

Naga Nationalism

The World Turn of Conflict



Chandan Kumar

The present book makes an effort to explore and analyse the concept of Naga nationalism in its totality. Naga nationalism is an ideology that supports self-determination by the Naga people, and furtherance of Naga culture. The ethnic conflict in Nagaland, in Northeastern India, is an ongoing conflict, since 1993, fought between the Nagas and the Kukis. The various groups involved in this conflict include, among others, several rebel groups, the "National Socialist Council of Nagaland" aiming for a Christian religious state based on Maoism the "National Socialist Council of Nagaland", aiming to establish an independent "Greater Nagaland", and the "Naga National Council (Adino)". In 1993, violence erupted again between the Nagas and the Kukis ever since Independence Naga insurgency has seized the attention of almost all the political parties and social scientists. A final solution has eluded the decision-makers and there is lack of knowledge and confusion all round.

Contents: *North-East India: A Comprehensive Overview; Ethnicity, Ideology and Religion: Separatist Movements in India's North-East; Naga Resistance Movement and Peace Process; Land Rights, Autonomy and Conflict; Naga Conflict and Integration Movement*

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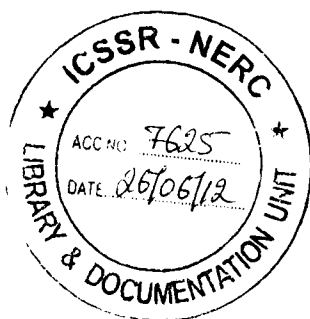
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Contents

<i>Preface</i>	vii
1. North-East India: A Comprehensive Overview	1
2. Ethnicity, Ideology and Religion: Separatist Movements in India's North-East	96
3. Naga Resistance Movement and Peace Process	164
4. Land Rights, Autonomy and Conflict	193
5. Naga Conflict and Integration Movement	215
<i>Bibliography</i>	293
<i>Index</i>	295

1

North-East India: A Comprehensive Overview

GENERAL VIEW OF THE NORTH EASTERN STATES

INTRODUCTION

The Northeastern states of India are situated near the periphery of the South Asian sub-continent. They are also called the frontier land because they lie along the edge of the country. The Northeastern region is culturally and racially diverse from the rest of India. The diversity of culture has been brought about by the intermingling of people from countries like Tibet, China, Bhutan, and Myanmar. There also had been significant religious influences on the Northeastern region from its neighbouring countries.

The existence of numerous passes in the mountains and hills of North-East India provide clear evidence that there existed strong cultural and economic ties between North-East India and the neighbouring countries. The frontiers numerous passes has received people from China and various parts of South East Asia, invasions took place and allowed trade relations to exist. Given its close proximity to Tibet, Bhutan and Myanmar, North-East India historically had close trade links with these regions during the pre-colonial times.

The numerous routes and passes in the mountains and hills facilitated commerce across sub mountain territories as well as helped people move in from southwest China, Laos,

Thailand, Myanmar, Tibet, Bhutan etc. This close proximity made it feasible for trade transactions to take place. A considerable amount of trade was frequently carried out by means of barter for several centuries between the mountainous sub-region comprising Bhutan, Tibet (Autonomous Region of China), Northeastern Hills of India, Assam and Burma.

Trade transactions took place through the multiple trans-Himalayan trade routes. Trade meant a lot to the people because all the basic necessities were met through barter trade by exchanging ones surplus goods with the other. With the advent of the British occupation of Assam and the neighbouring hill areas starting from the early years of the nineteenth century the trade underwent a dramatic change.

Trade in North-East India had undergone changes and marginalization due to changes brought about by powerful colonial and post-colonial geopolitics. The advent of western dominance over sea routes and global trade and more particularly the emergence of British India and their drawing of new international boundaries isolated some areas in North-East India from its neighbours, made a huge impact on the traditional trade route. After the British occupation of Assam and the neighbouring hill areas starting from the early years of the nineteenth century the trade took a new turn.

The British consolidation over Assam and the neighbouring hill areas resulted in major changes in the region's economy. Prior to the British colonialism in North-East India, Assam and the neighbouring hill areas had been a self-sufficient economy with traditional barter trade with its neighbours. However, from the early nineteenth century trade was modernized. Permanent market places were opened and monetary based economy was introduced.

In this thesis the following chapters will examine the cultural and trading relations which linked the people of the Northeastern region and how they were fundamentally altered by the imposition of the British rule in 'Assam', as the main settled state in the Brahmaputra valley became known in British India, and the tribal areas of the North-East Frontier Agency.

The thesis will also examine how British control changed relations between these people by altering the economic structure of the region in ways which disrupted traditional trades structure relations for example, the systems of barter trade between the groups was removed by opening Assam to the forces of economic modernization through the development of the tea plantation industry, coal mining and changes in road, rail and river transport. Colonial rule also redrew borders and lines of communication between the people of the North-East and neighbouring states, breaking longstanding 'international' relations.

In addition the thesis will also study how events such as, the partition of India and Pakistan, which caused redrawing of boundaries and reshaping of lines of communication brought a further, and detrimental, reshaping of economic relations and a range of border and political issues- most importantly the Sino-Indo border war of 1962 and a widespread increase in insurgency both in Assam and the tribal areas, which have made the region a troubled one since independence.

CROSS-BORDER HISTORICAL AND CULTURAL LINKAGES

Geography has always played an important role in the economic, political, social and cultural lives of Northeastern people. North-East India being a frontier region situated near the borders of the Indian sub-continent in the past was linked up with China, Tibet, Bhutan and Myanmar. Through the various land routes people of all kinds ranging from travellers, invaders, traders and adventurers entered the region.

In the long centuries before the advent of British rule in the region, there was a high degree of inter-mingling of various streams of people. Since the Northeastern region geopolitically shares a long frontier with Tibet, Bhutan and Myanmar, this frontier region has experienced considerable population movement from different directions. People came from far away countries like China, Mongolia, Thailand, Laos, Tibet and Burma over a large period of time.

This Northeastern frontier region is often regarded as a colourful corridor between South and South East Asia because it has been receiving various races, languages, cultures and religions from South East Asia and China making the region culturally and racially diverse. Therefore, geographically, the Northeastern region has immense geo-political significance as the four countries of Bhutan, Bangladesh, China and Myanmar bind it.

This is where South East Asia begins or ends, and it constitutes a transition zone where the Indo-Caucasian and Mongoloid racial stocks intermingle. Most of the people of North-East India have their roots outside India and few groups have migrated to the region from different parts of the Indian heartland. For example, most of the tribes and caste of Assam and other Northeastern regions claim their origin to be in South East Asia, particularly Tibet, China and Myanmar.

The Ahoms of Assam, for instance are an offshoot of the Tai people that are called Shan in Burma, Thai in Thailand, Lao in Laos, Dai and Zhuang in China. The first Ahom king Sukhapa, a branch of the Tai race entered into Assam through the Patkoi Hills from the Shan state in Myanmar in 1228 A.D., and established the Ahom kingdom 'Asom' in the south east corner of the present district of Sibsagar.

The Chins from Myanmar have migrated over the past centuries to Manipur and Mizoram and the Maities of Manipur have close cultural and racial ties with the Burmans of Myanmar. Likewise, there has also been similar migration to parts of the region like Nagaland from the Yunnan province of China. The Kachari, a tribal hill people living in Assam, generally believe that they came from eastern Tibet from whence they migrated and occupied a portion of Assam centuries ago. For several centuries people moved in from various parts of South East Asia and China to North-East India at different periods of time.

People settled down permanently in this region and made it their home. Many assume that the human movement between India and Burma through Surma valley in Assam and Patkoi Hills in Nagaland and Manipur started in the remote

past. The route by which the Kshatriya princes arrived in Burma is indicated in the traditions as being through Manipur. This point is further reiterated by Capt. Dun, There can be no reasonable doubt that a great Aryan wave of very pure blood passed through Manipur into Burma in pre-historic times.

he days when the Indian branch of the Aryan race was still in its progressive and colonizing stage, this district (Manipur) was repeatedly passed over by one wave after another of invaders intent on penetrating into the remotest part of Burma. The people came into this part of the Northeastern region whether to escape from the hands of enemies of higher civilization empowering them, seize the ample lands or for whatever reasons that made them migrate from their own territories and make the Northeastern region their permanent homes.

North-East India has a large population of tribal peoples whose cultures resemble the cultures of their neighbours in South East Asia. This is evident from the fact that some of the social customs and cultural traits of the people are quite similar and sometimes even the same when compared with the corresponding cultures of Burma, Thailand, Indonesia and the Philippines. For example, the Balinese Hinduism and art forms are similar to the ones practiced in Manipur. Likewise, the Manipuri dances are also very similar to the Thai and the Indonesian.

The distinctive shawls of the Nagas, Manipuris, and Mizos each colourful strand proclaiming a tribe, a lifestyle and an identity share commonality with communities across borders in Myanmar, Thailand etc. There are a lot of similarities in the costume, and dresses of the people of North-East India with the neighbouring countries of South and South East Asia.

The people of North-East India, both men and women use a lot of costume ornaments as part of their attire. For making ornaments such as necklaces, armband and belts the people use different colours of beads, glass, marine shells, bamboos and metals such as bronze. Glass and cowrie shells are imported from Bengal, while the carnelian beads come from Tibet. There is a lot of similarity in the jewelry designs of the

people of North-East India with neighbouring countries. For example, the copper dangling earrings was similar to those of the Igorots of the Philippines. The beads necklaces and waist belts are strikingly similar to those of the people living in upper Myanmar, Tibet, Laos and Borneo. The Northeastern region besides sharing cultural similarities also exhibits religious affinities.

RELIGIOUS BONDING

Until the beginning of the twentieth century for most of the people of the Northeastern region animism was the religion they followed. According to their animistic belief there are numerous Gods, demons and spirits that inhabit the earth. It is only when the Christian missionaries came to this region that many of them converted to Christianity. But in the intractable hills in the remote areas of Arunachal Pradesh where missionaries did not enter, the religion of the people was left untouched and they continued with their religious faith, which was Buddhism.

Buddhism did not come to North-East India from Bihar, as was the case with Brahmanism, but from across the borders of the country; from Tibet via Arunachal Pradesh and from Burma via Mizoram and then to other parts of North-East India. Buddhism made little impact in Manipur despite its geographical proximity with Burma and frequent contacts between Manipur and Burma.

Whereas, in Assam several noted Buddhist scholars mention that, Buddhism flourished in Kamrup between the eight and the tenth centuries. Buddhism also provided the channel of interaction between the two kingdoms of Kamrup and Tibet. Tawang in Arunachal Pradesh situated near the borders of Bhutan and Tibet shares deep religious and cultural ties with Bhutan and Tibet. Buddhism the principal religion of both Tibet and Bhutan religiously and culturally influences the people.

These places in Arunachal Pradesh situated near Tibet and Bhutan show many religious influences from Bhutan, Burma and Tibet. For the Tibetans, Tawang was a place of religious

importance. In Tawang there was a renowned Buddhist monastery, which had enjoyed long and close associations with the Tibetan monastery of Drepung near Lhasa. Drepung, with Ganden and Sera, constituted the trinity of monasteries held in special reverence by the Tibetans and it was from Drepung that monastic officials were selected for appointment to high religious offices in the monastery of Tawang.

Since the eleventh century the religious cultures of the Buddhist kingdoms of Bhutan, Tibet and Sikkim had influenced the Monpa people of Tawang, as is revealed in their architecture such as fortified monasteries, also called gompas, symbolic reliquaries or chortens; mini walls, built from stacked stones with inscribed prayers, and shrines for prayer and religion. The great monastery in Tawang resembled more closely the Buddhist monasteries of Tibet and Bhutan, and its monastic discipline too was derived from Tibet. Every village has a monastery inhabited by monks and novices.

