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Author(s): Tilottoma Misra

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Assam: A Colonial Hinterland

Tilottoma Misra

This article argues that there has been a systematic exploitation of the rich resources of Assam, before 1947 by the colonial rulers, and since then by the Indian State and Indian capitalists who have continued the colonial tradition. It details some of the features of this exploitation in the extractive industries of oil, tea, jute and forest products.

A common charge levelled against the current movement in Assam on the foreigners' issue is that it is diverting the attention of the masses from the basic problem of economic underdevelopment. The author argues that, on the contrary, the movement has highlighted these fundamental causes of economic underdevelopment. Indeed, a positive outcome of the current agitation, according to the author, is the growing awareness of the colonial pattern of the exploitation of Assam's natural resources among the masses of the Assamese people.

Only a realisation of the colonial pattern of exploitation of Assam's resources can help one to understand the more fundamental causes behind the wide and sustained participation of both rural and urban masses in the current movement in the state.

A POSITIVE outcome of the nine-month old agitation on the foreigners' issue in Assam is the growing awareness among the Assamese people of being subjected to gross economic exploitation on a scale comparable to, and sometimes even worse than in, the pre-independence days. These days a great deal of writing on Assam and the North-East is devoted to the theme of colonial or 'quasi-colonial' exploitation of Assam by foreign imperialists and by the Indian State and the Indian big capitalists. Some of the writings have compared Assam's economic condition to that of the US South in the nineteen-thirties,¹ and to East Pakistan before the creation of Bangladesh.² The general theme of most of articles on the current movement published in newspapers and journals of Assam is that this state, rich in natural resources, has been progressively sucked dry of its wealth. Despite being the country's largest producer of tea, oil, plywood and forest products, Assam is one of the poorest and industrially most backward states of India. India annually earns millions of rupees as foreign exchange from Assam's products, but the per capita income (at current prices) of Assam in 1976-77 was only Rs 816 (one of the lowest in India) as against the per capita National Income of Rs 1,049 for that year. Manufactured goods from the metropolitan centres in other parts of the country are sold in Assam at three to four times their original price. About 23 per cent of the per capita income of Assam is spent in buying consumer goods from outside the state. Even for the smallest consumer articles, such as safety-pins and naphthalene balls, Assam has to look to other states. In a recent survey of this region carried out by the North-Eastern Industrial and Technical Consultancy Organisation

(1976), as many as 28 imported consumer goods were listed as articles that could be manufactured locally without market constraint.³

These are some of the issues that have come up for discussion among various sections of the Assamese people today. A significant feature of the present movement in Assam is that it has gone a long way in disseminating views among the common people of the towns and villages of Assam about the colonial exploitation of the region. Even a semi-literate village woman can be seen discussing oil-royalty rates while she sits on the picket lines with college students and teachers. A brief survey of the colonial character of Assam's economy may, therefore, reveal telling facts that lie at the root of the present mass upheaval in the state.

It is interesting that the nature of most of the major industries of Assam — viz, tea, oil, plywood — is that of 'extractive enterprise' based on the abundant supply of raw material available in the state. In fact, industrially advanced powers invest capital in such enterprises in the colonies so that raw materials can be obtained for their industrialised countries.⁴ There is hardly an industry in Assam that has been created by indigenous capital. Both oil mining and tea plantation were undertaken by British capitalists, and even today a major share of the investment in the Digboi refinery and in the tea plantations of the state represent foreign capital. After independence, surplus capital has been exported to Assam in the form of investment in tea and plywood by the Indian big bourgeoisie which has attained monopoly control over these industries. Without going into the ever controversial discussion centering round the exact nature of the

Indian State and the relationship between the Centre and the states, it is possible to point out some of the characteristics of Assam's economy which fit in exactly with classical definitions of 'colonialism'. For example, E G Wakefield's argument regarding Britain's colonial policy was that "an industrialised State could generate surplus capital which it was unprofitable to invest at home either in agriculture or in industry (because foreign markets did not expand fast enough to absorb its products). This capital would be more profitably employed if it were exported to places where fertile land was in good supply. Provided ample labour was made available by emigration, capital would be now more productive in these new lands and at the same time would expand the market for British manufactures and increase the supply of cheap food-stuffs and industrial raw materials".⁵ Assam, too, has become an ideal market for manufactured goods from industrial parts of India and new industries and jobs have been created in cities outside Assam on the basis of products taken out of the state. It is significant that Gauhati is the only town in Assam which recently has been declared a Class-I town after the shifting of the capital from Shillong to Dispur. But, besides Gauhati, the only other town in Assam that has grown population-wise at a surprising rate in recent years is Tinsukia in upper Assam. Classed as a second category town in the 1971 Census, the population of this town had increased from 28,468 in 1961 to 54,911 in 1971 — a phenomenal rise of 92.89 per cent. The majority of this population, belong to the trading communities such as the Rajasthanis and Punjabis and Biharis who are engaged in small business and in providing labour to the

town's industrial establishments. Tinsukia also has a large concentration of Bengalis holding railway jobs and working as petty traders. Out of over 500 shops in Tinsukia's main shopping centre — the 'daily bazar' — only one or two are owned by local Assamese people.⁶ The increase in Tinsukia's population is an indicator of the condition of the state's economy. Tinsukia is the terminus of the NF Railway and it is the only main town of Assam besides Gauhati which is on the main railway line of the state. So, it is economical for traders outside Assam to send manufactured goods directly to Tinsukia by rail. Tinsukia, therefore, has become the centre for wholesale trade for entire upper Assam. The wholesale market in Tinsukia is controlled entirely by non-Assamese traders who are the agents of North Indian big businessmen, the retail market is in the hands of Marwaris, Biharis and Bengalis. A study of Tinsukia town, therefore, becomes a pointer to the general condition of trade and commerce in the whole of Assam.

