil King/giant). Rice issued by Estates 1/4 Bushel per Adult: 1/8 Bushel per minor. The Head Kanganies were suppliers of provisions and Cloth on credit. The recovery of Advance paid to them on recruitment and provisions and cloth supplied (at exhorbitant rate), the Estate paid 1/2

wages to Head Kangany and 1/2 to the labourers. If a person from a family dies, his debt is divided between the living members of the same family.

Labourers submit their grievances to the Management through the Sub-Kangany or Head Kangany. The sub-kangany is a "Task-master" and head kangany a "Dictator". The Labourers were in debt throughout their lives - until "Tundu System" was abolished in 1921. The medical aid was free but no sick leave and Maternity leave was only for 7 days without pay.

Trade Union Action

In 1923 a section of literate employees of the Plantation workers formed an association called "Kelani Valley Indian Association". This association demanded that "Weekly Wages" be paid direct to workers but Mr. Scoble Nickelson the Controller of Indian Immigrant Labour claimed that this association's interest in labourers had "yet to be proved" and that it existed only to promote its President's candidature to a nominated Indian Seat. In 1927 the wages were paid direct to workers and rates were increased. The workers link with India in a migratory nature turned into a permanent resident work force, and the plantation became a fixed place of work rather than a temporary place to earn money and return to India.

In 1931 for the first time in Ceylon, the workers on the plantation sector assumed a role of importance in political matters. In plantation districts the candidates held mass meetings, issued pamphlets and election literature, and whipped up political excitement among the workers. This group of workers who had hitherto been ignored by politicians, found themselves at the centre of political activity, eagerly canvassed by election candidates. In 1931 "All Ceylon Estate Labour Federation" was formed by Mr. Natesa Aiyar.

The Head Kanganies had sufficient finance and power to give their own children education, and their children became leaders of Trade Unions. They robbed ignorant and innocent

illiterate people for their own benefit. As leaders of Trade Unions they denied the workers, the privileges for which they fought for from foreign employers.

After the visit of Mr. Nehru to Ceylon. The Ceylon Indian Congress was formed with the following: Messers. Periya Sunderam, Vythilingam, Thondaman, Motha, Rajalingam and Aziz etc., and from this emerged the Ceylon Workers Congress. The significant features of the Workers Congress was that "Sinhala" estate Labourers were also members of this Union. Power struggle between leaders gave birth to the Democratic Workers Congress. These were non-political Trade Unions which won certain demands and freedoms which are still prevailing, such as maternity leave, Medical leave, holidays, wage increase, overtime, Lunch Interval, regularised working hours etc. Now there are more than 7 unions. This weakens and divides the labour force.

The Unions are not concerned about the main issue, the Citizenship, but are merely attending to the daily routine matters, collection of subscription, appearing in labour Tribunals etc. The Urban workers and leaders too feel that the problems of plantation workers are the problem of the Government.

Everyone's Problem

It is the problem of both urban and plantation workers and especially the Government and all the people of Sri Lanka. The Trade union Bosses should be made to realise that they cannot live on the subscription of Union Members; Political leaders should be asked to solve this problem in a most humanist way. The plantation workers should be made to feel that they are part of this country. Every Ceylonese too should be made to realise that he is living on the blood, sweat and toil of the Indian Plantation Workers. Their demands cannot be won by Trade Unions but can be won by peoples concerted agitation to the Government. If Karl Marx were alive he would have not only given new zest to the word "exploited" but would have also written how to fight against "Trade Union" Bureaucracy.

BACKGROUND PAPER

2. 5. PLANTATION YOUTH AND THE ECONOMY OF SRI LANKA

CEYLON WORKERS CONGRESS

Ceylon now known as 'Sri Lanka' is an Island with a compact land area of 25,332 square miles and a population of 12.7 million which is multi-racial, multi-lingual and multi-religious. The main races are Sinhalese, whose main language is Sinhala, the Ceylon Tamils and the Tamils of Indian origin, speak the Tamil language; the Ceylon Moors and the Moors of Indian origin also speak Tamil, the Burghers (the descendents of Portuguese and Dutch settlers) speak English. Along with these races there are small groups of Malays.

The low country Sinhalese live in the Southern and Western parts of Ceylon. The Kandyan or up-country Sinhalese are mostly concentrated in the Central, North Western, North Central, Sabaragamuwa and Uva Provinces. The majority of Ceylon Tamils live in the Northern and Eastern Provinces while the bulk of the people of Indian origin are found in the Central, Uva and Sabaragamuwa Provinces.

Immigration from India to Ceylon

The people of Indian origin were recruited to Ceylon as indentured labour from India under an agreement between the Governments of India and Ceylon in 1839. One of the conditions of recruitment was a guarantee by the Government of Ceylon of equal rights with the rest of the indigenous population. Several generations of this community have lived in this country and have shown abiding interest in this land.

The peculiar feature of these immigrants from India was that they were forced to live in the plantations away from the rest of the population of Ceylon and as a result they became isolated. From after many generations of living here they have not integrated into the social life of this country for no fault of their own.

When coffee plantations failed owing to widespread leaf fungus, tea took its place. Tea plantations were found to be the most suited to the climate of this country. To clear the jungles and plant tea, required abundant labour which was not available

in the country. This explains the recruitment of labour from India. This labour force had to work under very trying conditions without suitable housing and other facilities for extremely low wages. With the opening of the tea plantations, employment opportunities were created in the opening of roads and railways to the metropolis of Colombo to enable the produce from the tea gardens to be exported to various countries. The export and import trade resulted in the concentration of workers in Colombo. The increase in trade led to the establishment of large exporting and importing firms and managing agencies. Recruitment of immigrant labour continued unabated till 1939, when a complete ban was imposed by the Government of India. The following table will reveal the increase in the immigrant labour in the plantations.

TABLE I

Growth of the Indian Tamil Estate population in Ceylon.

Year	Number
1827	10,000
1847	50,000
1877	146,000
1911	457,765
1921	493,944
1931	692,540
1946	665,853
1961	949,684

Source: Report of the Tea Control Department

The flourishing trade of the plantations led to another class of immigrants in the country as petty traders who set up their business not only in the metropolis but also in various plantation districts. Some of the immigrant workers who were thrifty

with their savings left the plantations and set up small trading shops in the plantation towns.

No one can deny the fact that it is mainly the hard work and sacrifice of these immigrants at almost slave labour rate that made the country prosperous. The revenue derived from the export trade of the plantation industry was the main source for the sustenance of the economy of the country. Yet some people are inclined to forget the contribution made by the workers by their sweat and blood to the prosperity of the country. The following table will speak eloquently of the contribution of plantation labour:-

TABLE II

	Value of Tea Exports		Percentage of Tea To Total Exports
	Rs. (Million)	£	
1938-	172	11.9	65.4
1950-	752	56.4	50.2
1954-	1,123	84.2	65.5
1955-	1,194	89.6	63.9
1956-	1,044	78.3	63.4
1957-	854	70.5	60.0

Source: Report of the Tea Control Department.

With the advent of independence the people who contributed so much to the economy of the country had to face many disabilities politically, socially and even economically. When compared with the status of immigrant workers who went from India to countries like Malaysia, Singapore, Mauritius, British Guyana the conditions of the immigrant workers who came to Ceylon are deplorable. These countries have adopted the immigrant workers as their fulfilled citizens enjoying the same rights and privileges of the indigenous population of the country. The fact that a person was born in the country was considered enough to qualify for citizenship in these countries.

3. STRUCTURE OF THE TEA INDUSTRY

3. 1. SOME ASPECTS OF THE TEA INDUSTRY

(from Grave Aspects of the Tea Industry)

by NALINI JEYAPALAN and A. S. JAYAWARDENA

In this article, we shall examine some features of the structure of the world tea industry, with special reference to the U. K. and its probable impact on the general level of prices. The analysis of the structure of the industry is based largely on data available in the **British Stock Exchange Year Book for 1955**. The **Manual of Tea Producing Companies**, and the **Who's Who (London) of 1965**. The data are summarised at Appendices I and II and illustrated in Chart I.

The Structure of the Tea Industry

A characteristic feature of the British Colonial system of production was the concentration of economic activity in the colonies to agricultural or extractive industries. Generally, these products were shipped to Britain, the metropolitan country, often in the form of raw materials to be processed before marketing. In the case of tea, the raw tea leaf being non-transportable over long distances, manufacture had to take place in the producing country. (From the viewpoint of the producing country, tea thus conferred a greater advance than most other primary products such as rubber, cocoa, etc. which were exported in-near-raw form). This manufactured tea, which was a heterogeneous product (due to difference in "quality") was blended and packeted for retail in the metropolitan country for its domestic (and even export) markets. Being the world's leading tea exporters for nearly a century, Britain thus came to process a **complex of blending, packeting and retail firms which have come to dominate the world's trade in tea.**

The international tea market thus displays a **pyramidal structure**, a relic of the colonial era. The production base is spread over several countries, and on this has been built the London-based firms and agencies controlling production, trade, transport and marketing of Tea. The British interests controlling Ceylon's tea industry thus have substantial interests in the tea industries of other former colonies as well. At the same time these same interests are also engaged in a wide spectrum of commercial and industrial activities serving the tea trade.....

Board Room Connections

The close co-operation of the producer, financier, transport agent, broker, blender and distributor has also been made possible by the device of **inter locking directorates**—(D. H. Robertson writes that the Joint Stock System is fertile in resources for accuring a more or less complete identity of the ownership and control of what nominally and in the eyes of the law are separate companies. Management by a community, he stated, is one method for securing a community of interest and the companies remain completely separate but a small group by the practice of interlocking directorates retains effective control of all of them and works them in harmony. The Control of Industry, Cambridge University Press, 1949, pp. 62 – 65) – (where the same person serves on several Boards of directors) or by the ownership of a majority of stocks in several companies or by both. Either way, a small group of persons appear to have acquired effective control over several companies that operate in the tea market.....