Moreover the festival calendar has all the Tibetan Buddhist events, such as lossar, which is the Tibetan New year, Chakkar a kind of thanksgiving, when the evil of the previous year is warded off, as well as the festivals of various Buddhist sects. The Khamptis and Singhpos of Arunachal Pradesh practice Southeast Asian Hinayana Buddhism in its Theravada form.

The people are originally Shan people who came to the Lohit districts of Arunachal Pradesh in the eighteenth century from the Irrawady River in Burma. The original teaching of Buddhism is still taught, which is that enlightenment can be attained only through personal effort. Likewise, this Theravada form of Buddhism is still practiced by the Moghs of Tripura and Chakmas living in the Chittagong Hill Tracts of Bangladesh.

The monasteries, religious customs demonstrate the visible impact of Tibetan, Burmese and Buddhist architecture which appears to have penetrated these areas as part of the religious cultural waves. For that reason the religion and the culture clearly show strong bonds with the people of Burma, Tibet, and Bhutan.

REVIEW OF LITERATURE

The study seeks to highlight the cultural and economic ties shared between the Northeastern region and its neighbouring countries of Bhutan, Tibet and Myanmar. The Northeastern region had numerous land and river routes to Burma, Yunnan, Bhutan and Tibet, which ran over the mountain passes and hills through upper Assam, Cachar, Arunachal Pradesh and Manipur. Through the centuries there had been a natural exchange of goods and services between the people of North-East India and countries of South East Asia. As North-East India is situated at the borders of South and South East Asia, there has been in the past migration of people from South East Asia to this region, and their cultural influence was felt throughout the Northeastern India.

A review of the historical literature by R.N. Reid point out, that the numerous land routes facilitated commerce as well as cultural exchanges. Through the numerous passes and land routes it had received people from China and various parts of South East Asia, invasions took place through this passes and allowed trade relations to exist. The region is ethnically and linguistically diverse, home to various ethnic groups.

Here people of different races mingle together, coming from far away countries like China, Mongolia, Thailand, Laos, Tibet and Burma over a large period of time. As the Allchins, Bridget and Raymond point out, this frontier region is often regarded as a colourful corridor between South and South East Asia because it has been receiving various races, languages, cultures and religions from South East Asia and China making the region culturally and racially diverse.

However, the Northeastern trade ties especially during the pre-colonial period were not well known except to a small circle of historians of the ancient and the medieval world. It is among the works of foreign literature and classical sources, such as, *Periplus of the Erythraen sea* (last quarter of the first century A.D.) and *Ptolemy's Geography* (middle of the second century A.D.), a Greek astronomer, mathematician and geographer mentioned that two important trade route existed,

one through the mountain passes between Assam, Burma and Tibet, and the other one was the waterway which passed through the Brahmaputra and the Ganges.

The other historical records from the medieval period are from the days of Hieuntsang a Chinese pilgrim. The earliest reference to the Assam-Burma route is found in *Si-Yu-Ki* the accounts of the Chinese pilgrim Hiuen-tsang, who visited the court of Bhaskavarman in Kamarupa in 640 A.D. He mentioned a major land route connected Pundravardhana (North Bengal) with Kamarupa (Assam), which allowed Hiuen-tsang to travel to India in the seventh century A.D. From Kamarupa the route moved to the direction of south China through Assam and upper Burma.

There is evidence that there was an Assam-Burma route even as late in the early nineteenth century. A review of the historical literature by E.A.Gait, describes that a considerable trade was carried out between the people of Assam and Burma and Assam and Bengal. Gait mentioned that, Rudra Singh (1696-1914), an Ahom is said to have received the submission of all the hill tribes and to have established an extensive trade with Burma. R.B.Pemberton recorded that Manipuri traders in the early nineteenth century had trading relations with the Burmese through Kabow valley and contacted Chinese traders from Yunnan, who took away wax and ivory, in return for their silk.

This route was used as late as the nineteenth century by Assamese merchants, Assamese merchants went to Yunnan in China by the line of trade through the Sadiya, Bisa and across the Patkai range of mountains. H.K.Barpujari, in his book, *The comprehensive History of Assam*, tells the story of Assam from the pre-historic times to the twelfth century A.D. S.K. Bhuyan in his book, *Anglo-Assamese Relations, Early Relations with Assam*, mentioned that there was a trade route between eastern India and China through Upper Burma and Yunnan.

It has rightly been assumed by scholars that North-East India being a frontier region and with favoured geographical conditions in the past was linked up to China, Tibet, Bhutan

and Myanmar through the various land routes. Trade was a very important activity for the Northeastern people because all the basic necessities were fulfilled through barter trade by exchanging one's goods surpluses with the other.

If we review the historical literature, it gives us a useful picture of the barter trade conducted by the neighbouring hill areas with traders coming from Bhutan, Tibet, Myanmar and Bengal. The Assamese and the Arunachalis supplied wild cotton, chillies, ginger, rice, betel leaves, and handicrafts. From Bhutan, Tibet and Myanmar came silver goods, salt, woolen clothes, copper swords etc.

During the colonial rule over Assam and the adjoining areas starting from the early nineteenth century there was a gradual process of change in the trade. The cultural and trading relations which linked the people of the settled states and tribal areas of the northeastern region in the pre-colonial times were fundamentally altered by the imposition of British rule in Assam, and the tribal areas of the North-East Frontier Agency. Colonial rule redrew borders and lines of communication between the people of the North-East and the neighbouring states, breaking longstanding international relations. The drawing of new international boundaries such as the formation of the historical Indo-Burma boundary in 1826, the Indo-Bhutan in 1856, and the Indo-Tibet in 1914 isolated some areas in North-East India from its neighbours. With the partition of the Indian sub-continent in 1947, the fall out of the Sino-Indo border conflict in 1962, and the outbreak of insurgency in the Northeastern region, trade ties were severed with the neighbouring countries and caused the geo-political isolation of North-East India.

If we review the historical literature of David Ludden, partition cut old routes of communication and mobility across new national borders more dramatically than almost anywhere in the world. Most parts of North-East India had been economically integrated through barter trade with the neighbouring countries like Burma, Bhutan, Tibet and Bengal.

However, the creation of new international borders not only disrupted the trading networks but it deprived the people

of their livelihood. Despite the major impact of partition, Sino-Indo border issues and insurgency in the regions trade and culture. It is very surprising it has not attracted the attention of scholars.

There has been very little historical analysis on the economic and cultural ties which the Northeastern region shares with its neighbours. Being a frontier region situated near the fringes of China, Bhutan and Myanmar, the Northeastern region was never isolated; rather it was influenced in the culture and economy by its neighbouring countries. The existence of land, water routes and geographical contiguity has bound this region to centuries of cultural and economic exchange such as, Bhutan, Tibet (Autonomous region of China) and Myanmar.

Despite the close economic and cultural linkages between Northeastern region and its neighbours, there is no historical analyses on the trade ties which Northeastern region shares with its neighbours. This study seeks to make an attempt to fill this gap in the historical literature. It starts with examining the impact of the British occupation of Assam and neighbouring hill areas starting from the early years of the nineteenth century on the cultural and economic relations with the neighbouring peoples.

It looks at reasons, which prompted the British to annex this remote part of eastern India. Further it looks at the impact of partition of India in 1947 and redrawing of boundaries that accompanied it on the Northeastern region. Finally, it examines how wider political issues especially the Sino-Indian conflict of 1962 and a widespread increase of insurgency in Assam and the tribal areas impacted on trade ties between this region and its neighbours.

THE FORMATION OF THE SEVEN SISTER STATES

The North-East of India lies along the eastern most part of India and home to the Seven Sister States, which comprise Assam, Nagaland, Meghalaya, Manipur, Tripura, Arunachal Pradesh and Mizoram. Together the states form a triangle, which is called India's north-East, or the Seven Sister States.

(See Map 1) The region is surrounded by Tibet and Bhutan on the north, China on the north-East and Burma on the south. Out of India's land borders of about 17,700 km, North-East India shares approximately 5200km with neighbouring China, Bhutan, Myanmar and Bangladesh.

It is connected with the mainland by a narrow corridor of foot hill land of 32 km width called the Siliguri corridor through the northern part of West Bengal. While, the rest of India has direct access to natural harbours and other cities of India for contact and trade, the North-East is virtually sandwiched and landlocked by Bhutan, China, Myanmar and Bangladesh.

Such terrestrial location alienates the region from the rest of India, causing a feeling of isolation and separatism. This tendency is further accentuated by poor levels of transport and communication in this region. Physiographically, the Northeastern region comprises of hill, mountains, plains and plateaus. The region is a great mountainous tract of thirty thousand square miles, consisting of hills as well as plains.

The Northeastern region geographically characterized by the valley of Brahmaputra, Barak, and Manipur, the plateau of Meghalaya, and Karbi plateau, hills of Patkai, Mizo, Khasi, Garo and Jantia Hills, and mountains of the greater Himalayan range. It could be said that North-East India has almost every climatic zone on earth, except desert terrain. From the Himalayan peaks in the western Kameng district of Arunachal Pradesh, to the humid plains of Assam and Tripura, the North-East is a combination of remarkable geography and diversity of human life.

It is inhabited by numerous tribes and home to 200 of the 430 tribal groups living in India. The tribes are diverse and distinct in language, race and culture from the mainland. Each tribe has its own dialects, customs and traditions. Being situated at the eastern most part of India, it is at the border point of South and Southeast Asia and also at the cross roads of two different cultures. This chapter will examine how the Seven Sister States of North-East India came into existence from 1826, to the present. This will help in understanding how

the territorial changes and drawing of new boundary lines starting from 1826 transformed the North Eastern Region from a frontier tract of land into North Eastern Frontier of Bengal to North Eastern Frontier province of Assam and finally to the formation of the North Eastern Region of India.

The chapter will also look at the several administrative changes the region has undergone during the British rule. It has been asserted that from 1826, the boundaries of the British power in North-East India were in fact always moving, always in a flux, right up to its last days in India. This chapter will show that it was mainly due to the British administrative policies and the redrawing of provincial boundaries of this region at different times that was responsible for the creation of the Northeastern region of India.

EAST INDIA COMPANY IN ASSAM

In the eighteenth century, the Northeastern region comprised of two kinds of divisions, independent principalities and numerous small tribal villages. These areas such as Assam, Manipur and Tripura constituted independent principalities, while Naga, Mizo, Garo Hills and Northeastern Frontier Agency (now known as Arunachal Pradesh) were divided into numerous independent tribal villages.

The independent principalities were ruled by monarchy. Assam for instance was ruled by a monarchical oligarchy. Assam from 1228-1819 was ruled by the Tai Ahoms. The Tai Ahoms a warlike race of people belonging to the Shan family, inhabiting the north-East of Burma, hence the name Assam is derived from Ahom. Ahoms under Shukapah the first conquerors of Assam penetrated the province through, the Patkai range and set up a principality of their own in the southeast corner of the present district of Sibsagar in Assam.

They reduced to submission the Morans, the Borahis and the Nagas and annexed the territory of the Chutias in the east. The Ahoms were even successful in driving away the Mughals from Assam. In a monarchical form of government the king was the supreme authority. He acted on the advice of a council of ministers consisting of the bura-gohain, the bar-gohain and

the barpatragohain. The head of the executive and the judiciary was the barbarua. The barphukan based at Gauhati acted as the viceroy, he also maintained diplomatic relations with the Mughals, Bhutan and other frontier tribal chiefs. There were other officials, the highest in the hierarchy being the phukans, six of whom formed the councils of the barbarua and the barphukan. Next in the rank came the baruas who were about twenty or more, then the twelve rajkhowas, kakatis (ambassador), kakati (writer) and dolois (diviner).