It is necessary to study the existing conditions prevailing in some of the major extractive industries of Assam in order to understand how colonial exploitation is thriving in this state more than 30 years after British rule. As early as in 1834, soon after Assam lost her independence in 1826, the British began tea cultivation in Assam. The initial experiment was so successful that the British sought to establish full control and monopoly over this industry by forming the Assam Tea Company in 1840. Special rules, like the Waste Land Grant Rules of 1838, Old Assam Rules of 1854, Fee Simple Rules of 1862, Revised Fee Simple Rules of 1874, and New Lease Rules of 1876, enabled the British planters to own large tracts of the most fertile land of Assam at highly concessional rates. Under the Waste Land Grant Rules of 1838, for instance, one-fourth of the total land acquired for a tea garden could be enjoyed tax-free for life by the owner and even the rest of the land could be tax-free for periods varying from 5 to 20 years depending on the productivity of the soil. Thus, the British planters became the owners of almost seven lakh acres of tax-free land in Assam, while the local Assamese peasants paid two to three rupees per acre as land revenue to the British masters. "With the exception of lands settled for special cultivation under the New Lease Rules of 1876 and under the current special rules, lands granted under the older

sets of rules were either wholly or partly revenue-free. Those under the Fee Simple Rules were fully revenue-free and one-fourth of the area of those under 45 years' Lease Rules, at 99 years' Lease Rules, were revenue-free in perpetuity. The owners of these lands had permanent, heritable and transferrable rights. . ."

Thus, even today, large areas of fertile tea-garden land are owned by British planters under the various concessional rules of the past. Since tea cultivation involved capital expenditure, so certain 'exceptional privileges'⁸ were granted to the cultivators under the Waste Land Rules. But, these privileges were meant primarily for the British planters. Aspiring Assamese planters were discriminated against and discouraged from entering into competition with the British planters. The case of Maniram Dewan⁹ was a typical example of the extent to which the British colonialists could go to prevent native enterprise in the tea business. When Maniram Dewan started the first private tea gardens in Assam, he displayed extraordinary skill, enterprise and business acumen which overshadowed the achievements of the Assam Tea Company formed initially with 10,000 shares of Rs 500 each. What Maniram Dewan achieved in a short span of eight years, depending entirely on personal initiative, on individual capital, and on local Assamese labour aided by a few skilled Chinese hands, took almost 25 years for the British to achieve.¹⁰ This Maniram achieved in the face of severe obstacles put in his way by the British. The land that he acquired for the two tea-gardens at Cinnamora and Safrai was not granted special revenue concessions under the Waste Land Rules. On the other hand, his plantation land was assessed as ordinary rice-land, resulting in Maniram's having to pay very high rates of land revenue. It is evident from this that, during the initial stage of the colonisation of Assam by the British, any competition from the local Assamese gentry in the sphere of tea was strongly discouraged. It is interesting that the main charges, of inciting rebellion against the British government, that were brought against Maniram Dewan were framed on the basis of several letters written to the government by the Assam Company, the Margherita Company, and Nakehari Company. These letters alleged that Maniram and his followers were inciting the whole country against the British and that consequently the 'native contractors' were refusing to work in the

British gardens.¹⁰

After the consolidation of their economic hold over Assam, however, the British in the later part of the nineteenth century and early twentieth century did encourage a few Assamese planters to set up tea gardens on their own. Jagannath Barua (1851-1907) was the pioneer among this group of Assamese planters. But the number of tea gardens owned by these handful of Assamese planters were so few, and the total area of these gardens was such a small fraction of the total area under tea cultivation,¹² that they never could be a threat to British economic interests in this state. On the other hand, in line with the general British policy towards India after 1857¹³ this newly created Assamese bourgeoisie was considered a potential ally of the British administration. Maniram's success as a tea planter despite all obstacles, proves conclusively that it was not dearth of local enterprise and apathy towards business and industry that led to the almost total exclusion of the Assamese from the tea industry. Rather, the crippling conditions set by colonial exploitation of this region through a century and a half have pushed the people of this region far behind those of the rest of India. If the Assamese youth today is discontented at the monopoly by 'outsiders', over lucrative tea jobs, it is not because of a basic inferiority complex borne out of a "lack of local skill and enterprise".¹⁴ The history of the Assam tea industry shows that, even at the time of its inception, the Bengali bourgeoisie from Calcutta were in an advantageous position. They entered the tea business as shareholders with the British colonialists, and enjoyed a share of the profits from the plantations they had never seen. It is on record that three out of the 11 members of the first set of Board of Directors of the Assam Tea Company were from Bengal. They were Dwarkanath Tagore, Motilal Sheel, and Prasanna Kumar Tagore. No wonder the people of Assam came to associate a section of the Bengali middle class with colonial exploitation in the tea industry".

