

STRANGE PLIGHT OF CHINA TEA

Sky-Rocketing Prices for the Indian Variety but the China Leaf Stagnant: Position of the British Consumer

FROM OUR OWN CORRESPONDENT.

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China merchants cannot understand the strange plight of China tea—of all grades and of excellent quality. Nor can we.

Here you have Indian tea prices skyhigh and only falling—so I honestly believe—because of bitter public resentment. It is down by 1½d. a lb. since Christmas and we are told there may be a further drop though in the next breath we are assured that later in the year supplies will run short and then there will be an upward movement of at least 2d. Personally I think the whole business is a ramp on the part of the producing companies the more so as they are rolling in wealth and paying dividends which amount to about—on the average—some 40 per cent. to 50 per cent. I note that a critic in the "Times" takes the dividends of a few chief companies and here they are—40, 35, 60, 35, 40, 65, 40, 40, 45, 50, 60, 40, 30, 30, 45, 40. Not bad even that lot and I have seen some 70 and over.

Low Priced China Tea

And what about China tea? The sale is absolutely stagnant. Nothing is doing. Prices have not risen at all though Indian prices have gone skyhigh in the last 18 months while even Javanese output has moved upward sympathetically. Only China tea never moves. Yet you can now obtain, even taking into account duty and all changes, an excellent self-drinking China tea at ½ or a first-class blended tea at 1/6. On the other hand the corresponding Indian products are 6d. to 8d. above.

Why do not the poor buy the cheaper China tea? I discount to a large extent the assertion—you always hear it—that they do not like China tea. They get little chance of buying it. As the Hon. Secretary of the China Tea Association I realize only too well that the sole hope for the China product lies in a very vigorous campaign, but for such, funds are needed and with a depressed industry they do not materialize. The duty does not bother us—this was reduced last year and though our agitation failed to get it off

altogether, the surviving difference—two-thirds of a penny—is so small that it really does not trouble us. One small firm is, I know, preparing to embark on propaganda but the big houses ought to take the situation into consideration. They will never have a better opportunity.

The Need to Boom

What is wanted is that some well-known house should put on the market a cheap self-drinking China tea and also a first-class blend at the cheapest rates—and boom them. You are not going to expect much from the existing houses. They do not want to push China tea—there are bigger profits elsewhere. If you put up the suggestion to them they will reply that the public do not want them. The public never get a chance. If the brands and blends could be brought home to them then much could be done, but it is not an easy task.

There are plenty of China teas on the market. Just now we have 20½ million lb. of stocks as against about 13½ million this time last year. With such a quantity a great deal could be done not merely to stimulate the China trade but to help the poorer tea drinkers in this country who are complaining—with a good deal of justice—that they cannot pay the prices which are asked for the Indian commodity even of the inferior type. These prices have only come down because the big houses and the companies got scared—it was reported the President of the Board of Trade was going to move and that the Food Commission would be ordered to make an immediate investigation. They assert that the high prices are due to shortage of supplies—rubbish. They are just about the same as usual and there is a belief that the true state of stocks is never made known and that all the figures with which the public is supplied are mere eye-wash.

A Chance to Get In

For the moment there is an agitation—it will die away but later on in the year it will revive. The China Tea trade ought there-

fore to make ready to jump in—and call attention widely and loudly to what it is offering the community. Then things would get a move on