Ramification of Controls.

Thus there appears to have developed an elaborate interlocking mechanism with an agility to control the tea trade formed by agency houses, holding companies and board room associations. The stronghold they have acquired over the tea industry is probably an inevitable outcome of their historical role in the economic development of the colonies. British companies or individuals bought land, cultivated or manufactures tea in Ceylon or elsewhere, arranged for the internal transport and local auctions (whose buyers were mainly representatives of London buyers). They also supplied the requirements of these plantations such as machinery and fertilizer. British ships transported the tea to London or to the London Auctions. The insurance was done by British Insurance firms, blending, packing and distribution are again a British monopoly and a large re-export made in tea has also developed in London.

Given this ramification in the ownership and control of the tea industry, there is a possibility of an **alignment of interest of the financier, the producer, the broker, the transporter, the blender and the distributor**. It is possible however, that the views of the producer and those of the producing countries on important aspects of the industry (such as lowering production costs and seeking out the most profitable market for its products) might diverge.

A possible result in such an eventuality is that the view of those who own and control the trade might prevail over the

national interest of the producing country. For instance, there is considerable evidence that the expatriate producing firms will not obtain supplies from the cheapest source but from Ceylon agents who have "close connections with London Agent directors of Sterling Companies." (N. Ramachandran - Foreign Investments in Ceylon 1889-1958, Central Bank of Ceylon, Colombo, pp. 108 - 111.). The teas are transported to London, South Africa, Australia, New Zealand and the Continent by affiliated shipping companies and at the destination these teas will be stored in warehouses owned by these same companies. It is thus possible that the operation of **this vast vertically integrated super structure might keep the tea industry beyond the control of the producing countries.**

For instance, a temporary restriction of the remittance of dividends abroad to meet a national foreign exchange problem (as was faced by Ceylon) could be nullified by the counter-moves of this vast organization of interlocking interests. The loss of annual share income of owners as a result of such a moratorium on dividend payments could be met by an increase in insurance premia, warehouse rent or freight charges. It could also be possible to retain higher profit margins in retailing tea in the consuming countries, which would not only effect the decline in profits in the producing countries, but also afford a convenient method of circumventing the embargoes on remittances of profits and dividends out of producing countries. The long term loss to a country like Ceylon by such action will be even greater because the present moratorium does not constitute a deprivation of owners income for all time, it being only a temporary stoppage to the flow of income abroad, which will have to be relaxed at a not too distant future.

Control over Marketing

Because of the wide geographical spread of these interests, it is possible that while they relinquish their hold over tea production in Ceylon they might strengthen their interests elsewhere. One can only foresee the danger to the Ceylonese industry from any large scale disinvestment of British capital here and its use to expand the industry in East Africa or India. Having no further interest in the Ceylonese industry there will be every inducement for those controlling the world's trade in tea to promote and foster the African and Indian industries. A mistake often made is to discuss Ceylonisation in terms of the control it gives Ceylonese over tea production in Ceylon, but this will give them even less control over world's trade in tea. Ceylon's principal marketing outlets namely the United Kingdom, U.S.A., Canada, South Africa,

Australia and New Zealand are largely supplied by the vast organisation of **Brooke Bond & Co. Ltd.**, who also have large interests in African and Indian production as well.

Those who argue for Ceylonisation see only the prospects for creating more employment in blending and packeting tea in Ceylon taking over the functions of the agency houses, saving dividend payments, London head office expenses and other overseas commitments. But these calculations for a brighter future have been all based on the restrictive assumption that there are and will be no obstacles in the free marketing of tea. However great the producers need is, to establish direct contact with consumers, it is doubtful whether they can break down the hold proprietary blenders and distributors exercise over world markets. It appears that in the mind of the average consumer, the image of tea is not linked up with Ceylon or India or East Africa, but with names such as "Brooke Bond" "Lyons" or even "Typhoo".

The concentration of buying or selling power in the hands of a few individuals or firms will permit those who wield this power to influence the course of market prices and it would be vain to hope that those who have this power will not use it. Indeed, the control of prices is a characteristic feature of a monopoly or an oligopoly. A monopolist (or an oligopolist) will also have the power to influence what the consumer will buy (in the case of tea the quality of the retail product is not determined by the tea producing country but by the few large blenders and distributors of proprietary blends). **If both prices and the product can be determined by a few large firms then the market ceases to perform its conventional function of influencing the behaviour of buyers or sellers; instead, the behaviour of a few firms directs the market and these firms now decide what to produce, at what prices and for whom.** Thus as Galbraith put it recently, the term "auction prices" and "market prices" have become the **"entrenched folk myths of our times."** (The New Industrial State Control of Prices and People, the 3rd Reith Lecture by John Kenneth Galbraith, The Listener, Dec. 1, 1966, p. 793.). He was of opinion that the American nation's struggle against the imperfection of competition was a losing one. For the tea producing countries such a struggle will be doomed from the start. It appears that to challenge the forces which control the tea markets might entail serious risks for a vulnerable economy as Ceylon's.

Conclusions

Since about 1956, there has been a decline in tea prices in London and other World markets. This downward trend is most noticeable in the case of Ceylon's teas. Again, the prices of the better quality teas that are usually despatched to the London Auctions declined more than the teas sold at the Colombo Auctions. Simple analysis of supply and demand factors fail to explain this phenomenon, even though we may concede the argument that a general over supply of teas in world markets will tend to depress the **general** level of prices.

A factor discussed in our last article, namely the deferentiation of the product and the diminished importance of the quality-end of the market might be a possible explanation of this secular movement of prices. Another factor may lie in imperfections in the structure and organization of the world's tea market. If the world's market is "imperfect" as to vitiate competition among several buyers and several sellers (or producers), the explanation of price-phenomena in terms of simple supply and demand analysis might not provide a complete picture.

Although Tea Auctions are designed to encourage unrestricted competitive bidding, there are strong reasons to believe that they are not as competitive as they are made out to be. At the Colombo Auctions for instance, the increasing load of teas has been tackled only by some minor revisions of the regulations governing sales. Increasing the capacity of the auctions may be a way out of this situation. There also appears to be a heavy concentration of buying power in the hands of a few firms. At London, the position is even worse. Added to this is the domination of the major tea markets by a few well known tea trading firms, which give them considerable power over determination of prices. While the entry of Russia or the withdrawal of Iraq from the Colombo Auctions receives disproportionate publicity (as being the cause of price movements,) no publicity or study has been made about the much greater price-influencing of a few big firms.

The growth of firms such as **James Finlay & Co. Ltd.**, **Brooke Bond & Co. Ltd.**, **Allied Suppliers Ltd.**, and

Twining and Crosfield Co. Ltd., clearly shows their wide ramifications within and without the world tea industry. Their tentacles have often spread from tea production, distribution and sales to finance, insurance, shipping and transport. This close co-operation (or some form of verticle integration) has been achieved also by means of inter-locking directorates, ownership of a majority of stocks in several companies, or by both. It appears that a small group of men such as the Earl of Inchcape, Sir Charles Miles, H. C. Banrerman, and Sir John Muir have acquired a very influential position in the world's trade in tea. While these may be "natural" developments in the normal expansion of business, certain problems may arise where their firms' interests diverge from those of producing countries. One such instance may be the moratorium on the remittance abroad of profits and dividends of tea companies which was imposed by the Ceylon government to meet a national foreign exchange problem in 1964. It is possible for these firms to use their power to depress profits at the local producer's level and recoup the loss by means of higher transport charges and higher profit margins in retailling, wherever they own or control the transport retail firms. Incidentally of the major tea producing countries, Ceylon is the only country which had to impose such a temporary embargo on remittances of dividends and profits. Of these countries, Ceylon is most vulnerable, as she depends for over two-thirds of her foreign exchange earnings on tea.

This concentration of power in the world's tea trade should make the advocates of "Ceylonization" and "nationalization" of the Ceylon Tea Industry cautious. As in the case of all monopolistic or lingopolistic situations, the consumer's preferences are often influenced by these firms. Very often, the majority of the consumer's image of tea is not linked up with lushy tea gardens of Dimbula and Assam (for that matter, even of Ceylon or India) but with well-known proprietary trade names. It is thus possible for these firms to develop rival sources of supply (even now they have extensive interests in other countries) and deal a crippling blow to the Ceylon economy.

Ceylon and other producing countries could yet take limited action to safeguard their national interests if they are challenged,

by establishing certain forms of "countervailing power". Ceylon for instance, might profitably think in terms of

- (a) developing new marketing outlets which would help to modify the influence of those forces controlling the world's trade in tea,
- (b) abolishing the duty on the export of packeted teas, which might promote the sale of pure and better quality Ceylon blends abroad and so help to create the image of Ceylon tea in the mind of the consumer,
- (c) developing Ceylon's instant tea independently and without the "help" or the "co-operation" of the "giants" who control the world's tea trade. As we have mentioned earlier, the future of the tea industry, appears to be linked with the development of instant or "soluble" teas which are more convenient in preparation. It would not be wise therefore to trade away any formulae for instant or "soluble" teas which are more convenient in preparation. It would not be wise therefore to trade away any formulae or soluble teas developed by the Ceylon Tea Research Institute and finally,
- (d) if the two major tea producing countries, India and Ceylon who export about 76.8 per cent of total world exports the joint action to protect their interests, this might constitute a countervailing power to that of the few large firms who now control the tea market.