The British made enormous profits from the tea industry in Assam. With a nominal capital investment, they kept the profit margin high by paying abominably low wages to the labourers brought almost as slaves from the poverty-stricken areas of Bihar, Orissa and the Madras presidency. Though initially local Assamese people were employed as labourers, the practice was later dis-

continued, because signs of rebellion and discontentment became evident among the Assamese labourers in those early years of the plantation days and the British could not risk an open conflict with the tribal population of Assam.¹⁵ Immigrant labourers could be exploited and ill-treated without much impact on the surrounding villages. This practice, of discouraging local labour in tea plantations, has been retained to this day. The British planters never invested a farthing in charitable organisations or welfare and developmental activities in the state. As has been pointed out by Homen Borgohain,¹⁶ not even a well was ever dug by the planters in villages surrounding the gardens nor was a rupee ever contributed by them for the establishment of a primary school in the region. Instead, the enormous profits from the Assam gardens enriched Britain and benefited British citizens. Even today, a large share of profits from the Assam gardens flow out freely to Britain and to the newly established British gardens in Africa, some of which have the same names as their Assam counterparts. Even today, the villages around the well-maintained beautiful gardens with their posh bungalows of the colonial days are some of the poorest in the region. Not that the situation is any better in the case of tea gardens owned by the big business groups such as Tatas and Birlas. When the British started selling some of their gardens after 1947, and especially after 1954 when there was a slump in the world tea prices, these gardens were bought over by Indian big capitalists because there were very few Assamese capitalists with such buying power and there was no public sector corporation at that time to buy up the gardens.

Today, out of about 620 tea gardens in the Brahmaputra Valley, only about 158 are owned by Assamese planters. However, most of these gardens are small in size — some as small as 10-20 hectares only — and many do not even have their own factories. Of the remaining gardens, excluding 12 gardens owned by the newly-formed Assam Tea Corporation (a Government of Assam undertaking) and one owned by the Assam Tea Employees' Industrial Co-operative Limited, as many as 248 gardens are owned by the non-Assamese big bourgeoisie. Most of these are large and economically viable. According to the Monopoly Inquiry Commission of 1965, there are 24 factories in Assam

belonging to the top 75 business groups in the private sector and almost all these factories are located in the tea gardens. There are, technically speaking, no foreign companies in the tea business at present after the rupeeisation of the sterling companies. But there are about 175 Agency House gardens in Assam with foreign capital involved and most of these are large concerns whose stated gross profits range from Rs 1 crore to 12 crore. For example, in 1976, the gross profits of the Duncan Agro-Industries Limited were Rs 4.69 crore while that of Tata-Finlay and Macneill-Magor were Rs 12.24 crore and Rs 7.93 crore, respectively.¹⁷

The transfer of ownership of a large number of tea gardens from British to Indian capitalist hands has had little perceptible effect on the economic life of the Assamese people. The only difference, much in evidence today, is that while the British in their own interests employed local hands both in the managerial and clerical posts (particularly in the latter) the Indian big capitalists have started to bring people from other parts of the country to fill up all categories of posts. These people, in most cases, have almost no acquaintance with the planting and processing of tea — their only claim to the tea-jobs happen to be their 'connections'. Today, one rarely comes across an Assamese manager or assistant-manager in gardens owned by Indian capitalists. The Fifth Report of the Employment Review Committee (1976), set up by the Assam Assembly, makes revealing reading:

A comparative study between the gardens under the four different Associations reveals that, so far as the representation of local people in the managerial cadre (including assistant managers) is concerned the position is the worst in respect of the tea gardens under the Tea Association of India, where 82 per cent of posts in the managerial cadre have been held by persons with birthplaces outside Assam. It may be noted that almost all gardens under the membership of TAI are owned by Indians after the take-over of ownership from the European management. One striking point to be noted is that, after change-over to Indian management, almost all the posts in the managerial cadre (including assistant managers) were filled up by persons from outside the state of Assam without any open advertisement or without notifying to employment exchange. (Report of the Employment Review Committee, 1976, p 162.)

It is significant that while the majority of the managerial posts under

the Assam Branch of the Indian Tea Association, the Tea Association of India and the Bharatiya Chah Parishad are held by people from outside the state, in the gardens under the Assam Tea Planters Association (Brahmaputra Valley) nearly 67 per cent of such posts are held by people from within the state. The head office of the ATPA is in Jorhat and this Association was formed in the 1930s on the initiative of some eminent Assamese planters like Nabin Chandra Bordoloi and R K Baruah. The head offices of the ITA, TAI and BCP, however, are all situated outside Assam. In the pattern of employment prevailing in these head offices one may discern the general pattern of employment in the managerial cadre of the gardens affiliated to these Associations. For example, out of the 20 office bearers in the head office of the ITA at Calcutta in 1972-73, 17 were from Calcutta itself and one each from New Delhi, Jalpaiguri and Assam.