In between the nobility and the peasants there were a group of petty officials like the hazarikas, boras and saikias who were denied privileges but exempted from paying compulsory taxes. The Ahom kings concentrated all the powers of the state in their hands. There was an administrative machinery to carry out different civil, revenue and judicial duties but the king had the last word. There was strict centralization of power. It was facilitated by the prevailing concept of kingship. The king was considered supreme and commanded respect. All honours, titles, offices, decisions and war measures emanated from him. In the tribal villages the situation was quite different. Each tribe had its own administrative unit ruled either by autocratic chief or democratic form of government.

There were villages in the Mizo and Naga Hills entirely governed by the autocratic chiefs according to their traditional laws, customs and village organization. In the Konyak Naga villages, the chiefs also known as Angs were regarded as sacred and whose word was law. However, the Angami, Lhota tribal villages were been ruled by democratic government.

Their government was democratic, for although each village community has a nominal chief, he has no absolute power over the people. In 1765, Shah Alam the titular Mughal Emperor granted the Diwani to the East India Company. Through this Diwani, the Company became the defacto sovereign of Bengal, Bihar and Orissa. After the acquisition of the Diwani of Bengal in 1765, the East India Company first came into direct contact with the medieval kingdom of Jantia, Cachar, Assam as well as the tribal communities of the

adjoining hills. After becoming the de facto sovereign, the responsibility and defence of Bengal became their primary concern. The Ahom kingdom was thriving well but by the end of the eighteenth century the Ahom monarchy was on the verge of decline, this was because of the internal rebellion and jealousy among the nobles who wanted to dethrone the King with the help of Burmese forces. The Burmese under the powerful king Alaundpaya and his son took advantage of the breakdown of the Ahom monarchy, conquered Manipur and established political supremacy in Assam between the periods from 1782 to 1819 A.D. After occupying Assam in 1816 A.D., the Burmese forces began to create problems at Cachar and Sylhet in Bengal, which were part of the British dominions. Troubles started between the Burmese and British India after the Burmese occupation of Assam. To protect their territories the British declared war against Burma on the 5th of March, 1824. After a series of battles (1824-1826 A.D.), the British defeated the Burmese in the battle of Yandabo. According to the treaty of Yandabo February 24, 1826 the kingdom of Jantia, Cachar, Assam and all the petty principalities tribal areas of Naga, Mizo Hills were annexed to the British administration and became part of the North East Frontier of Bengal.

This region was regarded as the North Eastern Frontier of Bengal- a term used sometimes to denote a boundary line, and sometimes more generally to describe a tract. It comprised of the whole of the hill ranges north, east and south of the Assam valley, as well as the western slopes of the great mountain system lying between Bengal and independent Burma, with its outlying spurs and ridges. After some years later, the North Eastern Frontier of Bengal came to be recognized as a separate region designated as the North Eastern Province of Assam and later it was officially known as Assam and the adjoining areas.

THE FORMATION OF NORTH EASTERN PROVINCE OF ASSAM

This gradual annexation of the North Eastern Frontier of Bengal gradually led to the formation of North Eastern

Province of Assam in 1874. It was however inconvenient and difficult to govern Assam from Bengal. The region was remote and difficult to access which was why only a few Lieutenant Governors ever visited the province.

Moreover, the local conditions were altogether different from those which prevailed in Bengal, and were quite unknown to the officers responsible for the government of that province, who had not the time, even if they had the inclination, to make themselves acquainted with them. These factors compelled the British to create the province of Assam in 1874, which was separated from the government of Bengal and was placed under the charge of the Chief Commissioner.

Thus, the proclamation of February 6, 1874 declared the districts of Goalpara, Kamrup, Darrang, Garo Hills, the Khasi and Jaintia Hills and the Naga Hills to be under the chief commissionership of Assam. Further resolutions of the government of India dated the 12th May and 18th December 1874 provided the new administration with a separate staff of Deputy and Assistant Commissioners and other officers required to carry on with the revenue and judicial business of the new province.

Since then special significance and importance was given to the province. The six districts of the Brahmaputra valley, has been given wider significance, and "used as the designation of the whole territory, which was included in the Chief Commissionership, including the Surma valley, the hill districts and Manipur.

THE DEMARCATION OF BOUNDARY LINE WITH BHUTAN AND MYANMAR

After annexation of Assam and the neighbouring hill areas, establishing definite borders and jurisdictions was part of the transformation in the British government of India. In the treaty of Yandabo in 1826, the Arakan Hills formed the boundary between the Burmese and the British territories. The Kubow valley became a disputed area after the signing of the treaty of Yandabo.

Major Burney in May 1831, expressed his opinion as

follows- he questioned, Whether keeping Gumbheer Singh (King of Manipur) in possession of an unhealthy and depopulated strip of territory which is divided by a range of hills, and with which our officers even cannot communicate without always being attended by large parties of coolies to convey every necessary of life for their subsistence, is worth the risk of thoroughly disgusting the Court of Ava and accelerating another war.

He also gave grounds on which he formed his opinion, showing the various times, which, according to the Burmese history, Kubow had belonged to Burma during the previous eight hundred years. On the basis of this analysis, the Government on March 16, 1833, consents to the restoration of the Kubow valley to Ava and establishment of the boundary line at the foot of the Yoma Dong Hills. Finally, Kubow valley was given to the court of Ava. Drawing of boundary lines resulted in the formation of the Northeastern region.

At the foothills of the Himalayas, between Assam and Bhutan, there are several passes, which can lead to the hill areas of Bhutan. The territory comprises a narrow strip of land averaging about 22 miles in width and 250 miles in length, lying at the foothills. These passes are called Duars or doors because of the role they play. In the direction towards Bhutan there are about eighteen of these Duars, eleven on the frontier of Bengal and Goalpara, and seven in the north of Kamrup and Darrang.

These Duars, controlled by the Ahoms, fell into the hands of the Bhutias of Bhutan after the Bhutias offered them an annual tribute of ₹4,785. With the mutual understanding from both sides, as long as the money was paid, the Kamrup Duars were controlled by the Bhutias, while those in Darrang were managed jointly- the Ahoms holding them from July to November, and the Bhutias, for the remaining eight months of the year. After the British conquest of Assam, there were unresolved boundary issues with Bhutan.

The Bhutias not only stopped paying the annual tribute, but frequently committed dacoities in British territory. This resulted in the Bhutan war of 1864. According to the treaty of

Sinchula in 1865, the British annexed all the Arthra Duars, which connoted eighteenth passes from Bhutan. In exchange of the Duars a payment of ₹25, 000 was now given to the Bhutan representative by the Commissioner of Rajshahi at Buxa. The adjustment of boundary with Bhutan was finally completed in 1951, when independent India transferred some territories to Bhutan.

REVENUE AND JUDICIAL ADMINISTRATION

The formation of the Chief Commissionership in Assam led to remarkable improvement in the region. Further resolutions of the government of India dated the 12th May and 18th December 1874, provided the new administration with a separate staff of Deputy and Assistant Commissioners and other officers required for carrying on the revenue and judicial business of the new province. Since then special significance and importance was given to the province. The six districts of the Brahmaputra valley, has been given wider significance, and used as the designation of the whole territory which was included in the Chief Commissionership, including the Surma valley, the hill districts and Manipur.

In addition to the number of trained civilians from Bengal, all the work of the officers were closely monitored and supervised. For better administration the province was divided into different departments, each headed by trained officials, and many new reforms were introduced. For example, in order for the Chief Commissioner to perform efficiently as the head of the administration, in 1880 a Judicial Commissioner was appointed to assist the Chief Commissioner in the judicial affairs. In due course of time with the increase of work, it became very difficult for the Judicial Commissioner to single handedly manage the department. In 1903, a full time Judge was appointed.

MILITARY PERSONNEL

The second reform was the formation of military police battalions. During the initial days of the British rule, the military authorities were assigned to protect the frontier areas.

Due to the frequent Hill raids, the number of troops was not sufficient, so some of the outposts to be garrisoned were entrusted to the district police. These district police either performed duties of armed civil nature or in guarding the jails, and escorting officials.

In 1879 four new regiments of district police were provided in the province, looked after fourteen outposts and about 2,200 armed police were sent over to the districts of Assam and entrusted with the defence of thirty-five outposts. To give strength and relieve the duties of the military, these armed police were trained, and turned into military police. Most of the soldiers were Gurkhas and Meches, and have had performed excellent service, not only during their outpost duty, but also in various expeditions against the hill tribes.

GOVERNANCE UNDER THE BRITISH ADMINISTRATION: INNER LINE REGULATION OF 1873

A major concern for the British was the plain lowlands of Assam situated at the foothills. In earlier days, people from the hills and the plains freely interacted. Sometimes serious quarrels often led to looting and killing of people in plains in large numbers. After the opening up of tea gardens, there was often land dispute with hill people who claimed that encroachment was done on their property.

There were border disputes between the hill people and the British regarding boundaries, and over forest and water rights. Such disputes often led to raids in the tea gardens. The British officials in order to maintain law and order and to prevent any further raids on the plain areas of Assam introduced the Inner Line Regulation in 1873. Inner Line Regulation means people from the plains can go only up to a certain area, and to go beyond the line towards the hill areas, they needed a special pass issued by the Deputy Commissioner.

In order to protect the plain areas of Assam from the tribal attacks, the administration was required to maintain law and order in the sub-mountainous region. To prevent the raids on

the tea gardens, a regulation was framed by the Governor General in Council, which gave power to the lieutenant Governor of Bengal to prescribe a line separating the plains people from that of the hills in 1873. The Line was drawn along the foothills of the whole northern-eastern and south-eastern borders of the Brahmaputra valley. This line is called the Inner Line and as it was not always convenient to define the actual boundary of the British possessions, this line does not necessarily indicate the territorial frontier, but only the limits of the administered area...it does not in any way decide the sovereignty of the territory beyond.

Such lines were drawn in the various districts of Kamrup and Goalpara towards Bhutan, in Darrang towards the Daflas, Akas, Bhutiyas, and in Sibsagar towards the Nagas. Different authors have different opinion on the introduction of the Inner Line. The main reason why the British introduced the Inner Line was to segregate the tribal populations from contact with the rest of the country's main stream population.

The British policy concern while segregating tribes and tribal areas was not to improve the material conditions of the people. Rather, their objective was to leave the tribes alone to fend for themselves as best as they could, in their hinterland. However, it was to protect the tribal people from the shrewd traders from the plains.

On the one hand, it prevented encroachment on tribal land; by checking irritations that might incite the tribesmen to rebellion and raids, it protected the tea planters and their labour. It had nothing whatever to do with any ideological policy of isolating the tribal people, and it did not affect the sovereignty of the areas lying beyond it. It was clearly defined as being merely for the purposes of jurisdiction and the practical convenience of administration.

TAXATION IMPOSED ON THE PEOPLE OF ASSAM AND THE NEIGHBOURING HILL AREAS

The British government decided to show their authority over the hill people and the plain people had imposed house tax on the hill areas and land tax on the plain areas. The tax

paid by the people was actually a payment for the administrative services rendered by the British officials. In the hill districts, taxation was different, there is no land revenue settlement, assessment was made on the houses, and not on the land.

The house tax varied from districts to districts. The usual rate of house-tax was two rupees, but it rose to three rupees in some tracts, while in the Lushai hills it was only one rupee per house. In addition to showing their authority, some British officials believed that taxation had civilizing effects. For instance, Captain Butler, the Deputy Commissioner of Naga hills in 1870, noted, I know of nothing which has so great an influence or which acts so quickly in civilizing barbarous savages as the infliction (or blessing I would say) of a fair and moderate taxation.