3. 2 SRI LANKA AND BRITAIN

(with acknowledgements from "State of Tea" by Edith M. Bond)

British involvement

Britain is the largest importer of Sri Lanka tea, importing 28 per cent of Sri Lanka's exports from 1968 to 1972. The average price of Sri Lankan tea has not been maintained in recent years and is expected to continue declining. The main reasons for this are that world demand of tea has not been growing faster than world supply and there has been a rapid expansion of tea production in non-traditional areas such as East Africa. Since the East African situation is under the direct influence of Britain, the warning to Sri Lanka is clear: Sri Lanka should be careful not to offend her major buyer of tea.

British investment, and all people in Britain are intimately involved with Sri Lanka's failing tea industry. A quarter of the tea consumed in Britain over the last five years came from Sri Lanka, involving companies which are household names, such as Brooke Bond, the Co-operative Wholesale Society and Lonrho, which grow and buy Sri Lankan tea. Although **Brooke Bond** grows only one per cent of Sri Lanka's tea, it **exports over a third**. For the year ending June 1972 Brooke Bond Liebig, on all its operations, made a profit of £14.3 which included £228,000 from its Sri Lankan operations. In 1973 Brooke Bond increased its overall profit by an extra **£4 million**.

The Co-operative Wholesale Society, which markets '99' tea made an overall profit of £1.1 million in 1972. Lonrho made an overall profit of over £19 million, but no-one from Britain has visited its Sri Lankan estates for five or six years and the Managing Director, Mr. Roland Rowland, says that no income is received from any of the estates.

Altogether, about 30 per cent of Sri Lanka's tea is grown on estates with British connections. It should be remembered that whilst it is easier to obtain information on the larger companies, it is normally on the estates of the smaller companies that the worst conditions exist.

The Pricing Mechanism

Over the last five years Sri Lanka consumed only nine per cent of her own tea, the remainder being exported. The price of her exported tea is determined in three different ways; at the Colombo weekly auctions, at the London weekly auctions and at private sales (for example in West Europe, USA and Canada). In 1972, 177,315 metric tons of tea were sold at the Colombo auctions and 23,315 metric tons of Sri Lankan Tea were sold at the London auctions.

Auctions are of two types; primary and secondary. Primary auctions are those held in the producing country between the producers and the buyers. The latter are mainly agents of foreign proprietary blenders. Secondary auctions are those held in London between blender and retailer. **Frequently, the identity of the buyer and seller is the same.** This enables the price to be manipulated for the purpose of transferring profits abroad.

A common feature of both Colombo and London auctions is the dominating presence of a very few powerful buyers, even though over 100 buyers are registered at the Colombo auction. A full description is given in "The Dossier" produced in 1972 by Broeder-lijk Delen, Brussels. Twelve buyers handle three quarters of all Sri Lanka's tea. "The handful of powerful buyers are agents of London based Principals who grip-control the whole process of production and marketing." The Dossier states that Brooke Bond Liebig, Lyons, Typhoo and the English and Scottish joint Co-operative Wholesale Society determine the disposal of 85 per cent of the retail market in Britain. A powerful ring of buyers is a serious problem but the situation becomes intolerable for the producer when buyers sell at both ends (i. e. control both producer and consumer markets). For example, **Brooke Bond Liebig** in London is a producer in Sri Lanka and operates in Colombo and other producer markets at Cochin, Calcutta, Bombay and Djakarta, controlling a third of the UK retail market (45 per cent of packeted tea and 27 per cent of tea bags). In 1972, Brooke Bond Ceylon exported 68 million pounds of tea, of which 15.8 million pounds went to Australia where the main buyer was Bushells which Brooke Bond owns.

Britain is heavily involved with the production, marketing and consumption of Sri Lankan tea and must therefore accept its own responsibility for the conditions which estate workers have to endure.

The traditional price mechanism, based on supply and demand, operates freely when the market is competitive. But how free is the market when buyer and seller are the same? To quote from an FAO Ad Hoc Meeting on Tea in May 1965, "In this situation manipulation has free play and the producing country, despite all her efforts to earn foreign exchange for development, is stalled at every point."

It is not surprising that the real price of tea for the producer is declining significantly. Between 1961 and 1972 the average annual auction price per kilo of Sri Lankan tea in London decreased from 50.9 per kilo to 45.5 pence per kilo, and in Colombo increased marginally from Rs. 4.25 per kilo to Rs. 4.39 per kilo. This has benefitted the British, who pay little more for tea now than they did 10 years ago.

Trade or Aid?

Although Britain continues to exploit tea and the tea pickers in Sri Lanka, she recognises that Sri Lanka is a developing country by giving it aid. In 1972 Britain "aided" Sri Lanka to the sum of almost £4 million less loan repayments of £300,000. But aid ties a country to certain conditions and terms which are not always favourable to the country as a social, political or economic unit. The concept Britain helping Sri Lanka with 'aid' becomes an illusion when one realises that the price paid to Sri Lanka for the tea it produces is declining. If Sri Lanka had continued to receive the price paid in 1962 for its tea, then in 1970 alone it would have received an extra £24 million in valuable foreign exchange. Over the period of nine years from 1963 to 1971, the loss of foreign exchange earnings calculated on the same basis of the price received in 1962 was approximately £110 million. If Britain had continued to pay Sri Lanka the same price that it paid in 1962, it would have to pay an extra £38.7 million for its Sri Lankan tea between 1963 and 1971. Figures for British Aid to Sri Lanka are not available for 1963 but between 1964 and 1971 Britain 'aided' Sri Lanka by £24.9 million. Only a fair price for tea will enable Sri Lanka to pay a living wage to its workers and become for the first time partners in development with Britain.

4. MARKETING

4. 1. THE MECHANICS OF MARKETING

from "A Peep Into The Situation That Is Tea In Ceylon"

By G. C. of THE CHRISTIAN WORKERS MOVEMENT OF CEYLON

Traditionally tea has been marketed through weekly auctions and continues to be marketed through this medium. These auctions are held in the producing countries in Colombo, Cochin, Calcutta, Chittagong and Nairobi and also in London.

Colombo auctions are regulated by special local legislation and are supposed to provide conditions of a perfect market. Auctions are held weekly on two consecutive days. On an average 9 million lbs. of tea are put up for sale each week with over 10 million lbs. being put up for sale during the middle of the year, the peak period. In 1969, 387.4 million lbs. of tea were sold at the Colombo auctions. London auctions are also a weekly feature conducted during three consecutive days.

Auctions can be broadly classified into two distinct classes: primary and secondary. Primary auctions are those conducted in the producing countries between producers and buyers, the latter being mostly agents of foreign proprietary blenders. Secondary auctions are those held in London between blender and retailer. It is important to note that at these auctions, especially the primaries, there is often identity of buyer and seller, a very blatant form of collusion to effect price manipulation and to transfer profits abroad.

One feature common to both Colombo and London auctions is that in actual practice there are only a very few and powerful buyers though there are 124 registered buyers at the Colombo auctions which are conducted by the Tea Traders Association. In London the Tea auctions are conducted by the London Tea Brokers Association. In fact it is known that high pressured manipulation has resulted in only two buyers handling one fourth of Ceylon's tea exports, while another ten of them handle half. The remaining one fourth is parcelled out among the rest of the 124 registered buyers. The handful of powerful buyers are agents of London based Principals who grip-control the whole process of production and marketing. It is reported that Brooke Bonds, Lyons, Typhoons and the English and Scottish Joint Co-operative Wholesale Society determine the disposal of 85% of the retail market in London. A powerful ring of buyers is a serious enough problem but the seriousness of the problem becomes aggressive when buyers sell at both ends e. g. Brooke Bonds London as producer in Ceylon operates in Colombo, Cochin, Calcutta, Nairobi and Chittagong and controls 35% of the U. K. retail market.

In 1968 Brooke Bonds, Ceylon exported 68 million lbs. of tea and was the main shipper of tea to Australia where the buyer is Bushells in which Brooke Bonds has shares.

The price mechanism based on supply and demand can operate freely only when the market is truly competitive. But how free is a market where there is identity of buyer and seller? **In this situation manipulation has free play and the producing country albeit all her efforts to earn foreign exchange for developmet is stalled at every point.**

The Agency House which are the outposts of foreign economic domination are responsible for the manipulation that is being effected with impunity and callous disregard for the rights of the producing countries. It is difficult to reconcile the responsibility of Agency Houses for producer interests when they are also involved in advising the overseas purchasing clients, alias Principals, on how to buy tea at the cheapest prices

The interim report 1967 of the Tea Commission appointed by the government of Ceylon makes the following observation "It is difficult to understand how the divergent positions are reconciled...; under the present conditions of the market it is the buyers who determine the level of prices at auctions; and although it is stated that producer interests are carefully conserved, the suspicion that they suffer in the result cannot be altogether dismissed or unjustified."

Mrs. Breckenridge, Ceylon's Commercial Secretary in Washington in a recent Tea Convention noted that, "the concentration of buying in a mere handful of buying and brokerage firms has limited competitive bidding and depressed prices even if there is no actual collusion" "every component of a tea packet on a super market shelf has increased in cost except the tea itself. The unchanging retail prices are possible because the price of tea has been declining steadily."

The American economist, Kenneth Galbraith observes that "Tea auctions are the entrenched folk myth of our times".