The total annual profit from the tea gardens of Assam is several times more than the total annual revenue receipts of the state. The state of Assam is entitled to an agriculture tax imposed on 60 per cent of the profit from the tea gardens, while the Central government is entitled to an income-tax on 40 per cent of the total profit. But there is ample ground to believe that it has become a common practice with both the Indian and the foreign capitalists to conceal the major share of their profits, thus robbing the state government as well as the Centre of their due share of the revenue and taxes.¹⁸ Moreover, though the 756 tea gardens of Assam account for about 55 per cent of the tea produced in India and earn an annual Rs 500 crore as foreign exchange for the country, except for the newly-formed Assam Tea Corporation which is a public sector organisation owning a few sick and unprofitable gardens, the overwhelming majority of the big gardens are under foreign and Indian companies which are controlled from London and Calcutta. Assam did not have a tea-auction centre till a few years ago, and even when the only one it now has was opened at Gauhati the move was opposed by Left leaders such as Jyoti Basu. Even the main office of the Tea Board, which is the highest authority in relation to the tea industry and which besides implementing the Tea Act of 1958 is also responsible for approving grants, loans, and labour-welfare projects, is situated in Calcutta though most of the

gardens it controls are in Assam. Thus the demand for the nationalisation of the tea industry in Assam, the shifting of the head offices of the tea companies to Assam thereby providing jobs for the people of Assam, and the continuing deplorable working condition of the tea labourers, cannot be dismissed as merely 'parochial' demands but must be seen as reactions against the protracted colonial exploitation in the tea sector.

As a fall-out of the current mass movement in Assam, the demand has been raised for the sale of the entire quantity of tea produced in Assam at the Gauhati tea-auction centre, because all these years the state has been losing revenue from sales-tax on its tea since the major portion of the tea is still sold in the Calcutta Auction. The leading buyers of the Gauhati Tea Auction have pointed out that Assam gets only Rs 22 crore for the tea produced in the state whereas West Bengal gets Rs 42 crore as sales tax for the tea from the Assam gardens auctioned in Calcutta.¹⁹ This interesting fact has been brought to the notice of the Lok Sabha by Jyotirmoy Basu of the CPI(M) during the current Lok Sabha session while he was speaking on the Appropriation Bill of the Assam Budget.²⁰ Basu also pointed out in the course of his speech that, for the plywood extracted from the state, Assam gets only Rs 35 lakhs whereas the Central government gets Rs 80 crores.

Assam has an estimated reserve of 70.46 million tonnes of crude oil and 23,000 million cubic metres of natural gas. About 43 lakh tonnes of crude is produced by the oilfields of upper Assam and since this crude has a very high percentage of aromatic content, it is rated high in the world market. According to international price standards, Assam crude should cost at least 1.5 times more than the low grade OPEC crude. But despite possessing such a valuable non-replenishable resource, Assam's economy, unlike that of other oil-rich countries, gets little from its oil. The British established the small private sector refinery at Digboi, which still represents foreign investment. But the Government of India has to date stubbornly resisted all demands for a sufficiently large public sector refinery near the oil-rich areas of upper Assam. The suggestion put forward by Soviet experts, on the basis of extensive surveys, for the establishment of a large-scale refinery at Silghat near Nowgong was rejected outright. There could have been no other reason except vested

political interests for the establishment of the large public sector refinery for Assam crude at Barauni with an annual capacity of more than 30 lakh tonnes. Mass movements protesting against this unfair decision of the Centre were staged in Assam in 1956-57, as a result of which the Centre tried to appease the people by establishing a small refinery at Gauhati with an annual refining capacity of only about 7 lakh tonnes. For more than 12 years after that, the simple-minded Assamese remained euphoric seeing a refinery being constructed at last on Assam soil. But when the deceit of the Centre became evident, another mass movement shook the state in 1969, demanding the setting up of a second public sector refinery in the state. But even this time the new refinery-cum-petrochemical complex fell far short of the size and capacity of the Barauni refinery, its refining capacity being only about 10 lakh tonnes a year. It has also been alleged that the naphtha-cracking unit of this complex has already been transferred to the planned Mathura refinery. Even the site for the conversion of polyester fibre into yarn may be shifted from the Bongai-gaon complex because of alleged delay and apathy of the present Government of Assam in replying to the letter of intent from the Ministry of Petroleum.²¹ Even more intriguing, the kerosene produced in the refineries of Assam is carried by a product pipe-line all the way to Siliguri, where the marketing division of this product of Assam is situated, and it is distributed from there for the consumption of the north-eastern states. There is thus quite often acute shortage of kerosene in the villages and towns surrounding the oil refineries of Assam, even when the refineries are running full swing. Also the sales tax on the kerosene from Assam goes to West Bengal and not to this state.²² Even this perhaps would not have rankled among the Assamese so much, had Assam been given her due share of royalty on the crude produces. This is today Rs 42 per tonne. Recently, the Government of Assam submitted a memorandum to the Centre demanding the revision of oil royalty rates from Rs 42 to Rs 315 per tonne of crude with effect from January 1976. It was argued in the memorandum that, since crude was a non-replenishable commodity, "the proprietors of this natural resource should be adequately compensated". Assam has lost sizeably upto the end of last year (1979) because the Government of India has refused to fix the royalty rates on