From the Naga perspective, the imposition of taxation had dramatic consequences, and was recognized as a turning point in their history. Paying the tax in cash forced households to earn cash, which exposed them to the market economy. This brought each household at least in theory under the direct control of a centralized authority for the first time. In both lower and upper Assam, the British continued the policy of the Ahom- that of imposing professional tax on braziers, gold washers, fisherman etc, duties on haths and ghats. The only change or difference was that taxes now had to be paid in cash. Secondly, the administration of the plains was carried on in accordance with the Assam Land Revenue Regulation, 1886.

The Regulation laid down detailed procedures for survey of land, and the rights of landholders, procedures regarding land settlement and, the functions of the revenue authorities. A poll tax of three rupees per head was levied in upper Assam, whereas in lower and central Assam that is, Darrang, Nowgong, Raha, a tax gadhan of two rupees was imposed on paiks for which they were entitled to two puras of land each. Poll tax (kharikatana) was extended to Kamrup and covered all classes of people including slaves. The ryots (peasants) were taxed beyond their capabilities. Even persons of intelligence would be puzzled to see how much a ryot had to pay to the

government to the unfortunate peasants; the account must have been wholly incomprehensible. Following this, even the farmers now had to pay the revenue in cash. This resulted in revolts and agrarian struggles against the British, which were spearheaded by the nobility in various parts of Assam.

By the 1830's, the situation was becoming worse, so David Scott the political officer decided to change his policy before it was too late and things got out of control. The first action he took was to discharge the entire incompetent and corrupt officers from their revenue and judicial duties. New and experienced people from Sylhet, Dhaka and Mymensingh were brought in, Scott wanted, men of ability and business lest they would have to forge all government dues. When Captain Jenkins took over the administrative control of Assam, he introduced fresh new taxes in the name of land taxes. The revenue of the province remarked Jenkins in 1844, will now cover all the expenses of management and the province will no longer, under any circumstances that can be foreseen, be a burden on the finances of the old province (Bengal).

The government exercised strong measures in procuring the taxes from the peasants. However, nothing was done which benefited or uplifted the peasant economy like repairing the irrigation channels for agriculture. The continuous increase in land rent broke down the entire peasant's economy. It affected the conditions of the labourers, as the owners could not pay huge taxes to the government, and also seriously affected the means of production. If the peasants failed to pay the revenue in cash within the due date, the government confiscated the houses, ornaments, brass utensils, silk cloths and even the cattle, which were later auctioned.

THE SCHEDULED DISTRICTS ACT AND FRONTIER TRACTS REGULATION

Once the British established control a number of Acts were passed to determine methods of governance. In 1860, the general Codes of Civil and Criminal Procedures were extended to the plain areas of Assam province, and in 1862, the Indian Penal Code came into force. These enactments superseded the

special Assam code, which had been drafted in 1837 and revised ten years later, but it was still uncertain whether the other laws operated in Bengal could be imposed in Assam. Assam Code was a set of rules set up in 1837 for the regulation of procedure in civil and criminal cases.

Secondly, the administration of the plains was carried on in accordance with the Assam Land Revenue Regulation, 1886. The regulation laid down great detail procedures for survey of land, various types of land and the rights of landholders, procedures regarding land settlement, the functions of the revenue authorities, so on and so forth. By 1870, a large number of legislative enactments were introduced in Assam and neighbouring areas.

The Scheduled Districts Act, xvi of 1874, classed the whole of Assam, including Sylhet as a Scheduled district. This Act empowered the government to decide the laws and their enforcement. This meant that Assam was placed in a similar legal status as other parts of British India. However, it was different for the hill districts of Assam. The methods of governance in the hill districts had been quite different from that of the plains in the region. The hill areas were excluded from the general laws, as they were regarded as backward areas, not ready yet for the ehumourate rules laid down in the plains of Assam and the other parts of India.

They had to be governed in a simpler and more personal manner than those of the more civilized and longer settled districts. The argument put forth was, they needed a much simpler, more personal and humane administration; the elaborate procedure codes were too difficult. Thus, during the colonial period, starting from the first half of the nineteenth century a dual pattern of administration was enforced over the Northeastern region.

In the hills, the British followed a paternalistic and a non-regulatory form of administration. This was, by a separate regulation passed in 1880, known as the Frontier Tracts Regulation II. This was a simpler system of administering justice in civil and criminal matters as prescribed under the Scheduled Districts Act. Essentially the hill areas, was to be

governed by simpler laws in more personal manner. The Frontier Tracts Regulation II of 1880 provided that a number of the border areas should be excluded from the operations of laws, which might not be appropriate for these areas. It means that none of the Code of Criminal Procedure should be enforced in the hills, rather simpler regulations concerning stamps, court fees, registration, and transfer of property and techniques of administering justice in civil and criminal matters have been prescribed by rules framed under the Scheduled District Act.

It meant the head of the local administration was the chief appellate authority in civil and criminal cases; the Deputy Commissioner exercised the combined powers of Judge and District Magistrate, and the Assistant and Extra Assistant Commissioners the powers of magistrates and munsifs; and all petty cases, both civil and criminal cases were dealt with by village councils, presided by the local chief and headman. Only serious cases were sent to the political officer.

This regulation was imposed on all the hill districts of Assam, including the North Cachar Sub-division, the Mikir hills tract in Nowgong, and the Dibrugrah frontier tract in Lakhimpur. In overall terms, the British followed a policy of least interference in the internal affairs of the tribal people giving due respect to the continuance of the tribal village administration, land system, customary law, social customs and communal institutions. Therefore, the traditional life of the Northeastern people remained unchanged. Most of the tribes till today follow the customary laws, their traditional laws, and village organizations.

Even the introduction of a legislative council after 1905 did not alter the dual pattern of administration. Under the dyarchy introduced in 1919, the administration of tribal areas was among the reserved subjects left to the special care of the Governor of Assam and outside the purview of Indian ministers. The Government of India Act of 1919 gave authority to the Governor General in Council to declare any territory in India to be a 'backward tract'.

In 1928, these backward tracts were distributed in five of

the provinces of British India. Within these areas the Governor General could direct that any Act of the Indian Legislation should not apply or only apply with modifications, and he could authorize the Provincial Governors to give similar directions in respect of Acts passed by the local legislatures. Proposals for expenditure in these tracts did not have to be submitted to the vote, and no questions about them could be asked without the Governor's sanction. The governance of the Northeastern region continued on much the same lines till the middle of the twentieth century. It was with the Government of India Act of 1935 that further changes came into being. The Government of India act of 1935 was an attempt by the British to work out the basis of a new political settlement in India. The Simon Commission met some of the NEFA tribes beyond Dibrugarh as well as some Nagas in Kohima. The Report said, No description can convey to the reader the striking impression produced by these gatherings, or the difficulty of fitting the needs of such people into a constitutional scheme. The Simon commission felt that the tribals did not ask for self determination, but for security of land tenure, freedom in the pursuit of the traditional methods of livelihood and the reasonable exercise of their ancestral customs.

The members of the Commission did not like the word backward, instead of 'backward tracts' proposed the establishment of 'excluded areas'. The Government of India Act of 1935 classified the hill areas of Assam into two categories, the Excluded Areas and the Partially Excluded Areas. The principal concern was the backwardness of the Hill areas. Another factor was for administrative convenience.

This was done mainly to exclude the hill areas of Assam from the jurisdiction of the Reformed Provincial Government, which covered only the plain portions of the Brahmaputra and the Barak valley. The Commission's Report explained the reason for excluding the tribal areas as, the stage of development reached by the inhabitants of these areas prevents the possibility of applying to them methods of representation adopted elsewhere. They do not ask for self-determination, but for security of land tenure, freedom in the

pursuit of their traditional methods of livelihood, and the reasonable exercise of their ancestral customs. Their contentment does not depend so much on rapid political advances as on experienced and sympathetic handling, and on protection from economic subjugation by their neighbours.

Accordingly, the Excluded Areas covered, the North East Frontier, Sadiya, Balipara and Lakhimpur frontier tracts, the Naga Hills district and the Lushai Hills district. Excluded Area implied the area that was inhabited by a compact tribal population.

The Partially Excluded Areas covered the areas of North Cachar Hills in the Cachar district, the Garo Hills district, the Mikir Hills in the Nowgong and Sibsagar district.

The only difference between the two areas was that, while both classes were excluded from the competence of the Provincial and Federal Legislatures, the administration of the Excluded Areas were to be administered by the Governor of Assam, and were thenceforth administered by the Governor of Assam acting in his discretion, though the executive authority of the Province extended to them.

It means, administration was excluded from the jurisdiction of the popularly elected Assam ministry and was directly managed by the Governor of Assam. This meant that no Act of the Central or Provincial Legislature could apply to these areas without the Governor's approval. Whereas in Partially Excluded Areas it was controlled by the ministers, yet the Governor can make his individual judgment.

The same arrangement continued after the independence of India in 1947, the only change was the removal of discretionary powers from the Governor and instead he acted on the advice of his Ministers. In the 1950 constitution the Excluded and Partially Excluded Areas disappeared, and their place is taken by Schedule or Tribal Areas.

With the participation of India in 1947 and consequent transfer of a major part of Sylhet to Pakistan, the dual pattern of administration in North-East India did not alter. It was well accepted that the hill administration had to be separate in form and content from that of the plains.

EMERGENCE OF NORTH EAST INDIA

The Northeastern region of India got its present shape due to the administrative policies, which drew the provincial boundaries of this region. The boundary of the Northeastern part of India was formed due to the formation of historical Indo-Burma boundary in 1826, the Indo-Bhutan boundary 1865, the Indo-Tibet in 1914, the Indo-Pak in 1947 and subsequently turned into Indo-Bangladesh border in 1972.

In fact, it is a geographical expression that came into existence after the partition of Britain's South Asian Dominions. The North-East India came into existence after the European countries, particularly Britain and France, had conquered practically all the mainland Southeast Asia in the nineteenth century, they drew up boundary lines, separating one colony from the other.

This transformed the Northeastern region from a frontier tract of land into North East Frontier province of Bengal to North Eastern Frontier Province of Assam and finally to the formation of North Eastern Region of India. On 15th August, 1947 when India became an independent nation, the Northeastern Region of India became an integral part of India. All the hill districts, except Manipur, Tripura and North Eastern Frontier Agency were outside the administration of Assam. The province of Assam was administered by the newly elected ministry of Assam. Gradually after a couple of years, the hill districts got separated from Assam creating its own independent state.

The names of these areas have changed too. The Naga Hills became Nagaland in 1963, the Lushai Hills changed to Mizoram 1987. The North Frontier Agency during the colonial period was administered by the Governor of Assam. After independence for various reasons, in particular due to the problem of communication and defence, the government of India decided to administer North East Frontier tracts as an "excluded area." The Governor of Assam was appointed as an agent to the President of India.

In 1954, after the introduction of the North Eastern Frontier Regulation, the region was administered by the

Ministry of External Affairs and remained till its attainment of Union Territory status in 1972. Although it had its own legislature and acquired the name Arunachal Pradesh in 1975, it acquired statehood only on 20th February, 1987, and it became the 25th state of the Union of India.

Whereas, Tripura and Manipur princely states, were an independent administrative unit under the Maharaja even during the British rule in India, being subject to the recognition of British as the paramount power. After the independence of India, an agreement of merger with the Indian Union was signed on September 9, 1947, and administration of the state was taken over by the government of India. Tripura and Manipur became a Union Territory immediately after independence and attained statehood only on January 21, 1972.