A study of Tea prices fetched in Colombo over the period 1957 to 1969 will disclose that prices have followed a steadily declining pattern. (Appendix 9). The average price fetched by Ceylon Tea in 1969 was 48.5d as against 59.37d. in the 1957-1958 prices. At Colombo a similar trend can be seen: the prices are approximately Rs. 1.50 for the period 1957-1958 and Rs. 1.35 for 1969. Appendix 11 which give the prices at Colombo in pence per lb. shows the downward trend.

But this fall in the prices at the Colombo and London auctions with adverse effect on the Ceylon economy has not

benefitted the U. K. housewife. The index of retail price of tea in London stood at 109 in July 1969 with January 1962 taken as the base. During the same period London Auction prices dropped by 13%. It is evident that Brooke Bonds the largest retailer in London has been making a profit of approximately 5d. on each lb of tea sold; whilst during the same period the price paid to the producer at the Colombo auctions dropped by 3rd. on the average. The average retail price for 1 lb. packet of Ceylon tea in London is still 7 shillings.

These statistics show that while the price received in Ceylon is steadily decreasing that:

- i. from Colombo auctions to London auctions there is an average mark up of 15d. per lb of tea in this period 1958 to 1969.
- ii. during this period from the London auctions to the final consumer there is steadily increasing margin of 25d. to 37.5d. on the average, an increase of 50% in 12 years.

But during this same period the average mark up from the Nairobi to the London Auctions was only 3.5d. per lb.

In 1956 a pro socialist government came into power under Mr. Bandaranaike. This situation appeared to threaten Western vested interests in the country. The government in its effort to ensure economic stability had to enforce certain restrictions on the Sterling companies against the transference of profits abroad. This situation was met by the foreign tea interests by depressing prices locally and transferring the profits to London. The country's foreign exchange position suffered. Development plans were adversely affected.

The F. A. O. tried to explain the price decline in Ceylon in another way. In 1960 it said that "an increasing quantity of low quality tea from the post war expansion of East African production was the cause of low prices". It also stated that high quality tea still sold well. Are these statements correct? The steady decline in price of high quality Ceylon tea (which sold well) against the stable prices enjoyed by East African tea is difficult to explain if the conclusion of the FAO were correct.

The FAO also claimed that there was also an over supply of tea in the world. Then there should have been a general price decline of all teas. But how come that only Ceylon teas fetched low prices? If supply and demand were the only forces acting on the tea market, reduced imports of Indian quality teas should have resulted in an increase in the price of Ceylon teas and the prices fetched in the London market by the East African teas should have fallen owing to increase imports

A Community of Vested Interests and Interlocking Directorates:

Evidence placed before the Tea Committee appointed by the Indian Government in 1952 suggested that:

- a. certain restrictive practices existed in the Indian auctions
- b. the sharp drop in tea prices then prevailing in India was engineered by British producer interests in India who were also blenders and retailers in England
- c. any loss by these firms due to reduced prices was made up from retail margin outside India and
- d. There was collusion of interest at London and Calcutta auctions designed to keep prices down by mutual agreement.

The evidence led before this Tea Committee leads us to a Master System. It is a net work of business interests, very efficient and very powerful and capable of disastrous reprisals on developing situations that dare to challenge the monopolistic control it exercises in the world of big business. This system extends beyond the confines of Tea and comprehends within its grasp the whole gamut of commerce, industry, banking, shipping, insurance etc. Illustration 1 depicts the forces at work in the form of a pyramid with the apex in London or in the world of Tea Trade in Mincing Lane.

To explain how this system maintains its grip one has to look back on past events:

- (i) In 1964 the government of Ceylon introduced a moratorium on profits till the country's balance of payment position improved. A few years later the system of Foreign Exchange Entitlement Certificates was proposed and implemented. Both these meant delayed and reduced returns to the foreign investor at home in Ceylon. His reaction is simple. He devised the system of making profits in London by invoking his connections with shipping, banking and other interests. The Agency Houses worked the deal.

Table indicating the Pricing Policy adopted by Agency Houses to circumvent legislation.

Price per lb. of Tea at Colombo Auctions	Free on Board charged to Associated abroad	Retail price of blends of equal cost packed &
1.12	1.72	2.00
1.25	1.89	2.25
1.39	2.03	2.70
1.86	2.63	4.15
2.63	3.50	5.40

Note the Free On Board price charged to associated abroad in spite of blending transporting, warehousing, freight and insurance costs. Besides these associates are given 3 to 6 months credit. Having underpriced at F. O. B. level the Agency Houses run on overdrafts and pay lakhs of rupees (to foreign banks) by way of interest. Note also the prices to the local consumer.

- (ii) When the government of Ceylon increased the export duty of Tea which meant extra cost to the London buyer the effect was offset by increasing the freight on tea shipped to London from Ceylon. This is iniquitous against the fact that shipments of tea to London from neighbouring South Indian Ports are charged less for freight (appendix 2)
- (iii) It is not uncommon to find the local agents placing import orders for items of machinery etc. required by the Tea Trade with associates abroad even though similar articles are obtainable at cheaper rates from other sources or even in the local market. Needless to say that such practices result in a squandering of Ceylon's much needed foreign exchange
- (iv) Before the auction Principal's abroad cable agents in Ceylon fixing prices for different blends of tea. The local agents manipulate the bidding to ensure that prices are kept within these ceilings. This could be normal buying practice; but the situation is maintained without challenge since buyer and seller are the same.
- (v) Lots of tea, mainly high and medium, are very often divided among those who collude to maintain the system after one buyer has bidden and bought up the lots. Small bidders are shut out by offering only large lots for sale by auction.

Most of the powerful firms have branches all over the world and/or have business connections with other companies by purchasing shares in associate or subsidiary firms, it has been possible for British vested interests to build up a controlling network.

5. 1. POOR ASIANS SUBSIDISE BRITISH MILLIONAIRE THE EARL OF INCHCAPE

Sri Lanka is one of the worlds poorest countries. The labourers on the Tea estates here are among the worst treated in the world. Their wages are low – less than Rs. 100/- (\$ 10) for a man per month. The conditions of worker are those of semi-slavery.

Yet the British controllers of the Tea business continue to reap enormous profits. Their profits are from several lines of investment which help each other. There are a few persons in Britain who among themselves control vast financial and economic empires. They are interrelated through various forms of business combinations.

Some of them are the:-

The Earl of Inchcape; D. W. Turner; Sir Frederick Bousue; J. W. Laurie; F. M. Innes; George Mackinlay; Lord Kindersley; John Lindsay; Eric Smith; Sir Gerard Templer; Sir John Muir, Sir Charles Miles; Sir John Burder; J. N. McNeill; H. C. Bannerman; Sir Paul Chambers; J. R. Veruede; R. Mann; R. W. B. Dunlop, and Sir Austin Innes Anderson.

We give some details of the financial interests of the Earl of Inchcape. They help us to understand the type of persons and powers from whom the Sri Lanka Tea industry and labourers have to be liberated...

The *Earl of Inchcape* a powerful personality in the city of London, is, inter alia, the Chairman of *Inchape and Co. Ltd.* a holding company having *Gray Dawes & Co. Ltd.*, *Duncan MacNeil and Co. Ltd.*, *St. Mary Axe Securities Ltd.*, *Bennie and Co., Ltd.*, *Smith Mackenzie & Co. Ltd.*, *Macdonal Hamilton & Co. Ply. Ltd.*, *Gray Mackenzie & Co. Ltd* and *Macneil and Barry and Co. Ltd.* as its principal subsidiaries, This group is engaged as general merchants, shipping agents and financiers.

The Earl was also, the Chairman of the Assam and African Investments Ltd. (In May 1965, he relinquished his appointment as Director and Chairman of the *Assam and African Investments* "owing to the increasing pressure of his other business commitments"), a holding company which owns the entire capital of *Assam and African holdings*, which owns in all 38,372 acres

(partially cultivated with tea) in Assam, India. Recently the company acquired *Northern Dooars Tea Co. Ltd.*

In the Door District of West Bengal, and its other subsidiaries include *Argonaut Investments Co. Ltd.* (Incorporated in Tanzania and controlling two companies of tea estates totalling 12,999 acres). *Greenwood Proprietary Ltd.* (formed to acquire all issued capital of *Greenwood Tea Co., Ltd.* which owns 5,236 acres in Assam, India), *Salonah Tea Co., Ltd.* (which owns tea gardens totalling 5,326 acres and all the capital of *Brae and Chingoor Tea Estates Ltd.*) *Thanai Tea Co. Ltd.* (with 6,341 acres in Assam), *Assam Tea Estates Ltd.*, *Upper Assam Tea Co. Ltd.*, (which owns about 10,000 acres in Assam). In all, this group owns over 77,000 acres in Assam, out of which about 23,705 acres are cultivated with tea.