Assam crude at 20 per cent of the posted price of equivalent Middle East crude in India. It was further pointed out in the government's memorandum that, even the sales tax that Assam derives from her crude is Rs 54 per tonne, whereas India gets Rs 991 per tonne as sales tax on Assam crude. This well argued proposal of the Assam government, which came in the wake of the current movement in the state, has been rejected outright by the Centre. Although international oil prices are going up every year, Assam's oil royalty will not be increased even by a rupee. It is unfortunate that there is little public opinion in the rest of India against this gross injustice done to Assam even as much concern is shown about the loss to the country due to the oil blockade resorted to by the people of Assam.

The growing importance of natural gas as a source of energy and as raw material for a variety of modern industries does not seem to impress the Central government much. For, over 50 million cubic feet of natural gas is being flared off daily at the different oilfields of Assam for several decades. In 1976, only about 848 million cubic metres of gas was utilised in Assam and most of it went to the Namrup thermal plant. It is intriguing that the Central government should allow the natural gas to be burnt up as waste when its proper utilisation would have turned Assam into one of the richest states regarding power generation, production of various industrial goods like different types of rubber, plastics, nylon and polyester fibres, paints, dyes, lacquer, pesticides and a variety of other chemicals. Due to the almost total non-utilisation of the natural gas and the by-products of the crude refined in Assam, no ancillary industries have been set up in Assam while such industries dependent on the raw material from the Assam oilfields are multiplying at a rapid rate in the metropolitan centres of India.

Another extractive industry is the plywood industry of Assam. For 80 per cent of the produce of the 40 large plywood factories of Assam is transferred by road and rails to depots outside Assam. Not a single sales depot for plywood is situated within Assam though the state produces several lakh cubic metres of plywood. There are 14 sales depots at Ahmedabad, Bangalore, Bombay, Chandigarh, Dhanbad, Gudgaon, Hyderabad, Indore, Jaipur, Jullunder, Madras, Nagpur, New Delhi, and

Benares, for the four plywood factories of Assam owned by the Birla Group. Not a single plywood factory is owned either by the local people or by the state government and, till May 1979, not a single agency for plywood was given to anyone from Assam. Only 15 plywood factories of the state produce tea-chests for the tea gardens of Assam and they produce only 50 per cent of the total requirement of these gardens. Most of plywood factories sell their tea-chests through their agents in Calcutta. Gross discrimination against the local people of Assam is evident even in the case of employment in the plywood factories. Of the highly paid jobs in the managerial category, more than 76 per cent of the recruitment is from outside the state, while more than 42 per cent of the lower category job-holders are also from other parts of the country. Since it is not the general practice with the management of the plywood factories to advertise their posts or keep in touch with the local employment exchanges, so out of the 6,489 employees in the plywood factories of Assam only about 1.1 per cent have been employed through the employment exchange. Thus the local people of Assam have been deprived of their rightful claim to jobs in the plywood factories. Besides, it is alleged that, every year, the plywood factories of Assam deal in a clandestine manner with plywood worth Rs 12 to 15 lakhs. Thus, the rich forest wealth of Assam is diminishing fast to swell the purses of unscrupulous big businessmen from outside the state. How the entire ecological balance of the state is being adversely affected by this indiscriminate felling of trees would be the matter for another study.²³

Besides these three extractive industries — *viz.* tea, oil and plywood — Assam has no other major industry except the public sector fertiliser factory at Namrup. The Namrup plant produced 153.9 thousand tonnes of fertiliser in 1977 — accounting for about 45 per cent of the total output of the Hindustan Fertiliser Corporation. The production of the Namrup plant is expected to increase further with the commissioning of a third plant. As it is, the Namrup unit is the largest in Hindustan Fertiliser Corporation. Yet, the headquarters of the HFC is proposed to be set up in Calcutta, notwithstanding the repeated requests of the Assam Government to locate it within Assam. Similarly, the headquarters of the Hindustan Paper Corporation have been set up in Cal-

cutta in utter disregard of the legitimate claims of Assam that, since three of the four plants of the HPC are located in Assam, the headquarters of the HPC should be located in the state.

