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The Statesman.

Assam Urged To Restrict Ex-Factory Sale Of Tea

From Our Special Representative

SHILLONG, Sept. 15.—Tea circles in Assam have urged the State authorities to take "appropriate" measures to encourage sale of Assam teas through the Gauhati auction market and to restrict ex-factory sales. The measures were necessary to sustain the growth of the Gauhati market and the socio-economic health of the State.

The Gauhati centre, set up in 1970, showed good progress up to the 1977-78 season but of late, particularly in the last two years, "declining trend was noticed". Apart from the Assam agitation and its impact in the production and transport of teas, the situation was allegedly further aggravated by the West Bengal cess of Rs 6 a kg on all teas produced in that State, but not sold in Calcutta or the Siliguri auction market. However, an exemption of 15% of the total production has

been given on ex-factory sales.

Substantial quantities of teas from the Dooars and the Darjeeling region used to be sold in Gauhati but West Bengal, it is claimed, has virtually stopped all despatches outside the State. The "immediate casualty" is the Gauhati market. Further with ex-factory sales of tea by West Bengal gardens "drastically restricted", most buyers have shifted their area of operation to Assam gardens to make up the deficit in ex-factory sales and maintain the cash flow, thereby reducing the availability of tea for sale at Gauhati.

Trade circles here say that 70% of the teas sold in Calcutta come from Assam, Cachar and Tripura. Assam produced 304 million kg in 1980 of which 60 million kg were sold at Gauhati, the sales include over 10 million kg from the Dooars. Assam tea is subject to an entry tax of 14 paise per kg for teas sold in Calcutta.