

Prices of Black Tea in New York (In cents per lb)

Country of Origin	Date of Quotation	Fine	Medium
India	July 30, 1951	65	59-64
Ceylon	-do-	67	61-66
Formosa	-do-	45	43-44
Java	-do-	57	54-56
Japan*	Season 1951-52	44	40

* In Shizuoka (F.O.B.)

The re-emergence of China as a producer and exporter of tea will, no doubt, affect Japan's trade in the green tea consuming countries. In fact, Japan has been facing a stiff competition from China in the North and West African markets where China greens are preferred to the Japanese because of their lower price. Nevertheless, at no time in the last ten or eleven years, has the Japanese tea industry been placed in such a favourable position as it is today.

The prospects of world tea production exceeding the demand in the near future, if they materialise, are likely to place India and Ceylon in a predicament since, it is believed, the cost of production in these countries is on the increase and quality is on the decline. If Japan increases her serviceable black tea manufacture at a lower cost, as she has been doing, she will have a better market, provided her supplies are regular and larger. India's position as the largest tea exporter of the world will not, however, be affected to any appreciable extent. Japanese competition will not be acute. Japan is having less than a tenth of India's acreage under tea and her production of tea, even in the peak period, was only about a fourth of the Indian output. Further production of black tea in Japan is not likely to reach such a magnitude as to threaten India's hold in foreign markets. Nevertheless, if India is to maintain her hold on all her traditional markets, she must offer only good quality tea at a reasonable price.

North Borneo

"In British North Borneo there are 350,000 people on an area one-third the size of Britain, but the Colonial Office will not admit Indian and Chinese labour for fear of creating 'another Malaya'. And the Indian Government itself is unwilling to permit indentured emigration, and imposes a ban on emigration to most of the areas that would welcome immigration"—W. Arthur Lewis, A Policy for Colonial Agriculture.

THE Colony of North Borneo, whose Government requested the Government of India recently to permit the emigration of 10,000 Indian families for permanent settlement there, is the least known and least developed of the remaining British territories in South-East Asia, viz., Malaya, Singapore, Sarawak, Brunei and North Borneo. Before the war, the Colony was a British protectorate administered by a Chartered Company. It was only in 1946 that it became a Crown Colony and the UK assumed direct responsibility for its governance. Labour, which formed a part of the Straits Settlements before the war, is now incorporated in the Colony of North Borneo.

The present population of the Colony is estimated at 360,000, of which less than 20 per cent, i.e., about 70,000, are Chinese and the rest mostly native tribes, the most important being the *Dusuns*, who are "prosperous agriculturists. Then, there are the head-hunting *Muruts*, who follow the practice of shifting cultivation, and the sea-faring *Bajaus*. The Chinese form the largest alien race and are engaged in cultivation of small holdings, trade and commerce, skilled occupations and government service. The rest of the population consists of the small, but powerful, European community, a few Indonesians, Malays and Indians. The country is very thinly populated, the highest density being 23 persons to the square mile in the West Coast, where about half the population lives.

No estimate of the present Indian population in North Borneo is available. It was less than 1500 at the census of 1931. The Colony's annual report for 1949 mentioned that "a few Indians, originally employed in the constabulary, have formed small settlements and many of these have become dairy farmers in the vicinity of the principal towns".

Economic Resources

The important primary products of North Borneo are rubber, copra, manila hemp, tobacco, rice, sago and timber. With the exception of rice, the others are exported, rubber

and copra being the largest revenue producers. Coffee, tapioca, maize, groundnuts, bananas, soya bean, sugar cane and various types of fruits and vegetables are also grown for local consumption.

Out of the total area of 19 million acres, the acreage, cleared and cultivated is about 1 ½ per cent. The acreage under rice is about 90,000; under rubber about 125,000; under coconuts about 40,000 and under sago about 14,000.

The total production of rice in 1949-50 season was 35,000 tons, which was sufficient for four-fifths of the population. In the 1950-51 season, however, the yield was only 25,000 tons owing to the late arrival of rains.

The booming world prices for primary products has stimulated production and exports of rubber and copra. Rubber exports increased from 19,500 tons in 1949 to 24,000 tons in 1950 and amounted to about 21,000 tons in 1951. Exports of copra increased from 19,000 tons in 1949 to 31,700 tons in 1950. Production of timber during 1950 amounted to 6,237,558 cubic feet of which 3,750,507 cubic feet were exported.

The principal imports into the Colony are textiles and apparel, provisions, rice, sugar, cigar and cigarettes and vehicles. The total value of exports increased from \$M 38 million in 1949 to \$M 92 million in 1950, and of total imports from \$M 34 million to \$M 46 million. (\$M 1 = 2 sh. 4d. = Re. 1-9-0).