ECONOMIC TRANSITION: PRE-COLONIAL TO COLONIAL TIMES

Trade is a natural economic activity; it is transaction of goods, products or exchange of things for the purpose of earning and meeting needs. The goods can flow between two persons, human groups or countries. The exchange of things can take place in kind or in cash. Located in the Northeastern most corner of India, shares common borders with neighbouring countries, Meghalaya, Assam and Tripura share a common border with Bangladesh; while Mizoram, Manipur and Nagaland share the same border with Myanmar and Arunachal Pradesh is bordered by Tibetan region of China and the Himalayan range of mountains. Assam also shares a common border with Bhutan.

The region shares longer borders with the neighbouring countries than with mainland India. Being in close proximity to Tibet, Bhutan, and Myanmar the North-East India has had close trade links with these regions. The existence of land, water routes and geographical contiguity has bound this region by centuries of trading between the neighbouring countries.

Since the pre-British days various tribal communities of North-East India maintained trade relations with Tibet,

Myanmar, Assam and Bhutan through the trans-Himalayan trade routes. These countries had served as the traditional markets for a variety of goods and services produced by the Northeastern region. Owing to close proximity and socio-cultural relations, the economic linkages developed automatically between the people of Meghalaya and Bangladesh, Manipur and Ava (Myanmar), western Arunachal Pradesh and Tibetan region of China, Tripura and Bangladesh and Assam and Bhutan through the trade routes.

This chapter will examine the economic links shared between the people of North-East India, Bhutan, Tibet, and Burma during the Pre-Colonial times. This chapter will also show how the numerous routes and passes in the mountains and hills facilitated commerce across sub-mountain territories as well as allowed movement of people coming in from southwest China, Laos, Thailand, Myanmar, Tibet, Bhutan etc.

In addition this chapter will also look at how economic ties were carried out by barter trade between the mountainous Himalayan sub-region comprising Bhutan, Tibet (Autonomous Region of China) Northeastern hills of India, Assam and Burma. The chapter will also look at how after the British occupation of Assam and the neighbouring hill areas starting from the early years of the nineteenth century the trans-Himalayan trade now took a new turn. This chapter will further show that the Northeastern trade has undergone marginalization mainly due to the western dominance of sea routes and over global trade.

PRE-COLONIAL ECONOMIC STRUCTURE ECONOMIC PRACTICE OF THE PLAINS AND THE HILLS

The pre-colonial economy of the Northeastern region was based primarily on agriculture and its allied trade activities within the region or with the neighbouring countries. The economy in the plain areas of Assam was a self-sufficient one producing enough for it. As the Imperial Gazetteer of 1886 noted, Every family provided for itself by agriculture almost all the requirements of daily life, cultivated rice, pulses, fruits

and vegetables to supply their table; mustard to light their houses, silk and cotton to provide their garments. Rice, wheat, barley took the lead among the objects of cultivation. Important items manufactured were cotton cloth, bamboo, and cane and timber products. Vegetable dyes, opium, tobacco and betel leaf.

Among the minerals found in Assam were coal, iron, gold dust and salt. Trade was mainly confined to agriculture and animal produce. The most popular system of economic exchange was the barter system. Agricultural products were exchanged for foreign salt, decorative beads, and other essential commodities. Much of the barter was conducted with the neighbouring hill areas or with traders coming from Bhutan, Tibet, Myanmar and Bengal.

Some luxury items like silver bowls from Tibet; silks from China, wool from Tibet and China were also introduced in the list of items mainly for higher-class Assamese living in upper Assam. The hills provided the plains with wild cotton, chilies, ginger, ivory, palm-leaf mats, gourds and betel leaves, while the plains provided, in addition to salt, dried fish, cowry shells, brass wire and metal sheets. Within the local economy, products of daily necessity were bartered in weekly markets held in the plain areas of Assam. Frequently bartered items were rock salt, woolens, copper swords from Tibet and Bhutan, whereas goods supplied from Assam and the hilly region were cotton, rice, chilies, silk and glass beads bought from the Bengal merchants.

According to the *History of Assam*, In 1660, a small daily bazaar on a narrow street in the Ahom capital of Gargoon where the sellers sold rice, betel leaves. In this rudimentary marketing network, surplus agricultural and horticultural products were exchanged for other scarce products to fulfill their daily needs. The economy of the hill areas surrounding Assam was essentially agrarian.

Agriculture was the main stay of the economy. Jhuming cultivation dominates the hill economy. Jhuming was the only method of cultivation and paddy was the principal crop grown in the Jhums. The other main economic activities were a limited

form of handicrafts and productions by artisans, while food gathering, hunting and fishing were the other economic activities.

The main production of the hill areas were cotton, long pepper, vegetables and dyes. Their bartered items were cotton, chili, salt, wild forest products for the surplus rice, dried fish, silk and cotton piece goods. In the pre-colonial period economic exchanges took place between the hills and the plains through various inland and water routes.

Traditional Trade Routes

For several centuries, mainland India had economic ties with South East Asia through maritime routes and not through land. There was a maritime route from the South China Sea around the Straits of Malacca to points along the Indian coast and on to the Persian Gulf and Red Sea to the Levant. From here, merchandise was transshipped to South East Asia, Greece, Rome and to other destinations. All trade transactions were conducted by sea route because it was easier to travel by sea than by land.

Due to high mountain ranges, hills and dense forests, access to Assam and the neighbouring hill areas was not easy. Moreover, the access from Bengal frontier was affected by the Brahmaputra River which flowed down the Himalayas across the entire Brahmaputra valley. It had a number of tributaries both snow fed and rain fed. Most of these rose during the rains and inundated vast areas.

In contrast to the maritime trade, the land route was through the mountainous terrain, and there were many risk factors involved such as savage like people inhabiting the mountains, an area covered with dense forests and swamps in a sub-tropical climate was also the breeding ground of the germs of malaria, small pox, dysentery and kala-azar. With all these uncertainties and physical risks it was much convenient and cheaper to travel by sea and not by land.

Such difficult physical terrain did not affect people in the North-East India. The rugged topography did not stop them from maintaining close trade links with the neighbouring

countries. Prior to the advent of the British, the Northeastern people shared close economic ties with their neighbours across the frontier whether it was with Burma, Tibet, Bhutan and their social and economic contacts lie as much with these countries as with India. Trade was carried out by barter between the mountainous sub-region comprising Bhutan, Tibet (Autonomous Region of China) and Ava (Burma) and the North-East India.

The external and internal trade carried out in both the plain and the hill areas was small in scale mainly confined to agriculture and horticulture produce, and was essentially to meet the local demands. The goods mostly exchanged were those items, which were not available to the demand party. The Northeastern region had numerous land and river routes to Burma, Yunnan, Bhutan and Tibet, which ran over the mountain passes and hills through upper Assam, Cachar, Arunachal Pradesh and Manipur.

Some of the important land routes used for trading purposes were; the Pangsau Pass in the Patkai Hill range in the north-east leading from the Lidu-Margherita road in upper Assam to China through the Hukewang valley in Burma. The other routes were through the mountain passes of Tibet, Nepal and Bhutan. The Tibet- Assam route was an important route. It started from Assam and through the Tse-tsang and TsonaDong enters south-eastern Tibet.

The other significant route was the Assam- Bhutan route through the Duars. All these routes met on the frontier of Burma near Bhamo and then proceeded over the mountains and across the river valleys to Yunanfu *i.e.*, Kunming, which was the chief city of the southern province of China. From the accounts of Periplus, Chang-Kien and Hiuen-tsang, it has been assumed by scholars that India maintained her contact with China through Kamarupa (present Assam), which was connected by eastern routes, although it was difficult to travel, with north Burma and China.

There were some parts of the Northeastern region mainly Kamarupa which is the present day Assam and Manipur that came under the ancient great southern Silk Road. The route

of the ancient southern Silk Road ran from Sichuan to Manipur-Kamrup and through the Indo-Gangetic plain to Afghanistan. Southern Silk Road a branch of the Silk Road from the Yunnan province of China extended up to Kamarupa. Kamarupa, which is the present day Assam, formed an important part of southern Silk Road.

The Periplus informs us that, raw silk and silk yarn and silk cloth are brought on foot (from the land of *This*) through Bactria to Barygaza and are also exported to Damirica by way of the river Ganges. Schoff identifies *This* with China and observes that, the weight of evidence seems to be in favour of its importation from China by way of the Brahmaputra valley, Assam and Eastern Bengal. From the report of Chinese explorer Chang-Kien, we learn that, when the Chinese ambassador came to the Yuehchi country in 128-126 B.C.,

he found silk and bamboo there from the provinces of Yunnan and Szechuan. He learnt that there was in the south the powerful country of India through which these products were carried from southern China to Afghanistan. It has been assumed by scholars that India in ancient period maintained her contact with China through Kamarupa, which was connected by eastern routes, although it was difficult to travel, to north Burma and south China. Through this southern Silk Road many import of Chinese clothes, cinnamon from China, Burma was sent through Yunnan and Assam, and from Assam it was sent to the Bay of Bengal through Brahmaputra.

At that time the Brahmaputra was navigable from Gwalando presently in Bangladesh (the confluence of the Ganges and Brahmaputra) to Dibrugarh, and upto Sadiya in upper Assam. Based on Chan-Kien report suggest that Kamarupa in ancient period fall under the ancient southern Silk Road. Some of the important land routes to the neighbouring countries are as follows.

Pangsau Pass in the Patkai Hill Range

This was the most frequently used route to enter the kingdom of Ava (Myanmar). This route started from Mytikyna on the Irrawady in Burma, then ran northwards and crossed

the Patkai by the Pangsau Pass in Arunachal Pradesh and went down the Assam valley. Travellers from Assam and the neighbouring hill areas to go to Ava went down stream and those to China proceeded upstream for about 200 miles to the frontier of China. The earliest reference to the Assam-Burma route is found in *Siyu-ki* the accounts of the Chinese pilgrim Hiuen-tsang, who visited the court of Bhaskarvarman in Kamarupa (present Assam).

He has mentioned that, a major land Route connected Pundravardhana with Kamarupa (Assam), which allowed Hiuentasang to travel to India in the seventh century A.D. From Kamarupa the route then moved to the direction of south China through Assam and Upper Burma. The Si- Yu-ki informs us that, Hiuen-tsang learned from the people (of Kamarupa) that the south-west borders of Szuchuan was about two months journey, but it was the mountains and rivers that were difficult to pass.

Through the Pangsau pass many people from neighbouring countries came to North-East India. The Tai Ahoms from the northern and eastern hill tracts of upper Burma and western Yunnan used this Pangsau Pass when they first entered Assam in 1228 A.D. and established Ahom kingdom 'Asom'. The Burmese used the same route in the later period (1817-1824) when they occupied Manipur and Assam. So vital was this route to the Burmese, whether for controlling the border tribes or for embarking on a policy of expansion to the north that the king of Ava had to take special care for its maintenance.

There is evidence that this route was used even as late as in the early nineteenth century. The Assam-Burma route was considered to be the shortest route to enter Burma and became the most frequently used route for trade. Through this route the Mishmis a tribal group of Northeastern frontier tract carried on their barter trade with the Kachins and the Chinese.

In the early nineteenth century Manipur a small princely kingdom bordering Burma and Assam maintained trade links with the kingdom of Ava through this route. Traders in the early nineteenth century had trading relations with the

Burmese through the Kubow valley and contacted the Chinese traders from Yunnan, who took away wax and ivory, in return for their silk.

Tibet- Assam Route

The other important route was the Tibet-Assam route. The route started from Assam, and goes upwards to Tawang in the Lohit valley of Arunachal Pradesh, and enters the southeastern Tibet from Tse-tang and Tso-na Dzong. From this region it is connected with China via Batang and Tachienlu. It has been mentioned that Assam in the ancient period maintained trade relations with Tibet probably through this route.