Jute textiles is listed as an important industry of Assam in the Economic Survey published by the state government. In 1976-77, 105.3 thousand hectares of land in Assam was under jute cultivation, yielding over 7 lakh bales of jute. Jute production in the state which fell alarmingly from over 11 lakh bales in 1973-74 to 7 lakh bales within just a year did, however, register an increase to over 9 lakh bales in 1978-79. The fall in the area under jute cultivation was partly the result of distress sale of raw jute by farmers in the 1973-74 drought in Assam and partly owing to the arbitrary fixation of raw jute prices by private traders who have monopoly control over the jute business. The Jute Corporation of India and the STATFED procure only about 15 to 20 per cent of the total jute produced in the state. Moreover, even in the price fixation by the JCI, there is no uniformity in prices for the same quality jute produced by Assam and West Bengal. Good quality Assam jute was bought by JCI at Rs 175 per quintal in 1978, while West Bengal jute was bought at Rs 225 per quintal. West Bengal, Assam and Bihar are the only three jute producing states of India producing, together, the highest quantity of jute in the world. But only about 4.2 thousand tonnes of jute textiles are produced in Assam. There were 68 jute mills in operation in 1978 and of these 56 were situated in West Bengal, four in Andhra Pradesh, three in Bihar, three in Uttar Pradesh, one in Madhya Pradesh, and one in Assam. If jute mills can be established in states that do not produce any jute at all, only one jute mill in a state which produces a major share of the country's jute helps to prove the Centre's colonial policy towards Assam.

The industrial backwardness of the state can be gauged to a certain extent by the number of registered factories and the average number of workers employed daily. According to Assam government figures, there were only 1,782 registered factories in Assam in 1977, employing about 82,000 workers daily. Most of these are tea-garden factories. The number of joint stock companies in Assam is even less. While there were 44,000 such companies in the whole of India in 1975-76, in Assam there were only 635 till that year — less than 1.5 per cent of the all-India average. As

regards commercial manufacturing firms, Assam draws an almost complete blank. The enormity of the situation can be understood by leafing through some 300 pages of the Times of India Directory Yearbook (1979) giving the list of the thousands of commercial firms in the country. Only after patient search through the masses of names can about 15 names of commercial firms be spotted in Assam. These are engaged in manufacturing minor products on a small scale. The only firm among these that can be taken note of is the Ashok Paper Mills in Goalpara. There is not a single firm manufacturing polythene bags or plastic containers and other such products made from petroleum wastes. It was in the course of the present movement in Assam that the people of the state became aware that several polythene industries in Bombay were on the verge of being closed down because of the oil blockade in Assam. Nor is there a single silk or art silk mill in Assam with more than 24 power looms — though Assam produced 187,000 kg of raw silk and 89,000 kg of silk yarn in 1976-77. Total production of raw silk in the country in that year was 3,268 thousand kg. Assam is the fifth largest producer of mulberry silk in India and the whole of the North-Eastern Region produces 90 per cent of the raw silk of the *Endi* variety. Moreover, Assam is the sole producer of the coveted golden *Muga* silk in the world. An estimated 53,000 kg of *Muga* raw silk is produced in the state annually. Despite such large production of raw silk, no steps whatsoever have been taken by the government to organise the silk industry on a sound commercial footing. The silk growers of the state are being increasingly exposed to the mercy of traders from other parts of the country who monopolise the business of processing and spinning of raw silk.

According to the Economic Survey (1977-78) published by the Government of Assam, the slow pace of industrial development in the state is "due to lack of requisite economic infrastructure and inherent inhibitions". Although the second reason put forward is obscure, the first is clearly evident from the poor state of banking facilities, transport, communication, power generation and consumption in the state. There were only 354 bank offices in Assam till June 1976, with total bank deposits aggregating just Rs 134 crores. Bank credit was a meagre Rs 64 crores. The Table gives the comparative figures of some states.

TABLE: DISTRIBUTION OF BANK OFFICES, DEPOSITS AND CREDITS

State	Bank Offices Per Lakh of Population	Per Capita Bank Deposit (Rs)	Per Capita Bank Credit (Rs)
Andhra Pradesh	3.8	150	103
Assam	2.0	79	38
Bihar	1.9	112	49
Gujarat	6.1	367	201
Haryana	5.3	202	112
Karnataka	6.5	228	226
Kerala	7.0	203	144
Madhya Pradesh	2.6	94	48
Maharashtra	4.7	576	443
Orissa	2.1	56	30
Punjab	8.3	487	156
Rajasthan	3.5	104	65
Tamil Nadu	5.0	225	268
Uttar Pradesh	2.8	140	66
West Bengal	3.2	370	255

Source: Basic Statistics on Indian Economy, Volume 1, December 1977.

In the field of power generation too, Assam is low down in the all-India list. Although there is a large potential of hydel power in Assam — a state criss-crossed by fast mountain streams and rivers — there is not a single hydro-electric generating plant in Assam at present. There are only two thermal generating plants at Chandrapur (30mw) and Namrup (115 mw) and a few diesel generating stations producing about 15 mw of power. The total generating capacity of all these plants was only 156 mw till 1977 (Source: ASEB). But most of the other Indian states such as Andhra, Gujarat, Kerala, Maharashtra, Tamil Nadu, UP, and West Bengal, have each more than 1,000 mw installed capacity of power generation. A glance at the Energy (thermal and nuclear) map of India shows that there are seven major such power projects for the Northern Region with an additional seven under construction, nine for the Western Region with an additional three under construction, three for the Southern Region, eight for the Eastern Region with an additional nine more under construction. Most of these power projects have a generating capacity of upto 600 mw. But there is only one such project for the entire North-Eastern Region with only 115 mw capacity, while another with a capacity of 120 mw is under construction at Bongaigaon. No wonder the per capita power consumption and the figure for rural electrification of the North-East is the lowest in the entire country.