The Earl of Inchcape is also a Director of *P. & O. Steam Navigation Co.* which operates passenger, cargo and mail service between London, India, Ceylon, Malaya, China, Japan, Phillipines, Australia and West Coasts of North America. The principal shipping lines in the P. & O. group are *Avenue Shipping Co. Ltd.*, *Asiatic Steam Navigation Co. Ltd.*, *Charter Shipping Co. Ltd.*, *Eastern and Australian Steamship Co. Ltd.*, *Federal Steam Co. Ltd.*, *General Steam Navigation Shipping Co. Ltd.*, *Hain Steamship Co. Ltd.*, *James Nourse Ltd.*, *Orient Steam Navigation Co. Ltd.*, *Strick Line Ltd.*, *Trident Tankers Ltd.*, and the *Union Steamship Co. of New Zealand.*

The Earl is also a director of the *National Provincial Bank Ltd.* (Shares directorates with Sir Paul Chambers, Chairman of *Imperial Chemical Industries Ltd.*), *The Chartered Bank Ltd.*, *the Royal Exchange Assurance Co. Ltd.*, and the *Atlas Assurance Co. Ltd.* He is also a Director of *Borneo Co. Ltd.*, a financial trust having the *Haboke Tea Co.*, incorporated in Indonesia as a principal subsidiary. He is also a director of three investment trusts, viz., *Capital and National Trust Ltd.* London, and *Holyrood Trust and London and Provincial Trust Ltd.*

Furthermore in shipping the Earl shares directorates with A. I. Anderson (director of *Westminister Bank*) and D. W. Turner (director *Midland Bank and Assam Trading Holdings*). *Assam Trading Holdings* has a controlling interest in *Namdang Tea Co.* which owns 6,502 acres of tea in *Lakhimpur* district of Assam and a 20 per cent interest in *Makum (Assam) Tea Co.* owning 8,240 acres of tea in Makum, Assam. The Earl also shares directorates with Sir Gerald Templer (in *Royal Exchange Assurance*)

and Mr. George Mackinlay is a director of *Macleod Russel & Co. Ltd.*, which effected the merger of 3 companies, namely *Gingia Tea Co. Ltd.*, *Haleem Tea Co. Ltd.*, and *British Assam Tea Co. Ltd.* In 1965 merger offers were made by MacLeod Russel for the capital of *Bengal United Tea Co.*, *Cacher and Dooars Tea Co.* and *Hunwal Tea Co.* With these mergers, Macleod Russel owns 9,762 acres in Assam and Dooars. Mackinlay is also director of *Bengal United Tea Co.*, *Cacher and Dooars*, *Hunwal Tea Co.*, *Haleem Tea Co.*, *Imperial Tea Co. Ltd.*, and *British Assam Tea Co. Ltd.*

(from "Some Aspects of the Tea Industry" by Nalini Jeyapalan and A. S. Jayawardene.)

The London Observer of 14th August 1974 carried the following advertisement of the profits of Inchcape in 1974 - £ 30,000,000.

*Inchcape profit more than doubled; continuing prosperity
from diverse and world-wide activities*

Extracts from the Statement of the Chairman, The Rt. Hon. The Earl of Inchcape.

Profit before taxation increased from £ 14,923,000 to £ 30,103,000; profit available to ordinary shareholders increased from £ 7,463,000 to £ 13,875,000. The ordinary dividend has to be restricted under the Government's Counter-Inflation order to 9.555 pence gross per share. The dividend is very fully covered by earnings and it is the Director's intention to re-instate normal dividend policy as soon as possible. The substantial increase over the previous year was in the main the result of growth within the Group both in the United Kingdom and overseas.

In the current economic climate it would be unreasonable to expect the Group to achieve the same rate of growth this year as last, but in spite of the world-wide effects of the energy crisis, high rates of interest and fluctuations in commodity markets, the Group continues to prosper from its diverse activities in widely spread areas. Latest information available indicates that the pre-tax results for the current year should be at least as good as those now reported, which would be no mean achievement in present world conditions. The Group is ready to take advantage of fresh opportunities as they arise.

Salient features of year's results

	1974	1973
Profit before Taxation	£ 30,103,000	£ 14,923,000
Profit available to Ordinary shareholders	£ 13,875,000	£ 7,403,000
Earnings per Ordinary share	41.7 pence	23.6 pence
Dividend per Ordinary share	9.555 „	9.1 „
Ordinary Shareholders capital Employed	£ 77,359,000	£ 47,602,000
Return on Ordinary Shareholders Capital Employed	17.9%	15.7%

Where income was earned		Profit by activity	
Chart shows approximately the source of taxed income attributable to Shareholders and Loan Stockholders		The contribution to Group profit before tax and loan stock interest.	
33%	Far East	53%	General Merchants, Agents, Managers & Secretaries
26%	South East Asia	31%	Motor vehicle distribution and assembly
14%	Middle East	7%	Shipping and Lighterage
13%	Africa	4%	Timber and construction industries
11%	United Kingdom Europe & North America	4%	Associated Commissions
1%	Aust. & S. Pacific	1%	Engineering works
2%	Includes 5% for North America		

Inchcape & Co.,
Ltd.
1972 Queen's
Award to
Industry

The Annual General Meeting will be held at 12.15 p.m. on Friday 6th September, 1974 at the Queen's Room, Baltic Exchange Chambers, 14-20 St. Mary Axe, London E. C. 3. Copies of the Annual Report & Accounts are obtainable from the Secretary, I & Co. Ltd. 40 St. Mary Axe. London E. C 3A 8 EU.

From the "Observer", 18th August, 1974, London

It will be noticed that the highest contribution of profits for Inchcape are from Asia; 33% from the Far East, 26% from SE Asia; 14% from the Middle East. The total profits from U. K., Europe, North America, Australia and South Pacific was only 27% of the £30,000,000.

The profits by activities showed that about 1/2 the profits were from being general merchants, agents, managers and secretaries.

In spite of this flow of funds from Asian countries to Britain the hoax that Britain aids Asian countries is still being perpetuated by funding agencies, government bodies and even the Churches. One of the first tasks for the liberation of the Asian countries from British exploitation is the building of clear awareness as to who are the chief enemies of the people. It is a tragedy that while our countries cannot even give essential food to their children, funds should be channeled to subsidize the business magnates of Britain. Unfortunately this had been going on unabated for nearly 200 years.

S.T.B.

(b) **"JAMES FINLAY": GET TO KNOW HIM !**

James Finlay is the head of the FINLAY GROUP which has its headquarters in 22, West Nile Street, Glasgow, a group involved in a variety of business enterprises like Tea and Coffee Growing; Merchant Banking; Lloyds and shipping agencies; Confectionery; Warehousing; Food Broking; Import-Export Agents; Agents and Secretaries; Confirming Houses...nine types of modern trading. There are even unmentioned branches, such as Insurance.

Areas of Operation

The Group operates in all five continents, as is the tentacle-like trend of octopus multinationals: in Great Britain and Ireland; in Kenya, Malawi, Mozambique, Rhodesia, Tanzania,

Uganda, Bangladesh, India, Pakistan, **Sri Lanka**, Canada, U.S.A.; Australia, New Zealand. A sixth continent, if it is accepted as a sixth, has no place in the list - South America - because its Tea is controlled through USA.

James Finlay are secretaries in Baroora (Bangladesh), Borhat (Assam), for the Chubwa Tea Company (Assam), Consolidated Tea and Lands Co. (Bangla Desh and India) and the Noyapara Tea Holdings in Bangladesh. In **Sri Lanka** they are secretaries of the Amalgamated Tea Estates Co. Ltd. The West Nile Holdings Ltd., is subsidiary of James Finlay and Co. Ltd., besides the fact that they have James Finlays as secretaries to the firm, 86.3% of ordinary stock and 77% of preference stock is owned by James Finlay in this Company of the West Nile Holdings.

The Stock Exchange Year Book for 1973, from which the above information is taken, lists 32 Estates companies in *Sri Lanka*.

Associated Tea Estates of Ceylon
Central Province Ceylon Tea Holdings
Doloswella Holdings Ltd.
Highland Tea Company of Ceylon Ltd.
L. K. Industrial Investments Ltd.
Larkfold Holdings Ltd.
Mahawala Holdings Ltd.
Mayfield (Dumbula) Co. Ltd.
Nuwara Eliya Holdings Ltd.
Ragalla Tea Holdings Ltd.
Rajawella Produce Co. Ltd.
Scottish Ceylon Tea Co. Ltd.
Scottish Tea and Lands Co. Ltd.
South Wanarajah Tea Estates Ltd.
Telbedde Ceylon Investments Ltd.
Standard Tea Holdings Ltd.
Tea Corporation Ltd.
Rangalla Consolidated Ltd.
Rosehaugh Tea (Holdings) Ltd.
Ouvah Highfields Ltd.
Pelmadulla Holdings Ltd.
Namunukula Tea Estate Co. Ltd.
Lunuva (Ceylon) Tea and Rubber Estates
Galaha Ceylon Tea Holdings
General Ceylon Holdings
Dimbula Valley Ceylon Tea Holdings
Ceylon and India Planters Holdings
Ceylon Tea Plantations Holdings Ltd.

Bogawantalawa Tea Holdings Ltd.
 Pundulu Oya Holdings Ltd.
 Deltenne Ceylon Tea Estates Ltd.
 Rajawella Produce Holdings Ltd.