The references to the Karanata and the devadasis using the camaras or Tibetan cow's tail shows how Assam maintained relations with the extreme south and the roof of the world in the north. Furthermore, from the Persian work *Tabaqat-i-Nasiri* composed during the middle of the thirteenth century A.D., mentioned that there were about thirty-five mountain pass between Kamarupa and Tibet. The route from Assam to Tibet passed through the Northeastern Frontier Agency now known as Arunachal Pradesh. Since the pre-British days various tribal communities such as the Monpas, Mishmis, and Apatanis etc of Arunachal Pradesh maintained trade relations with Tibet, Assam and Bhutan through the trans-Himalayan trade routes that extended to Tibet, Bhutan and Assam.

The present Kameng district of Arunachal Pradesh is the home of the Monpas, and Sherdukpens group of tribal people situated near the north of Darrang in Assam. The Monpas are mountain dwellers; they do not have enough ample lands suitable for cultivation. Their main economy was based on barter trade with neighbouring Tibet, Bhutan, and Assam or with other tribal communities living near them.

The Monpas for several centuries have been known for their tradition of long distance barter trade in the markets of Bhutan, Tibet and Assam. Tawang is the hometown of the Monpas and Sherdukpens. Since it is strategically located near

Bhutan on the west, Tibet (China) on the north and Assam on the south of Tibet border, it happened to be the nerve centre of the trans-Himalayan trade. Through the Tawang tract, which extended from the Tibetan plateau right down to the Assam plains, just north Udalguri (Assam), ran an important trade route between India and Tibet.

This region, which adjoins to the west the mountain kingdom of Bhutan, differs from the rest of Arunachal Pradesh both topographically and culturally. Whereas, elsewhere the nature of the terrain had prevented the development of caravan route suitable for pack animals, while in the western most part of Arunachal Pradesh there are climatic and geographical conditions which favoured the opening of trade routes linking the territory both with Tibet and the plains of Assam. Many of the tribes inhabiting the extreme northern areas, such as the Monpas, either cross over to Tibet, Bhutan for their essential requirements or visited the markets and fairs situated in the plain areas of Assam.

Markets and Fairs

For several centuries, fairs used to be held in Udalguri in the Darrang district, Daimara, and Sadiya in Assam. These fairs served as the meeting ground for the traders and the people. Thus, there were not only trade transactions, but also crosscultural exchanges, which occurred at the fairs.

The people of Assam, for example, learnt about the culture and customs of Bhutan and traders learnt the Bhutanese and Tibetan language to make business transaction. These fairs were attended by Monpas of Tawang and in less number by the Akas and Daflas. Traders from Tibet, Bhutan, Assam, Bengal and other adjoining areas took part in the market. From the early nineteenth century it is known that, the Tibetan traders with their caravans came to the plains of Assam and into the lower interior region.

In 1809, the Tibetan traders with their caravans came to the plains of Assam through the Kepung La Pass to the Ashing area of Arunachal Pradesh and further down up to Udalguri, Daimara, and Pashighat in Assam. Tibetan caravans which

were conducted by twenty persons used to come down annually to a mart on the Assam border after two months of journey from Lhasa.

They are reported to have and conveyed silver bullion to the amount of about one lac of rupees, and a considerable quantity of rock salt for sale to Assam merchants at Geegunnsheer four miles away. The Tibetan merchants also brought woolens, hand woven cloth, gold dust, yarn of different colours, imitation blue turquoise necklaces, blue porcelain beads, salt, swords, musk, horses, Chinese silk, China ware etc. In return the Tibetans and Bhutias, which included the Monpas, took Assamese silk, buffalo horns, pearls, iron, lac and corals brought by the traders from Bengal. However, these annual fairs were temporarily stopped due to Burmese occupation of Assam from 1819-1824. The few years under Burmese occupation was a period of terror, war, and bloodshed.

It was only after the withdrawal of Burmese from Assam that attempts were made to revive the annual fairs. The first fair took place at Udalguri in 1833. Among the people of Arunachal Pradesh, the Monpas were a tribal group that resided along the Assam-Tibet route. They were expert traders and reared rear ponies, yaks and horses and earned huge sums of money by engaging the animals in caravans covering trade trips over Tibet, Bhutan and Assam. The Monpas frequently visited the markets at Udalguri, Rangapara, Lokra and Charduar.

The caravans used to start for the markets in Assam in Dawa Gupa (October-November) and used to follow the stream Amatala-Ri, the principal stream in Khalegthang area, which confluences at Bhairabkund in Assam. Besides visiting the markets in Assam the Monpas ventured into the markets of Bhutan on the west and Tibet on the north. They used to undertake trade journey to Tsonadzong in Tibet, the markets of Merak and Sakten in Bhutan.

The route they followed to go to Tsonadzong was through Thingbu to Mago and Mago to the border post of Thulung-La and then Minnnang and finally to Tsonadzong. For three

measures of rice they obtained about two measures of salt from Tibet which was in great demand among the tribal population of Arunachal Pradesh. The other locally produced items produced in surplus, such as, chili, orange, maize, vegetable dye; wooden bowls were bartered with dried meat, wool, woolen cloth, mineral salt, yarn, brass and bronze utensils with the Tibetan and Bhutanese traders.

According to the Indian explorers between 1864 and 1886, there were routes that were made through Ladakh to Kashgar, the Oxus and Kabul; Kathmandu; Lhasa, Kailash and Manasarowar; Tengri Nor and Mongolia; Lake Koko Nor, Amdo and Chamdo; and Namche Barwa and the lower Tsangpo (Brahmaputra) just above the great bend, Sikkim, Bhutan and what is now Arunachal. Nain Singh also describes Tsona Dzong, north of Tawang, as an important Tibetan exchange market where salt, wool and borax from Hor (Shigatze) and tea, fine silks, woolens, leather boots, and ponies from Lhasa are exchanged for rice, spices, dyes, fruit and endi silk from Assam. He goes on to say that, Although the value of trade here is less than that conducted in Leh with eastern Turkestan (Xingjian), the number of traders and pack animals employed is larger. These trade fairs were dependent on the weather. They normally took place in the winter season when the land was dry starting from October till the month of December.

The caravans used to start for the markets in Assam during the winter months and used to follow the stream Amatala-Ri, the principal stream in Khalegthang area, which joins the Bhairabund in Assam. The main reason why trade was carried out during winter season was because winter was very severe in Tibet, Bhutan and the Monpa areas. The cold spell lasts from the middle of December to the middle of March.

During this period of time, the land was dry and all the agricultural activities are suspended during these months. During these dry months the villagers usually migrate to the plains of Assam or go to the Tibetan villages with musk, animal skin, cane and cane ropes to exchange with Tibetan salts and beads. They return to their home towards the end of March

and start working in their fields. The other important trade route between Assam and Bhutan was through the Duars.

Assam and Bhutan Trade through Duars

The Ahoms ruled Assam for six hundred years from 1226-1826, and during these years the Ahom Kings encouraged trade with their neighbours. All the diplomatic relations with the neighbouring states and tribes centered, in many cases, round the object of introducing free commercial relations. This shows that trade played an integral role in the economy of the Ahoms. Therefore, economic interactions closely maintained either with Bengal, frontier hill tribes or with Bhutan and Tibet (China).

The Ahom government to give a safe environment in the market place, special officers called *Datiyalia*, *Bisayas* and *Duria Burua* was appointed as important officials in the Ahom Government to supervise and manage the trading activities. Assam carried out a considerable amount of trade with Bhutan since the northern part of Assam is situated at the foothills of the Bhutan Mountains. This close proximity made it feasible for the trade transactions to take place. The Duars or mountain passes served as the road for the Bhutanese merchants to travel down to the markets and fairs in northern Assam.

In Darrang and Bijni (Assam) situated at the foothills of the mountains fairs were held every winter season during the month of September- December. During the peak winter season fairs were regularly held sometimes daily, weekly, or annually. Through the Duars on the Assam-Bhutan border every winter traders from Bhutan, Tawang, Tibet and neighbouring hill areas came with their merchandise.

The Bhutanese merchants with the help of ponies and mules brought their goods. Whereas, the villages from neighbouring northern Assam came to this fair either on foot carrying the goods on their backs or heads, or sometimes bullock carts were commonly used for transporting goods to the Duars markets and fairs. In 1812 Assam's trade with Bhutan was said to amount to two lakh of rupees (₹2, 00,000) per annum. The Bhutias imported woolen cloths, gold dust,

musk, salt, blankets, ponies, Chinese silk, to barter for cloth, raw silk, yarn, rice, dried fish etc. The Khumpa Bhutias or Lasha merchants, just prior to the last Burmese invasion (1824), brought down gold, which alone amounted to rupees.70, 000. This gold was brought principally for the purchasing muga silks and spears and a considerable quantity of vegetable poison.

Assam Trade with Bengal

Bengal during the seventeenth century, considerable amount of trade was carried out between Bengal and Assam. Bengal at that time was under the Nawab of Bengal. Bengal had three eastern outposts, one at Goalpara on the south bank, Jugighopa and Rangamati on the north. These were the trading posts from where the merchants of Bengal conducted trade with Assam. To facilitate trade, the Ahom Government appointed Duaria Burua, an important official in the Ahom Government to supervise and manage the trading activities. This special officer was stationed at the Assam choky situated at the mouth of the Manas River. He enjoyed special privilege of doing trade with Bengal as there was no direct contact between the Ahom and Bengal merchants. The exports and imports rates were fixed by the government and he collected the duties. For his service the Ahom Government paid him an annual rent of ninety thousand rupees. Sometimes the privilege of maintaining trade links was granted to two men instead of one.

Exports-Imports from Assam and Bengal

The export items from Assam to Bengal consisted mainly of muga silk, lac, elephant's tusks, and cotton, agar or aloe wood (scented wood) pepper and mustard seeds. Muga silk was in great demand in Bengal, and had a good market in Coromondol and Malabar Coast. The most valued item that came from Bengal was the Bengal salt. About 100,000 maunds of salt imported annually from Bengal. Other items imported were ghee, sugar, and stone beads, shells. Payment was made to the Bengal merchants in gold. At that time Assam was

famous for having a large quantity of gold. This served as an incentive to Bengal merchants to engage in trade with Assam.

Water-Land Routes Between Assam-Bengal

There were four traditional routes from Assam to Bengal; one was by water and the rest three by land. The river route started from Goalpara in Assam and through the Brahmaputra River reached the Pabna River, a branch of the Ganges in Bengal. Approximately after sailing for two or three days came to the Ganges till they reached the mouth of the Matabanga and proceeded to Calcutta. There are three land routes to Bengal.

The first one from Bengal to Assam was through Murshidabad, Maldah, Dinajpore, Rungpore, Bagwa and Goaplara. The second route was via Dacca, Dumary, Puculoi, Jamalpore, Singimari and Goalpara. The third route passed through Sylhet, Cherra Moplung, Nungklao, Ranigoan, Khanamukh and Gauhati. Out of all these routes the most popular of these four were the one by the water. This economic interdependence clearly shows, that the tribal people of North-East India was able to interact closely between themselves as well with the other neighbouring countries through the numerous land routes that pass through their mountains and hills.

Trade transactions took place through the multiple trans-Himalayan trade routes with the purpose of exchanging the surplus produces for the products that were needed in everyday life but were never manufactured or produced by the tribal communities. Thus, to acquire all these basic items the tribal people walked all the way past the difficult mountain terrains to reach Assam, Bhutan and Tibet in the drier season of the year.

It is also noticed that the traders from the plains, normally the Assamese, never visited the tribal areas, but instead welcomed the tribal traders to their markets in the plains. These trips made by the tribal traders acted as the socio-economic support for each other. All these underwent changes after the British came to North-East India in the early part of the nineteenth century.