The sadly inadequate transport facilities in Assam is another cause for the

slow pace of economic development of the state. Even 30 years after independence the whole of the North-East, comprising the states of Assam, Meghalaya, Nagaland, Manipur, Mizoram, Arunachal and Tripura, has only 2,215 km of railway line. Uttar Pradesh alone has 8,706 km, MP has 5,735 km and Gujarat 5,607 km. Some of the North-Eastern states like Mizoram, Manipur, Arunachal and Meghalaya are not linked at all by rail with the rest of India. Nagaland has a bare 9 km of railways. Assam was not linked by broad-gauge railway with the rest of India till recently. A mere 105 km of broad-gauge line were constructed after mass agitations in the state; but after several years of its construction, Gauhati, the only one of the two main towns of Assam on the main railway line, is yet not touched by broad-gauge. The construction work of the broad-gauge line between Gauhati and New Bongaigaon was started in 1976 and was scheduled for completion in 1978-79. But, after the initial allotment of Rs 2 crore only, the project was downgraded and only Rs 1.5 crore were allotted for 1977-78. In the succeeding year's budget, too, only Rs 2.48 crore were allotted when the total requirement for completion of work was at least Rs 30 crore. As a result, little progress has been made on the work till this year and there appears to be little chance of the work being completed in the near future.

The British constructed the existing metre-gauge railway line in Assam in 1881 to facilitate the transportation of tea and troop movements whenever necessary. So, Assam's single main railway line passes through the tea-belt of the state without touching most of the important towns and villages. It is interesting that, even today, important Assam towns like Nowgong, Jorhat, Sib-sagar, and Dibrugarh, are connected only by branch lines and there is no direct rail link between these towns. The railway map of Assam has remained the same since the British days, and the motives which impelled the British to construct the railway in this region appear to be shared by the administrators from Delhi. Passenger comfort naturally comes lowest in the list of priorities of the NF Railway which is primarily devoted to the transportation of Assam's natural resources to industries located outside the state.

The current movement in Assam has not only focused on the deplorable state of rail communication in the North-Eastern Region but has also highlighted

the pattern of employment in the railways and other services, a pattern which seems to have continued since the British days. The British had brought into Assam, during the initial years of their rule, people from outside the state — particularly from Bengal — to man the various services. But even after two decades of independence and the existence of Assam as a separate state, the employment pattern in the railways reveals a strong bias in favour of the 'outsider'. The Sixth Report of the Employment Review Committee, set up by the Assam Assembly, reveals the following:

Till the time of collecting the last phase of data on 21st February, 1976, the NF Railway headquarters at Maligaon had in all 4,474 employees of whom nearly two-thirds (59 per cent) had their birthplaces outside Assam. Of the total number of employees only 1,830 accounting for 41 per cent had their birthplaces in Assam (p 17).

Another fact recorded by the committee is that, among the 2,644 employees of the NF Railway Headquarters at Maligaon with birthplaces outside Assam, the bulk (1,504) are from erstwhile Dacca (now Bangladesh) accounting for 57 per cent, followed by 22 per cent from West Bengal. It has been further recorded that employees with Bengali as mother-tongue predominate all classes of jobs, from Class I to Class IV, accounting for 60 per cent of the total employees. Employees with Assamese as their mother-tongue constituted only 28 per cent.²⁴

This brief survey of the colonial pattern of exploitation of Assam's resources should throw some light on one's understanding of the causes behind the large-scale and sustained participation of both rural and urban masses in the current movement in the state. A common charge being levelled against the Assam movement is that it has been diverting the attention of the masses from the basic problem of economic underdevelopment of the North-Eastern Region. On the contrary, as the movement is becoming a protracted one, Assam's hydra-headed economic problems are drawing greater attention from the conscious section of the Assamese public. While the foreign nationals' issue which is primarily centred around the ownership of land²⁵ is spreading in the rural areas, the urban people have started seeing the problem as one of industrial underdevelopment, a fall-out of the colonial pattern, resulting in poverty and large-scale unemployment.

That Assam is nothing but a colonial hinterland for the industrial centres of India is the theme of most writings and public speeches of the Assamese intelligentsia involved in the movement. This growing consciousness among the Assamese middle class has been further heightened by the provocative and insensitive statements made by the Central leaders and a section of the national Press regarding the Assam movement. There has been an unusually sharp and prompt reaction to all this as conclusive evidence of what is being described as a 'hostile and colonial' attitude of the Indian ruling class towards the North-Eastern Region. Therefore, the problem that is rocking Assam today is more deep-rooted than it appears to the rest of India from a distance.

It is generally admitted today that the movements for self-determination (economic and political) of the oppressed and backward nationalities of India cannot be dismissed as merely parochial and chauvinist outbursts aided and abetted by foreign agencies, that they are the result of certain internal contradictions of the Indian nation. These demands for autonomy and independence are generally characterised by strong reactions against 'outsiders', because for the common people of these exploited regions the 'outsider' very often appears as the most tangible symbol of colonial rule. A lasting solution of the Assam problem, therefore, would require serious re-thinking on the entire question of balanced regional development and a radical re-orientation of the Centre's economic policies towards this region.