Some time around 1860, Tea was first planted in Ceylon (later Sri Lanka) and by 1875 a 1000 acres had been under cultivation. Twenty years later 300,000 acres of tea flourished in the land. If in India in 1860, the average yield was 306 lbs per acre, the world average today (1973) is 870 lbs per acre. Probably about half the tea produced by 10 countries (China, Formosa, Japan, India, Bangladesh, Sri Lanka, Indonesia, Caucasia, Africa and S. America) is exported. *Sri Lanka is currently the biggest exporter with about 450,000,000 lbs of tea per annum and is closely followed by India.*

The phenomenon of Board-Room connections is the device of interlocking directorates. A more or less identity of ownership and control of what nominally looks like separate companies is maintained by the system whereby the same person serves on many boards of directors or by the ownership of a majority of the stocks, or both. It is easy then to see to the needs of all departments such as *chest-making, packing, exporting and insurance* of Exports. British ships transport the tea to London, Insurance companies insure the tea exported to and from London to other parts of the world, and the money remains within the system. The resultant alignment of interests is obvious and more obvious is the fact that it will not be used in the interest of the country of origin of the tea. This is why the Jeyapalan-Jayawardena report says that "*this vast vertically integrated super-structure might keep the tea industry beyond the control of the producing countries*" (Some Aspects of the Tea Industry, p. 28)

Accessories

A list of the needs, *Accessories of the Tea trade* and allied trades would be helpful here, for here again, James Finlays are in charge:

	under James
Plywood tea and rubber chests	Bobbins Ltd. Finlay Co. Ltd.
Decorative and Industrial, Marine Paints:	British
	Paints Ltd.
Pulp for manufacture of Paper:	Finnish
	Cellulose Association

<i>Newsprint:</i>	Finnish Paper Mills Dept. under James Finlay Co. Ltd.	
<i>Printing and Writing Paper:</i>	Finnish Paper Mills Dept. 2	”
<i>Kraft. Greaseproof and sulphite paper:</i>	through London Office	”
<i>Drugs:</i>	Laake Oy	”
<i>Industrial Felts:</i>	Bury and Mason Industries	”
<i>Insecticide and Dusting sulphur:</i>	Strawson Chemical Co. Ltd.	”
<i>Electric cables:</i>	Scottish cables Ltd.	”
<i>Wood preservatives:</i>	Rentokill Laboratories	”
<i>Dredger builders:</i>	Simons-Lobnitz Ltd.	”

“James Finlays have a finger in every pie” – could well be the description of all this interlocking business. Not only do they have the General Import Agencies listed above, but also *Steam Navigation:*

British and Commonwealth Ltd.
 Clan Line Steamers
 Houston Line (London)
 Scottish Shire Line Ltd. London
 Scottish Tanker Co. Ltd.
 King Line Ltd. London
 Union Castle Line Ltd. London
 Arafat Shipping Lines, Djakarta
 Djakarta, Lloyd
 Ellerman's Wilson Line Ltd.
 General Ore International Corporation Ltd.
 Gesuri Lloyd, Djakarta
 Global Chartering and Brokerage Ltd.
 Hellenic Lines Ltd. NY (USA)
 Martran Steamship Co. Ltd. N.Y. (USA)
 Shinwe Kaina Kaisha Ltd. Tokyo (JAPAN)
 Stanhatos and Co. Ltd. (London) GB
 Trihora-Lloyd, Djakarta
 Henry Abram Ltd. (Glasgow)
 Compania Argentina de Transportes (CIAMAR), Buenos Aires.

Insurance

Naturally enough, James Finlay and Co. Ltd. are also in *Insurance.*

They are Marine Claims settling agents for several Companies and this in a vast network of countries.

Holland: Fanoy and Co. Hague, and Rotterdam
Venver-Risico

Egypt: Commercial Insurance Co. Alexandria

Ireland: Insurance Corporation of Dublin

India: Tropical Insurance Co. Ltd. Bombay/Calcutta Insurance
Ltd.

Japan: Koa Fire and Marine Insurance Co. Tokyo

Singapore: Public Insurance Co./Overseas Assurance
Corporation Ltd.

Hongkong: New Jubilee Insurance Co. Ltd.

they do this through W. K. Webster and Co. Ltd. London.

If in the shipping of Tea or in its storage, damage accrues to the Tea or in the matter of personnel there is Insurance policy-formation, Finlay's too have their own companies; and that for Produce, Shipping and Persons. Through American and Australian connections, James Finlay's is well-settled in the multinational enterprises: in Australia, they have the Australian General Insurance of Sydney, the Mercantile Mutual of Sydney, the United Insurance of the same town, the National Fire Insurance of Sydney, while in USA, they have the Aetna Casualty and Surety (Connecticut), the Insurance Company of Philadelphia and the Alliance Insurance of the same town, and the Central Insurance Co. of Baltimore. Their name is legion. (Fergusons, 1970, pp. 684,685)

The king-pin of this entire system of James Finlay's is Sir JOHN MUIR, Chairman of the firm who holds office since 22nd November 1973. In Sri Lanka, Finlay's are agents for Mahawela Holdings (Rubber and Tea), Pelmadulla, Opata Tea and Rubber Co., and Wellandura Tea and Rubber Co. (1973-74, Fergusons). Of all these, Sir John Muir is Director. James Finlay's, through John Muir are secretaries for Amalgamated Tea Estates Co. Ltd., of West Nile Holdings (subsidiary of JF) with 77.2% of preference stock owned by JF. James Finlays are also secretaries of Ceylon and India Planters Holdings Ltd., of which the Directors "must be British subjects resident in the United Kingdom", as the Stock Exchange Book of 1970 indicates (pp. 1017-1040).

Finlays have entered Coffee plantations in a big way. Their entry into coffee planting really took place in 1897 at Valparai, S. India with a total acreage of 440 acres of Arabica coffee. The

present acreage of Robusta coffee is 212 acres, used mainly for instant coffee. Today 936 acres of the more flavoury and higher priced Arabica are found in Valparai.

Not only do the agency houses fling tentacles into far-flung outposts topographically on the globe, but also into variegated products as has been shown above and also into manifold departments such as Insurance, Shipping and the like.

The maximisation of profits earns not only Awards from the British government for the Directors, but also so much technical possibility for advancement. In the process workmen are cared for, but more as a sop to Cerberus and as a salving of conscience: 600 acres of Chemamul tea land in Kenya are earmarked for squatters, but their wages do not get a significant increase despite the news that "over 80% of Changana tea of Kenya went for Export, and that eucalyptus timber used to fire the driers works out at about *half the cost* of oil firing" Finlay's House Magazine, 1973, Winter, pp. 14-15). Someone had said that "*Finlay's have the truth about the British empire in their vaults*" (Finlay's Winter no. 1973, p. 12) and all the Finlay records from the beginning of the firm till today have been microfilmed - an expensive process - by Caledonian Reprographics. The half-million documents are now in the process of being preserved for posterity. Robert Hutchison and Leslie Packer have said: "the essential truth about the empire: that it was such men as Finlay's working conscientiously as planters or dealers, or shippers, or clerks which held the empire together and made it tick" (p. 12 Finlay's 1973)... "*These books helped to record part of Britain's history as well as the firm's business*".

"Profits ploughed back into development" is a way of getting out of tax-schemes and doing anything but developing the country, in which these agency houses operate. Let us take as a last resort, *Finlay's African Highlands Produce Co.* at Kericho, Kenya, East Africa. Finlay's owns 25,000 acres of which 11,000 are devoted to tea. Tea was first brought there from Tiluet nursery in Nov. 1925 with seed from India:

1925: seed from India

1926: 300 acres planted

1930: 3241 with 350 lbs per acre. Total production in lbs.

105,000

1940: 5032 acres: 925 lbs Tot. prod: 4,159,650 lbs.

1950: 5492 acres: 1,050 lbs Tot. prod: 5,766,600 lbs.

1960: 9603 .. 1,163 lbs Tot. prod: 11,168,289 lbs.

1970: 11,110, .. 1,154 lbs Tot. prod: 16,524,035 lbs.

1972: 11,513, .. 1,852 lbs Tot. prod: 20,450,018 lbs.

of made tea

The story of any agency house goes somewhat like the above. Unwittingly, Proteus summed it all up in the *Field*, 12th July 1973, and it was reprinted in the Finlays review of Christmas 1973, on p. 22:

“those ordered bushes in cool valleys under blazing skies, where skilled women of queenly walk pluck the leaves and chatter like parakeets; those men of dizzy prestige, the tea-planters, formidable in their lonely power and capacity for whisky, the last men on the planet to be monarchs of all they survey: the tea clippers; the complex world of Ming Lane where tea merchants reign in dynasties”
and may I add, riding rough shod on the hearts of men and women and on international justice.

Michael P. Rodrigo, OMI

(c) BROOKE BOND LIEBIG LTD.

Brooke Bond Liebig Ltd., is a holding company controlling tea producing and distributing companies in almost every country of the world. They are also meat distributors. Registered in 1892 as Brooke Bond & Co. Ltd. and changed into its present name in 1968. The company at first supplied its blends to the wholesalers, but as its blends acquired a reputation and as the business expanded the company began to supply tea direct to the grocer. Today the company owns about 6 blending and packing factories, 13 branch offices and nearly 200 depots throughout the U. K.; it controls directly or indirectly the share capital of 3 wholesale companies and 3 blending and wholesaling companies. (The Monopolies and Restrictive Practice Commission; Report of Tea. H. M. S. O. London). It also owns the share capital of a company of selling brokers, of several retail distributing companies and a London agency house. It is estimated that about 34 percent of the packeted tea trade of the U. K. today is handled by Brooke Bond.

According to the London Stock Exchange official Year Book 1973/74, the capital history of the company shows fantastic increases. In 1961 capital increased from £ 12,500,000 to £ 12,750,000, in 1963 to £ 15,562,500, in 1965 to £ 17,906,250, in 1967 to 23,500,000, in 1970 to 38,625,000 and to 42,375,000 in 1972. The company has 21 subsidiaries in U. K., most of them dealing with tea and employs 80,000 persons throughout the U. K. (Kompass - Register of British industry and Commerce 1973).

Today the company has built up a world wide network of distributing agencies and firms and has acquired substantial interest and ownership of tea in the producing countries. It owns subsidiaries in Africa, Argentina, Canada, *Sri Lanka*, Europe, India, Pakistan, Paraguay and U. S. A.