TRADE IN COLONIAL TIME COLONIAL RULE AND TRANSFORMATION OF TRADITIONAL ECONOMY (1826-1947)

During the colonial rule over Assam and the adjoining areas starting from the early nineteenth century there was a gradual process of change in trans-Himalayan trade. Trade underwent changes and marginalization due to the advent of western dominance of sea routes and more particularly the emergence of British India and drawing of new international boundaries, such as the formation of historical Indo- Burma boundary in 1826, the Indo-Bhutan border in 1856, and the Indo-Tibet border in 1914 isolated the North-East India from its neighbours.

The decision to draw lines between the hills and the plains, to put barriers on trade between Bhutan and Assam and to treat Myanmar as a strategic frontier made a huge impact on the traditional trade routes. The British consolidation over Assam and the neighbouring hill areas starting from the early nineteenth century resulted in major changes in the region's economy. Prior to the British colonialism in North-East India, Assam and the neighbouring hill areas were basically agrarian economies, and rice and paddy cultivation was the mainstay of the economy.

The peoples' mode of living was traditional in character. It was a self-sufficient economy with traditional barter trade with its neighbours. The coming of British rule brought about major changes in the economy. The agriculture-based economy got transformed in the name of modernization. Since the traditional self-sufficient production economy did not bring much profit to the British.

The government of Bengal instructed the authorities in Assam to encourage production of cash crops and articles of export, particularly tea and opium. The economic changes that took place in Assam and the neighbouring hill areas during British rule can be understood within the framework of colonialism. The intention of the British was to integrate the region with world capitalism in a subordinate position, to transform it into a raw material producing territory and a

market for ready-made British goods. In 1838, the East India Company assumed charge of the government of Assam to enhance trade and commerce. Many new administrative measures were taken to improve the security and communication in the region to help in the transfer of raw materials from the eastern region and in return supply of British manufactured goods into the markets. For instance, appointment of Deputy and Assistant Commissioners and other officers was required for carrying out the revenue and judicial business. Military police battalions were stationed in the region to maintain law and order and ensure security in the region. Assam proper, that is, the five districts of Kamrup, Darrang, Nowgong, Sibsagar, Lakhimpur and some of the adjoining hill areas were completely opened to colonial trade. Building of roads, bridges and railways began, but aimed primarily at collecting tea and other resources out of Assam. Regular markets were established in the foothill areas where the people of Assam, the neighbouring hill dwellers and the professional commercial groups, such as, the Marwaris could take part in exchanging goods.

Due to the absence of organized trading group in the Northeastern Region the Marwaris under the protection of the colonial authority virtually monopolized both the external as well as the internal trade and in the process grew up as a dominant business community.

Advent of the East India Company (EIC) 1826

When we discuss the British consolidation of the Northeastern Region many questions arise, such as, why did the British annexe this remote part of eastern India? What brought them here? What were the reasons behind their annexation and consolidation of this region? In 1765, Shah Alam the titular Mughal Emperor granted the Diwani to the East India Company. Through this Diwani the Company became the defacto sovereign of Bengal, Bihar and Orissa. After the acquisition of the Diwani of Bengal in 1765, their powers now extended up to the border areas of Jantia, Cachar, and Assam as well as the tribal communities of the adjoining hills.

The Ahom dynasty ruled Assam for six hundred years from 1228-1826 A.D. In the next few centuries the Ahoms grew in power and prosperity reached its peak point under Rudra Singha (1696-1714). However, during the end of the eighteenth century, due to weak rulers, internal struggles the kingdom became weak. Even in neighbouring Cachar, Jantia and Manipur there was no stability. The unstability caused by the weakening of the Ahom kingdom prompted the Burmese to take control of the region.

The Burmese under the powerful king Alaundpaya and his son took advantage of the breakdown of the Ahom monarchy, conquered Manipur and established political supremacy in Assam between the periods from 1782 to 1819 A.D. After occupying Assam in 1816 A.D. the Burmese forces began to create problems at Cachar and Sylhet in Bengal, which were part of the British dominions. To protect their territories the British declared war against Burma on the 5th of March 1824. After a series of battles the British defeated the Burmese in the battle of Yandabo. After signing the treaty of Yandabo on February 24, 1826 the kingdom of Jantia, Cachar, Assam and all the petty principalities and tribal areas of Naga, Mizo Hills were annexed to the British administration and became part of the North Eastern Frontier of Bengal.

Significance of Treaty of Yandabo

A treaty was signed at Yandabo on February 24 1826. According to the terms of the treaty, both sides were to maintain peace and friendship. Burma would stop interfering in the internal affairs of Assam, Manipur and Cachar and renounced all claims made earlier. The Arakan hills formed the boundary between the Burmese and the British territories. One of the most important commercial results of the treaty was Britain's possession of Assam and the neighbouring Hill areas which was rich in natural resources.

It provided a base to extend their territory further east, towards Burma. The British first entered Assam in the 1820's, to check the Burmese invasion of Assam and Manipur, but stayed on because they were attracted by the diversity,

richness in natural resources and its geographical location. The region was rich in tea, coal, oil and forest resources. Finding tea in Assam was considered to be an important event in the British economic history.

Since China closed its tea trade with Britain, they desperately started looking for a new tea growing area. Tea was discovered in Assam in 1823, and the area was taken up for experimental cultivation in the 1830s. It was definitely the tea industry that caught the attention of the British, and also one of the primary reasons they decided to stay in Assam.

The discovery and growth of tea, the exploitation of mineral in Assam and finding new markets to sell their manufactured goods, the authorities of the East India Company both in England and India got interested in the commercial possibility of the Northeastern Frontiers. Following which, the court of directors of the East India Company also expressed a desire to extend the company's trade with the neighbouring kingdom of Assam, neighbouring hill areas as it was hoped that, broad cloth and other European commodities might be disposed to the natives of Assam who were represented as carrying considerable trade with colder countries situated near the north west, from whence returns in silk, pepper, spices might be obtained.

Therefore, it was the richness of natural resources found in Assam and the prospect of establishing new trade ties with Assam and the neighbouring hill areas created East India company interest towards this region. The trade with Assam started from 1826 with much interest as they started venturing into new areas, looking for resources like tea and opening new roads for trade.

Tea Trade in Assam

Tea as a beverage originally came from China and was known to the Chinese for more than four thousand and five years when an Emperor Shen Nung discovered its stimulating effect in 2737 B.C. It became a common drink in China after the fourth century A.D. Tea was first introduced in Europe by Marco Polo and from China it was introduced to Japan,

England. The tea trade initially started by the Dutch and later around the sixteenth century this tea business was taken up by the British. By the middle of the eighteenth century, tea became the main beverage of all classes of people in Europe without distinction of rank and income. Until the early nineteenth century, China was the principal supplier of the world's tea supply and it was Britain who enjoyed the monopoly of the tea trade.

Due to the political uncertainties that developed between China and Britain in 1833, Britain completely lost monopoly of the tea trade. The rigid closed door policy adopted by them against the English merchants and the consequent strained relations between the two governments led the East India Company to search for alternative sources within their possessions for the supply of this invaluable commodity. The East India authorities started looking for tea plant that falls in their territories.

Although the indigenous tea was first discovered by Robert Bruce an English adventurer and trader in Gaorgong near Sibsagar (Assam) in 1823, he obtained the specimen from the Singpho tribe and then the specimen was sent for identification in Calcutta. The plant was said to belong to the same family, but not the same species, as the plant from which the Chinese manufactured their tea. Nothing further happened until 1833 when the East India Company lost monopoly over the tea trade.

A Tea Committee was set up by the Governor General in January 24 1834 to explore the plausibility of tea growing in Assam. The East India Company was seeing, the possibility of tea growing in Assam, because tea plant flourishes in warm, rainy regions of the tropics and sub-tropics and Assam had the suitable climate for tea plantation.

In 8 November 1834, Captain Jenkins who was in charge of Assam valley sent some tea seeds and plants from Assam to Calcutta for identification. This time the tea plants confirmed to be tea by Dr.N.Wallich, superintendent of the Botanical garden, in Calcutta. In 1835, East India Company started tea gardens on experimental basis in Assam.

The first government tea estate was started and established at Chabua in upper Assam in 1837 near the banks of the Brahmaputra and the Kundil rivers. Later, the tea estate was sold to the Assam Company in 1840. The Assam Company a private joint stock company was formed in England in 1840 with its field office at Nazira, Assam. This company established factories at Dibrugarh and at the junction of the Buri Dihing and Tingri rivers.

Thus, the taking over the government plantations by the Assam Company may be regarded as the starting point of tea cultivation in Assam. Initially the Company suffered a loss, but by 1852 its prospects began to improve, and in 1859 it had 4,000 acres under cultivation and an outturn of over 760,000 pounds of tea. Fresh gardens were opened and there was immense speculation by the government to promote tea industry in Assam. To encourage tea cultivation in Assam the government presented a good picture about tea cultivation in Assam and made liberal provisions for settlement of wastelands.

This led to a rush of applicants interested to buy land in Assam. Land was sold to speculators in England at high prices and tea industry for a time fell into the hands of stock brokers and various companies. During the next ten years, there was a great inflow of capital to the tea industry from all quarters.

In 1859 the Assam Company had 4000 acres under cultivation with an annual turnout of 7, 60,000 lbs of tea. Due to this false speculation the tea companies collapsed because the tea planters had to confront many difficulties in terms of lack of proper communications, there were total absence of roads as the roads of the Ahom kings had nearly been destroyed from neglect during the civil wars at the end of the 18th century, where the only means of transport was by small country boats on rivers or by elephants on land, continues raid by the hill tribes and lack of sufficient skilled workers.

There was scarcity of labours, which were a result of depopulation due to the wars and the refusal of the Assamese and the hill people to work in the tea gardens. Many of the companies also collapsed because of lack of technical

equipments, and without proper enquiry purchased lands. The enormous speculation in gardens led to a depreciation of the tea property in 1866.

It lasted till 1869 and by 1871 the tea industry once again regained her position. This progress was entirely due to the hard work and enthusiasm of British organization, modernization of factories and improvement of production techniques. The first auction of tea was held in London in 1881. The same year the Indian Tea Association (ITA) was formed at Jorhat in 1881. The quality of tea production increased.

There was superiority of local tea, in respect of both quality and quantity. So tea exports from India increased significantly. Soon took over the rival Chinese Tea Company and became one of the leading tea exporters in the world. In 1866, about ninety six per cent of tea imported in to United Kingdom came from China, but in 1885 only fifty nine per cent came from China while India supplied thirty eight per cent. Thus, the spread of the tea gardens from the middle of the nineteenth century strengthened the British hold over Assam. In 1878 the total production of tea was 1/2 million pounds; in 1885 it was 531/2 million; and in 1901 it was close on 134 million pounds.

Coal Mining

Coal Mining was started and a thousand maunds were raised in the same year. In 1841 a boatload of locally raised coal was sent to the first visiting steamer on the Brahmaputra. Steady demand for coal from the government steamers and the Assam Company's tea factory led to a more regular exploitation of the coalmines from 1847 onwards. The coalfields were situated on the northwestern side of the eastern Naga Hills. As these fields were situated near the upper terminus of steam navigation on the Brahmaputra, the successful exploitation of coal revolutionized the steamers carrying trade, which formerly depended on Reniganj for their fuel supply.