Notes

- 1 Sarma, Parameswar: 'A Region of Neglected Potentialities and Unrealised Opportunities', in "Assam and the Assamese Mind", Assam Sahitya Sabha, Jorhat, 1980.
- 2 For examples refer to *Himmat*, April 18, 1980; Nibaren Bora, in *Nagarik* (Assamese) December 15, 22, 29, 1977, reprinted in the same weekly in May 1980. *Nagarik* is edited by Homen Borgohain.
- 3 Sarma, Parameswar: *op cit*, p 102.
- 4 Kautsky, John H: 'An Essay in the Politics of Development', in "Political Change in Underdeveloped Countries", New York, 1963, p 22.
- 5 Fieldhouse, D K: 'Colonialism: Economic Aspect' in "International Encyclopaedia of Social Sciences", Volume 3.
- 6 *Indian Express* (Delhi edition), May 23, 1980.
- 7 Das, J N: "An Introduction to the Land Laws of Assam", Gauhati, 1973, p 6.

- 8 Baden-Powell, B H: "The Land Systems of British India", Volume 3, Delhi, 1974, p 410.
- 9 Maniram Dewan, an astute politician, was a Minister to the Ahom King Purandar Singha. After the British entered Assam in 1826, he became an important adviser to the British and brought to their notice the possibility of the commercial cultivation of tea which was then growing wild in the Singhpho area. When the Assam Tea Company was formed by the British, Maniram Dewan was appointed its adviser in 1839 by virtue of his specialised knowledge of tea. According to Samuel Baildan, "various merchants in Calcutta were discussing the chance of imported Chinese (tea) seed thriving in Assam, when a native from the province present, seeing some tea seeds said, 'We have the plant growing wild in our jungles'. This was Maniram Dewan, the first native next to the then Raja of Assam — a very rich man with plenty of local influence" [Quoted by Benudhar Sarma in "Maniram Dewan" (Assamese), p 97]. Maniram Dewan helped the British Company to establish its first tea-garden in Assam. In 1845, he resigned from the Assam Tea Company and set up two gardens on his own. He was sentenced to death in 1858 by the British for his complicity with the 1857 revolutionaries. After his execution, both his tea-gardens were taken over by the British.
- 10 Sarma, Benudhar: "Maniram Dewan" (Assamese), Gauhati, Second edition, p 110.
- 11 *Ibid*, p 175.
- 12 For example, the total area of the 14 gardens owned by the Assamese planters in the Sibsagar District was about 8,160 acres, while the Assam Tea Company alone had 40,202 acres, Jorhaut Tea Company had 14,654 acres and Singlo Tea Company had 13,828 acres. (*Assam District Gazetteers*, Volume 7, Sibsagar, 1906).
- 13 Metcalf, Thomas R, "The Aftermath of Revolt, India, 1857-1870", OUP, 1965, Chapter 7.
- 14 Gohain, Hiren: *EPW*, March 22, 1980.
- 15 Guha, Amalendu: "Planter Raj to Swaraj", ICHR, 1977, p 15.
- 16 Borgohain, Homen: "*Aupanibeshik Soshanar Biruddhe Asomar Sesh Sangram*" (Assamese), Gauhati, 1980, p 64.
- 17 *Ibid*, p 44.
- 18 *Ibid*, pp 43-47.
- 19 *The Assam Tribune*, Gauhati, June, 16 1980.
- 20 *The Assam Tribune*, Gauhati, June, 15 1980.
- 21 *The Assam Tribune*, Gauhati, May 15, 1980.
- 22 Since the commissioning of the Gauhati-Siliguri products-pipeline, one of the longest such pipelines in the world, West Bengal has earned, till 1979, several crores as levy on the petroleum products of Assam.
- 23 All the facts relating to the plywood industry in Assam are taken from the findings of a Review Committee set up by the Assam Assembly in 1978. This Committee led by Nagen Barua had submitted a detailed report before the Borphora government.
- 24 Report of the Employment Review Committee, Assembly Secretariat, Dispur, 1976, p 23.
- 25 This point has also been dealt with by Gail Omvedt in 'Aspects of the Assamese Problem', *Frontier*, Calcutta, June, 7 1980.

Rise in Drawings on IMF

THE flow of IMF resources to member countries in the first half of 1980 amounted to SDR 6,493.6 million, or virtually as much as was paid out in all of 1979. Nearly two-thirds of this consisted of SDR allocations, but the rise in the use of Fund resources was also evident in gross drawings (excluding drawings in the reserve tranche) from the General Resources Account, which amounted to SDR 1,543.4 million in the first six months of 1980, against total gross drawings of SDR 1,695.7 million for all of 1979. Disbursements in the first half of 1980 include SDR 575.9 million in Trust Fund loans, SDR 41.4 million of gold distributions, SDR 299.7 million distributed to developing countries from profits of gold sales, and SDR allocations of SDR 4,033.2 million. The total flow of Fund resources to member countries in the three and a half years since the beginning, of 1977 amounts to SDR 19,261.8 million.

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