The prosperity since the Korean war has been due to increased revenue from the high prices obtained for rubber. The total government revenue increased from \$M 11 million in 1949 to \$M 16 millions in 1950. Of the latter, \$M 11 million was from customs and \$M 1 million from internal revenue (Income-tax, Company tax, licences, etc.). The revenue surplus of \$M 7 million was utilised for reconstruction and development, in addition to grants-in-aid of \$M 3.8 million from the UK Government (mainly war damage compensation).

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Local industries include the production of coconut and groundnut oil, manufacture of cheroots, salting and drying of fish, timber milling and pottery-making. Most of these industries are still in the development stage and there is scope for considerable expansion and improvement.

The natives are principally engaged in agriculture and although they have shown an increasing interest in wage-earning employment, there is still a great scarcity of labour in the Colony. The total number of labourers employed by employers of 20 or more persons was 19,312 at the end of 1950, compared with 20,503 at the end of 1941. Of these 11,713 are natives, 5,008 Chinese and 1,926 Javanese. In addition, 40,000 to 50,000 natives are engaged in work mostly on their own account and about 14,000 persons are employed by small shopkeepers and tradesmen employing less than 20 persons.

Since there cannot be any large-scale development in the country without a greatly increased population. Government has taken steps to encourage immigration. In 1949, 217 Chinese families from Sarawak entered to work in the hemp and tobacco estates and 160 Cocos islanders immigrated for work in the hemp estates. Two further hatches of immigrants from the Cocos Islands arrived during 1950, making a total of 505. Dyaks from Sarawak and Chinese artisans and semi-skilled workers from Hongkong and Singapore have also arrived in recent years.

Reconstruction and Development

North Borneo suffered considerable physical destruction during the Japanese occupation and the chief towns were practically razed to the ground. Reconstruction has proceeded apace with the help of war damage compensation payments and grants-in-aid under the Colonial Development and Welfare Act. North Borneo had received \$M 3 millions as war damage compensation and \$M 2.7 million as grants-in-aid up to the end of 1950.

The Colombo Plan provided for a programme of expenditure of £5.2 million during 1951-57, out of which £4.3 million would come from external finance. A large part of the plan covers the reconstruction of buildings, ports and harbours, and railway equipment. The Plan also provides for the improvement of agriculture, for better communications, and for some expansion of

social services. Four-fifths of the total expenditure will be "domestic expenditure".

In 1951, the Economic Co-operation Administration granted \$ US 952,000 for the construction of three new wharves—wharf facilities were badly damaged during World War II at Victoria, on the island of Labuan, the focal point of communications between Singapore, Hongkong, Manila, Indonesia and Australia; at Jesselton, the capital and chief outlet for the Colony's rubber exports; and at Sandakan, from which timber and catch are shipped.

The main economic problems for North Borneo are to increase production of rice to attain self-sufficiency and that of other crops, such as hemp and cocoa, to provide alternative sources of revenue to rubber. There are possibilities of damming the Padas river on the west coast and constructing a huge hydro-electric works. This scheme was estimated to cost £40 million in 1949 and has not been included in the six-year plan. This long-term scheme, involving heavy capital investment and considerable immigration of labour, if carried through, would provide cheap power and make possible, a degree of industrialisation.

Indian Immigration

Should the Government of India accept the offer of the North Borneo Government and permit emigration of 10,000 families? The Government of Borneo is understood to have offered complete equality of status for the settlers as British citizens, land for cultivation, opportunities for Government employment and free transport facilities. There is naturally some hesitancy in accepting the offer because of the experience of Indian settlers in South Africa and Ceylon. There can be no question of permitting unskilled labour to emigrate for the purpose of working in estates owned by foreigners. The present unhappy position of Indian labour in Ceylon and Malaya (including questions of citizenship) arises largely from the fact that they were not allowed small landholdings, which they could own and cultivate, in areas they have opened up and developed.

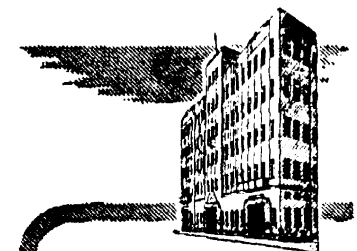
Selective emigration of agricultural families may therefore, be permitted, if they are given compact landholdings and financial assistance to settle in the country. Artisans

and skilled workers for building construction and road making, traders, shopkeepers, etc., may also be allowed to go, if they are given facilities for permanent settlement. Only those Indians who are really interested in settling in Borneo and do not intend coming back to India after making money there should be selected for emigration.

If such assisted emigration is allowed, the Representative of the Government of India at Singapore should be asked to visit the Indian settlements three or four times a year to look after the Indian settlers in the first years of settlement and act as a liaison between the Indian Government and the Government of the Colony. India has vital stakes in developing contacts with South-East Asia and the emigration of 50,000 Indians to North Borneo would provide an opportunity of assisting in the development of a backward area.

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