In the United States it began as a sales department in Detroit and grew enormously after it bought over the packet tea business of Red Rose and Blue Ribbon. Later in 1966 it purchased the business of Albert Ehlers, distributors of tea, coffee and spices in New York and Eastern USA. In South Africa the company acquired a majority share holding in a coffee firm with branches in Pretoria, Cape Town and Port Elizabeth. In Rhodesia, Brooke Bond and Lyons, another leading British Tea firm, have combined their operations under the name of Lyons-Brooke Bond (Rhodesia) Ltd. In Australia and New Zealand, Brooke Bond Tea is sold through the largest distributor of tea, Bushels (Pty) Ltd.

Besides the distribution of tea, the company owns a high percent if not the entire share capital of a number of tea producing companies in India, Calcutta, Pakistan, *Sri Lanka* and East Africa. In Tanzania the tea land is leased by the Kenya Tea Co., a subsidiary of Brooke Bonds. The business in Africa and India also includes an "instant" coffee plant. In *Sri Lanka* the company owns about 3,000 acres of high grown tea and has direct control over Galaha (Ceylon) Tea estates Ltd., with estates in Nilambe and the adjacent districts. According to the Sri Lanka Custom Returns, Brooke Bond leads in the exporting of Tea with 16.28% of the total exports in 1972, (Harrison & Crossfield comes 2nd. with 9.14%) and in 1973, 16.35% with Liptons 2nd. with 10.24%. The company are agents and secretaries for Downside Estate Co. Ltd. and Tea Estates Ceylon Ltd. and are the selling agents for the following groups - Alpha, Ampititenne, Berubecula, Beverly, Demoderawatte Group, Diyanilakelle, Galaha Ceylon Tea Estates Co. Ltd., Godigamuwa, Gurudeniya, Gallakelle, Hegalla, Lantern Hill Group, "C" Malgolla, Nethimalai, Rathambe, Riverside, St. Therese, Thotakumbura, Upper Balangoda, Ukuwela, Wemulla, Wewawatte, and Wilpita.

This gigantic Tea multinational of world wide fame has today entered into the production of Instant Coffee and Instant Tea. It has joined with "Tencho" a subsidiary of Coca Cola another gigantic multinational to form a "Research Company" called Tencho-Brooke Bond Ltd. in Kenya to study and promote Instant Tea.

B. S.



Some of the Big Names among Sri Lanka's Exporters of Tea

JAN/DEC 1973		JAN/DEC 1972
<i>Name of Firm</i>	<i>Percentage of Total</i>	
Brooke Bonds Ltd.	16.35	16.28
Harrison & Crossfield Ltd.	10.02	9.14
Heath & Co.	4.29	5.10
Lipton	10.24	8.74
Consolidated Exports (Ceylon) Ltd.	7.79	8.79
	48.69	48.05

Note

Four big names are responsible for the major portion of the exports of tea, leaving a small amount 8.79% in 1972 and 7.79% in 1973 for Consolidated Exports (Ceylon) Ltd. which is government sponsored.



6. 1. ACTION GROUPS

In general, bodies outside the tea industry have been involved in the collaboration of this pattern of development. Trade unions of plantation workers too while they have campaigned for the improvement of the conditions of the labourers, have not been seriously engaged in exposing and contesting the overall system of exploitation. The same is true of funding agencies, charitable organisations and religious bodies. There has been a great deal of interest shown in alleviating marginally the conditions of the workers, neglecting often the overall issue which involves exploitation at all levels, beginning with the picking of the tea leaves till it reaches the consumer, as seen in this issue of LOGOS.

Today however there is an emerging consciousness in many countries of the world (e. g. New Zealand, Britain, Holland and Sri Lanka) concerning the basic injustice of this situation and the need of fundamental structural changes to bring about an integral liberation of the workers as well as of the countries involved in the production and distribution of tea.

We give below an example of one such group working in Britain, related to the World Development Movement, centered in London.

SOUTHAMPTON WORLD POVERTY ACTION GROUP

82, Charlton Road, S01 5EW

The Southampton World Poverty Action Group carried out a campaign on Tea at the well known Southampton Fair of 1974. They distributed free, small packets of Sri Lanka tea, together with a handbill explaining to the people the exploitation involved in the production of the cup of Tea that "cheers". We give below the text of the handbill.

How You Are Involved

We drink 70,000 million 'cuppas' a year. Britain is the world's largest importer of tea! Some 25% of our tea comes from Sri Lanka, and a third of all the tea grown there is on

British owned estates. Over 60% of Sri Lanka's export earnings come from tea. She is so dependent because Britain expanded the tea plantations to suit our colonial interests.

Over the last 12 years the world price of tea has remained almost constant. Yet many tea companies which are household names have increased their profits. Last year Brooke Bond made over £ 250,000 on its tea estates in Sri Lanka. Overall profits for other British companies dealing in Sri Lanka were £1.1m for the Co-op and £ 18m for Lorrho.

These companies not only control the growing of tea but also its price in British shops. Better conditions and wages for the tea workers depends on British companies spending some of their profits - and perhaps on you paying *just a little more* for your tea.

What You Should Do

1. Write to Brooke Bond Liebig Ltd., 35 Cannon Street, London, E. C. 4 and the Co-operative Tea Society, 110 Leman Street, London, E. C. 4, deploring the conditions on their tea estates in Sri Lanka and asking what they are doing about it.
2. Write to Rt. Hon. David Ennals, MP, Foreign and Commonwealth Office, London S. W. 1. asking for an enquiry into conditions of workers on British owned tea estates, and for an International Commodity Agreement for tea.
3. Contact your local MP's Mr. James Hill (Test) and Mr. Richard Mitchell (Itchen) and ask them to press for better conditions on the tea estates.

On the reverse of the handbill

ENJOY your cup of TEA
Now count the COST !

- * A Tea-picker's family is paid £3 per week
- * 6% of tea estate workers are unemployed
- * Most workers' families have only one room to live in
- * They have no proper sanitation or water supplies
- * 90% of the children have no school to go to

**GETTING YOUR TEA CHEAPLY MEANS MISERY FOR
A MILLION PEOPLE OF SRI LANKA (CEYLON)**

6. 2. THE CHURCH IN SRI LANKA AND THE LIBERATION OF TEA

TISSA BALASURIYA,

The first thing to note in this connection is that the Christians in Sri Lanka have been historically the closest participants in the foreign exploitation of our lands and of the workers. Consciously or unconsciously we have rendered signal services to this exploiting system.

In the 19th century the development of the Christian mission was according to the *prevalent missiology* of the time. The accent then was on the conversion of others to Catholicism and consolidation of the Catholic group within the ecclesiastical structure of parishes and dioceses. The mission was to implant the Church in the local environment.

The concept of the mission has evolved further today. It emphasises the presence of the missionary and of the Christians in the total society and their participation in the building of the values of the Gospel in it; this is the Kingdom of God on earth. The stress today is not merely on the increase of the numbers of the Catholic community, but rather on the good of the whole human community. His commandment is that we "have love one for another". We have also the benefits of the sociological analysis which have progressed during the past century.

Hence while we appreciate the hard work and dedication of the missionaries, we have also to critically evaluate the impact of their work in the light of history and with the modern tools of analysis. This is not to judge them subjectively as persons but rather to assess objectively their work with its advantages and deficiencies. When we evaluate the impact of their work in our country we see that in many aspects they have not been adequately sensitive to the main issues within the country.

One of the causes of this type of situation is the *missionary policy* which we had adopted in *Asia in general* of appealing to the small oppressed groups in the countries. Faithful to the Gospel, the missionaries went to the depressed small groups, low castes and the handicapped. They were helped to come up in society and sometimes converted to the Catholic faith. Likewise we helped the aged, the handicapped, orphans, and individuals who were in physical and psychological need. This too is in the best tradition of the Christian Gospel. In this the Christian missionaries made a major contribution to the enhancing of the

respect of the human person in our countries. Our work was person to person, in small marginalised groups and among those who belonged to our faith.

But we were not present to the main issues of society of the day. We did not consciously perceive *the marginalization and exploitation of whole peoples*, specially by the foreign powers, the traditional feudal aristocracy and the new upper middle class of local society.

In British times till 1948

Thus in Sri Lanka we are not sensitive to the fact that the British were grabbing our land, specially in the Kandyan areas, as they did in other countries. What took place in Australia and New Zealand where the Whites grabbed the land of "Aborigines", and in North and South America where they almost completely destroyed ancient civilizations, was also done in Ceylon in the last century.

In the maritime provinces the Dutch and Portuguese had earlier captured and undermined the peoples and their cultures. The British continued the process in the hill country after the fall of the Kandyan Kingdom in 1815. It was specially in the period after 1838 that land began to be alienated by the British Government to their companies. This was done on a larger scale in the 1840's. Between 1840 and 1843, 220,000 acres were taken away from the Kandyan people and given to companies. This was one of the causes of the rebellion of 1848. Alienation of land was thereafter slow for about 10 years, but began again on a large scale after 1856. The Kandyan peasantry was thus reduced to a very poor situation when their traditional lands were forcibly taken away and given to the British Companies for tea cultivation. It was also in this period that Indian Labourers were brought to Ceylon almost as slaves under most trying circumstances. The British found it convenient to get cheap labour because it benefitted their commercial and imperial interests. The labourers were kept like cattle on the "lines". It is said that hundreds of thousands died in the process of being transported from South India to the hill country.

This is one example of the rape of our country by the British and what is significant is that *there was hardly any awareness and protest by the church concerning this*. The churches operated under the umbrella of British colonialism. They were concerned with individual person to person service to the natives, but were not concerned with the large scale exploitation of the people of

the country by their fellow Christians, the British. The colonialists regarded the Christian missionaries as their allies in the subjugation of the people to the interests of the foreign rulers. About this the British were quite clear in their minds as their writings indicate. (c. f. T. Wimalananda - Buddhism in Ceylon under the Christian powers, Colombo 1963).

The exploitation of the Kandyan peasants and of the Indian labourers for the building up of the coffee and tea plantations which have benefited Britain for the last 125 years is only one instance of the rape of Asian countries by the Western powers and the tacit collaboration of well motivated, dedicated Christian missionaries in the process. In Sri Lanka our whole economy was being subverted and we were being rendered dependent on the Britishers for most of our needs. Our culture was being suppressed, our mentalities were being undermined.

But very few voices were raised against it. Christopher Bonjean was one of the few who spoke against some of the aspects of this form of colonisation such as the imposition of the English Language, the disintegration of the Sinhala village system and the sufferings of the Indian labour in their being brought to Ceylon.

Our services to the Exploiting system.

We *subverted the exploiting colonial and capitalistic system* with our work and goodwill. Our religion fitted the framework of colonialism, capitalism and western exploitation. Our Christian thinking regarding virtue, obedience to God, humility and separation of religion from politics actually helped us to forget or not pay attention to the main events that were taking place. Our Catechesis, liturgy, pastorals, preaching, publications and way of life did not contest the evils of the exploiting system. We did not make any serious analysis of the economic and political system. On the contrary we operated in liason with the expanding white domination over the other peoples, and of the feudal and capitalist exploitation of the poor. This has become so much part of our mentality that even today it is difficult to raise these issues without in some way being misunderstood by our fellow Christians.

The educational system, which we have developed with care and great sacrifices, substantially helped the colonial exploiting, economic system by providing it with clerical servants, minor administrative officers and estate supervisors. These were persons who acquired competence in the English language and were quite

submissive to their mentors. They were quite loyal to the imperial government. It was only a small but significant leadership that worked for political independence and that too without upsetting the economic system. The values of the educational system were substantially within the capitalistic system. (c.f. my article on University and Society). The educational system, in which the Christian schools were pioneers, not only developed the skills for employment in industry and technology but also in many ways undermined the moral fibre and self reliance of our people. It made them almost ashamed of their language, culture and religion and created a class of brown Englishmen who were haughty towards the natives and submissive towards the foreigners...

Our action for the development of the people, though good at times was and is of a patch work nature that gives some relief to those in need but is not concerned with the fundamental values and issues of society. In the international field there is significant absence of a critique by us of the growing exploitation of the big world powers over our country. Our missionary magazines over the decades only touched on the poverty of the people and their ignorance and laziness without a critique of some of the causes of their exploitation such as by the foreign powers and the feudal upper classes and privileged groups. Our politics, as we have seen, was throughout one of a status quo nature, first pro-colonial, then pro-right wing and upper class and now too, pro status quo. Each time we groused and growled it was for safeguarding the so called democratic rights of a right wing nature. Seldom were we seriously concerned about the rights of masses, for justice and a measure of equality.

We cannot say that we were politically neutral in the past. If not consciously, at least unwittingly, we were benefiting from the exploiting situation. We came with the colonisers. We benefited from their regime. We received their large subsidies no doubt in appreciation for our services to education and the needy. Through these we helped undermine our peoples minds, we subserved the colonial system. We even supplied it with legitimations of a moral and spiritual nature.

In return we were *cushioned within the prevailing system*. Our rights were guaranteed. Our position was high in society. While we also consolidated the Christian community and spread the institutions of the Church including its system of administration, we came to terms with the mammons of colonialism and exploitation....

Due to a Combination of Causes.

How could we have taken such an attitude towards such evils against the poor when we were proclaiming ourselves to be the missionaries of the poor? This is due to a combination of causes. Our concept of mission was concerned mainly with making Catholics. Our attitude towards poverty was regarding its personal aspects but not in its structural and collective implications. Our attitude towards development was not related to an analysis of society and a process of human liberation. On the contrary it was linked to one of human subjugation.

The self praise we showered on ourselves and which we received from others often made us blind to the realities of the situation. The religion we propagated was rather *individualistic*, pietistic and clerical. It had very little of the prophetic, though the missionaries suffered much for the cause of reorganising the Catholic community.

Our theology was not related to the analysis of our society. We did not take the gospel seriously concerning social justice. We were too busy with other works of parish administration, running schools hospitals and orphanages to think of the human rights of the oppressed masses. We were concerned more with the self promotion of the Christian community than the good of all in the country. The church as a whole was subservient to the dominant over lords. Rome, Roman universities, and Western theological schools seemed quite innocent of this exploitation, or they were satisfied that it provided the climate for the expansion of Christianity in the East.

Our Mission Today

Now, however in 1974 the Catholic Church is becoming aware of the need to participate in the peoples struggle for liberation. The Roman Synod of Bishops recently declared that evangelization means work for the complete liberation of man and of peoples. This includes liberation from personal sinfulness embodied in the social, economic and political structures of our societies. Therefore the action for justice and liberation are essential to the mission of the Church. Love of God cannot be built except on the basis of justice and love to man.

We see that the Tea industry is one of the major areas of exploitation in Sri Lanka and of Sri Lanka in the world. Hence we must give serious and urgent attention to the liberation of Tea. 0.5 cts more on a lb of Tea can mean very much more to the workers and the country at large than many of the micro-projects for increasing productivity.

The Church can be an agent of liberation if it takes this task seriously. It can thus make amends for a long period of active collaboration in the process of exploitation and domination. This is all the more incumbent on it in that a sizeable portion of its followers are among the plantation workers and the local elite related to Tea.

This requires an analysis of the situation, as well as the dissemination of information so that the consciences of people both rich and poor may be awakened. This can be done both here and in other countries. The Churches in Sri Lanka can contact the *British Council of Churches*. If the British Council of Churches can be persuaded to take up this matter with the British public, the Tea companies and the British government we can have an influential ally. The British Churches themselves owe it to us and to themselves to participate in this liberative task at least as an act of reparation for past connivance in exploitation. Further they themselves will realize better the meaning of being Christian through such processes. We are aware that the British Council of Churches was recently due to discuss this matter. Similar action can be taken in other countries such as U. S. A., Canada, Australia and New Zealand. In this way the international connection of Christians can have a liberative impact, instead of being as it generally has been an alliance in favour of domination of the weak by the powerful.

While creating awareness we must throw in our lot on the side of justice to the poor and the oppressed - specially the plantation labourers and the Kandyan peasantry. We can support the types of actions mentioned in the introductory article. If the Churches really take up these as priorities they can contribute very substantially to this cause.

In view of the Synod orientation regarding complete liberation of man and peoples we should rethink our total pastoral action including lay apostolate preaching, seminary formation catechesis, liturgy, mass media, education development projects and use of personnel and finance.

The Funding Agencies that operate from Western countries should also consider their role in such liberative action. Often their own concepts of development and of pastoral service are still within the framework of (Western) capitalistic domination of the poor majority by the rich minority. This is more implicit than explicit. It is more misplaced good will than conscious participation in exploitation. Yet very little of the hundreds of millions of dollars spent by the churches in the countries of Africa, Asia and Latin America are yet for the liberation of the oppressed. If the funding agencies do not seriously revise their priorities they will be among the long band of good Christians who have serviced the exploiting system for generations.

It is also important that the church in Sri Lanka communicate to other Churches the importance of such liberative action. For in these matters neutrality is not possible. If we are not helping in liberating we are co-responsible in perpetuating the enslavement of many for the benefit of a few. This is quite contrary to the values of the Kingdom of God and the message of Jesus Christ. Then the Churches will be really working against the interests of man and the core of the gospel message.



NEW MASTERS OF OUR TEA. . . . ?

The Ceylon Observer of February 9th., 1975 announced a big Tea deal in which three sterling companies with Sri Lanka interests have been bought up on the London Stock Exchange by a consortium that includes businessmen from Saudi Arabia, Kuwait and Bahrain. Also in the deal are two investors from Hong Kong. The three companies are: The Pelmadulla Tea and Rubber Co. Ltd., the East India and Ceylon Tea Co. Ltd., and the Mahawale Rubber and Tea Co. Ltd.

We have thus another glaring situation of our economic masters being changed without the government or people of our country being consulted. The price per acre is reported to be £ 13-14 i. e. about Rs. 200-250 per acre which is considered dirt cheap here.

The tragedy is that the Sri Lanka government or people are unable to buy these either because they are not offered to us or we do not have the foreign exchange to pay for them.

The total sale of over 10000 acres is for £ 118,000. But the amount due in dividends to be repatriated is said to be approximately £ 83,000. Therefore the return on the capital is exceptionally high at the very commencement of operations, if the Sri Lanka government permits the repatriation of dividends. It is said that about £ 40,000 of these dividends will be given back to Pelmadulla. *The people of Sri Lanka are paying the Arabs and Chinese to acquire our lands!*

It is interesting that all the three estates are under the management of *James Finlays*.

These sudden changes indicate to us the way in which the wind is blowing. If we are not careful we may soon have more new masters in collaboration with the old ones. The continuation of the management and secretarial services indicates the desire of the new owners to profit from the exploiting system which prevails in the Tea industry.

We urge the government to take steps to prevent such transactions. The Agency Houses dealing with our Tea should be either controlled or taken over by the State. It is desirable that the ownership of the estates be vested in the State or that the State buy shares in the companies and prevent their sale to any new persons other than the Government of Sri Lanka.

In the process the U. K. government gets £ 12,000 as taxes!

Another Sri Lanka journalist reports - note the connection between Gems and Tea. Hongkong is one of Sri Lanka's biggest buyers of gems and the estates that have changed hands are along Sri Lanka's gemming belt.

Logos

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