Among the fine coalfields, viz. the Jaipur, Nazira, Jhanjee, Desoi, and the Makum field on the Dihing River were very

important and had been used extensively by 1881, when the mines were leased to the Assam Railways and Trading Company. A railway line was constructed from the Brahmaputra at Dibrugarh to the coalfields on the Dihing River

Improvement in Transportation

Assam with its commercialized economy, and the increasing importance of tea worldwide, Assam needed a transport system where they could transport their goods and be linked with the rest of the world market. The tea planters were instrumental in the improvement of communications. Constructions of numerous roads, steamer services and extension of railway lines through the Bengal Assam railway towards the eastern region began by the later part of the nineteenth century. A steamer service was first introduced in 1847 on the Brahmaputra and Surma Rivers in Assam followed by the construction of road and railways.

Before the British colonial rulers ruled over Assam, River served as the main communication network for the Northeastern region. Brahmaputra and Surma Rivers became the natural highway for people living within Assam and Bengal. Through this river routes traders and travellers would travel from Sadiya to Dhubri by boats. Traders and travellers carried food stuffs like oil seeds, vegetables, silks to the markets in Dhubri.

This river route was commonly used for trading purpose. At first these steamers ran at very short intervals and did not proceed beyond Gauhati. This service proved to be inadequate for the then small but expanding need of the tea industry. The accommodation was inadequate on the upward journey particularly for the large number of urgently needed coolies being imported to work on the estate.

The Assam Company petitioned the government for an improvement in this service, and they asked that not only there should be a regular service to Gauhati, but in alternate months a steamer to go all the way to Dibrugarh. From 1861, a British private company known as the River Steam Navigation and

Indian General Navigation (RSNIGN) took over the monopoly of the steamer services.

The company purchased a number of flotillas to operate in the Brahmaputra River. In 1866 the River Steam Navigation and Indian General Navigation agreed to provide two vessels to sail at six weeks intervals between Calcutta and Dibrugarh via Goalunda. These steamers were to carry tea, coal, and other commodities, which were obtained from upper Assam to Calcutta. River communication became the vital lifeline between Assam and the outside world.

To enhance production and export of tea, coal etc, a Public Works Department (PWD) was formed to construct and maintain roads in Assam. In addition, various District Boards were also entrusted with these tasks. Most of the roads constructed during the Ahom kings were nearly all destroyed from neglect during the civil wars around the end of the eighteenth century. Road constructions began by 1860s, but even during the 1880's there was not much improvement as most of the roads were mostly unmettled, and during the rains became muddy.

The lack of timely repairs and dense forests infested with wild animals; this acted as a hindrance for the construction of building roads. Due to all these problems the development of roads in Assam was very slow. In 1937, The Public works Department had 265 miles of metalled and 361 of unmettled road with 1010 miles of graveled pathway and 840 miles of untreated earthen roads. River transportation was more commonly used than roads. Either for trading purposes or simply for traveling steamers were used, since it took less time and was less dangerous than the roads.

The Public Works department on 30th January 1881 formed the Assam Railway and Trading Company limited. Prior to that, Assam had no railway network service. The nearest railway station had been in Goalunda in Bengal about six hundred miles away from Makum and Dibrugarh in Assam. Largely due to the energy, and professional skill of Benjamin Percy and three Italian engineers the railway line in the coal mine from Makum-Ledo and between Dibrugarh-

Saikhowaghat in Assam was built in 1884. It was known as the Dibrugarh-Sadiya Railway (DSR) with workshops at Dibrugarh. It was the first railway line in eastern India and was a great boon for the tea, coal industries in Assam and to the travellers and laborers proceeding from Calcutta to Assam. The railway was connected to the Dibrugarh river port, which carried tea, coal, timber and other products by steamers to Calcutta.

The province's railway mileage which was 114 miles by 1891 grew to 715 miles by 1903 at an estimated cost of ₹95,000,000. The government steam tramway is now running from the Ghat on the Brahmapooter River through the station of Jorhat, and on to some of the principal plantations belonging to the Company, affording great facilities for the carriage of stores and teas. The Assam-Bengal Railway constructed a longer railway line in 1905 from Tinsukia (Assam) joining the port of Chittagong via Lumding (Assam), passing through the important tea and coal producing belts of eastern and southern Assam.

In late 1940's, the Lumding railway line was connected to Guwahati and then in 1950 Guwahati was connected to Calcutta. The extension of roads and railways were primarily aimed at the tea industries, but it also gave impetus to trade and affected the village life more directly by providing better communication facilities to the people.

In Assam, the tea plantations developed primarily as a British enterprise, as the industry was purely European. The tea industry not only increased the income of the British company but also benefited the local people of Assam in many ways. The tea industry turned the wild jungles into well cultivate tea gardens, gave employment to 600,000 laborers. Unpopulated areas have a settled population with a much better standard of living than that of ordinary villages.

The local educated people obtained clerical and menial jobs in the tea gardens. The Assamese farmers found buyers in the tea estate, bought their rice to feed the coolies in the gardens at good prices. Tea gave impetus to trade, and new markets have been opened in all parts of the country.

British Relation with the Hill Tribes

The British followed a dual policy when they ruled over the Northeastern region (1826-1947). During the initial years the British did not try to administer the entire region. Only in those areas annexed it was found necessary for their economic and administrative intervention. Some areas were directly administered, and some areas had minimal interference in their tribal affairs, while some areas were unadministered. For example, Assam was directly brought under their administrative fold. Whereas, the British carried out military aggression in some hill areas like the Garo, Khasi, Naga and Mizo hills but these were followed by pacification.

These areas were forcefully annexed by sending military expedition, in order to create law and order and to protect the tea gardeners from the invading hill raid. Annexation of Cachar was on 14th August 1832, the Khasi Hills on 1833 and Jantia Hills on 15th March 1835. In 1872 the Garo Hills was annexed, the Naga Hills were first made a British district in 1881, as a safe guard against raids into the plains around Nowgong and Sibsagar.

Whereas, many of the tribes living north of the Brahmaputra and along the border line of India and Tibet were untouched, remained outside the administrative control of the British government until a decade or two before India's independence in 1947 they were brought under the administrative fold. When the hill areas were brought under their administrative control the British followed the policy of non-interference in their internal affairs, customary laws or traditions, but the only difference was they had to work under a British political agent, who was stationed in the hills and dealt with all serious criminal cases while petty cases were handled by the chiefs.

The British government like the Ahom kings encouraged trade when they behaved well, if they gave any trouble they were not allowed to enter the neighbouring markets. During the Ahom rule over Assam trading activities always took place between the people living in the plain areas of Assam and the neighbouring hill areas.

In spite of the varying degree of remoteness, the people of the hills and plains have been living in intimate contact. According to Roland Shimmi, there are two types of Nagas, one was Bori (submission) Nagas, and the other was the Abori (Non submissive Nagas). The Bori Nagas carried on trade with the Ahoms of Assam. One of the principal centres of trade was Borhat in Assam, situated near the foothills.

The Bori Nagas brought down their agriculture produce, Naga daos, agricultural items and a variety of medicinal herbs. From the plainmen they received rice, medicines, beads, cloth, salt etc. The Ahoms encouraged trade though it was strictly regulated. If the Nagas showed any signs of misbehaviour, the roads were blocked and no Nagas were allowed to enter the plain areas and sell their goods. Like the Ahoms the British authorities used to close down the trade routes and prevent the marauding tribes from attending the markets to force them to behave. With better communication facilities and improvement in security under British administration, the economic opportunities increased significantly. More trading activities took place between the people of the hill and the plain areas.

This was because the British provided security to the traders. The Assam administrative Report for 1867-1886 noted, 'the gross value of Angami imports had increased by over fifty per cent in the past four years. It means beads and ornaments purchased for trade increased by four times. The Angami traders then traded beads widely going into Burma, along the old trade routes.

The increased opportunities to trade in traditional ornaments such as ivory armlets meant that more people probably wore more ornaments than in pre-colonial times. Ivory armlets for instance, once only available when Nagas killed elephants themselves, became worn far more widely in the twentieth century as Naga traders obtained ivory from the plains and as far away as Calcutta.

According to G.H. Damant's Report on the Administration of the District of the Naga hills for the year 1878-9, he mentioned that, among the Angamis 1995 persons took passes

to trade in the plains, of which 1706 took down rupees 7943 to buy salt, 207 took Manipuri and Naga clothes, and the remainder took 45 ponies. They went to Dimapur, Golaghat, Dibrugarh, Sibsagar, Jorhat, Gauhati and Cachar.

The traders coming from the plains at Samaguting and Kohima sold goods to the value of rupees 63,467, such as, salt, rice and cloth being the principal items and they bought from the Nagas ivory, wax and cloth the value of about rupees 3000. Women as well as men under took trade. By 1930s, the Nagas became more involved in economic activities quite outside the traditional pattern of Naga trade. Naga men worked as laborers on the railway as load carriers, in coalmines of Borjan and as seasonal laborers on the tea plantations in the plains. Frequent contact with the plains also led to increase trading activities.

British Relations with the Northeastern Frontier Hill Tribes

The Government of India Act of 1935 classified the hill areas of Assam into Excluded Areas and Partially Excluded Areas. The Excluded Areas covered the Balipar Frontier Tract, the Sadiya Frontier Tract, Lakhimpur Frontier Tract, Naga Hills and Lushai Hills. Although all these areas were brought under the Excluded Areas, there were many tribes along the northern borderlands of Assam adjoining Tibet on the west that had never been brought under formal or regular administrative control right up to the close of the British regime.

Politically this area was included in the Balipara Frontier Tracts of Assam, but only the government officials entered the southernmost regions, whereas, the greater part of the area remained unmapped and unexplored. The fully administered areas were very small, only about 571 square miles with a population of about 12 square mile, but to the north lay a large area of unadministered territory right up to the McMahon Line and Tibet. Since there was no direct administration exercised for the people of the northern areas of Assam, no disruption was caused in the social and commercial linkages with the

neighbouring countries like Tibet and Bhutan. The tribal societies were able to interact closely among themselves as well as with the others outside the boundary. The interactions took place through the Himalayan trade routes.

The main purpose was to exchange the indigenous surplus produces for the products that were needed in everyday life but were not produced by the tribal communities. Various tribal communities in the northern areas of Assam such as the Monpas, Sherdukpens, and Apatanis had trading contacts with Tibet and Bhutan.

Every respectable Monpas, Apatanis possess at least one Tibetan sword, and at the time of feasts thousands of Tibetan beads are worn. The women wear necklaces of large beads of transparent or dark blue glass, which did not seem to have purchased from the markets in Assam, but most probably came from Tibet or China. This shows that they had frequent interactions with Tibet and Bhutan and most of the goods came from these places than from India. Tibetan influence was very strong in Tawang and Bomdila, the hometown of the Monpas and Sherdukpens and such influences could be seen in their social and cultural life. According to Robert Reid's (political officer) first official tour report in 1937, When representatives of northern villages such as Tawang and Dirangdzong came down to Udalguri to collect their 'posa', their costume was fully Tibetan long woolen robes, Chinese silks and brocades, yellow lacquered hats, muslin scarves, the broad Tibetan sword in their belt. The close cultural ties and economic interactions with Tibet and Bhutan continued till the time of independence in 1947. Fairs still continued at Udalguri, Sadiya, Doimara and Bijni in Assam just like the pre-colonial times. In these fairs Tibetans, Bhutias, Monpas, and Sherdukpens continued to come down annually to trade.

CONSEQUENCES OF THE TRANSFORMATION OF ECONOMY

The British consolidation over Assam and the neighbouring hill areas starting from the early years of the nineteenth century resulted in major changes in the economy.

The agrarian based economy was transformed in the name of modernization. Growing of cash crops replaced food-growing crops. The region was used as a raw material producing territory and a market for ready-made British manufactured goods. There were four important factors that accounted for the decline of the trans-Himalayan trade. They are as follows-

Monetization

The system of monetization in place of the existing barter system was introduced by the British colonial rule. It was the British who introduced currency in the economy of the Northeastern Region. The currency used was silver coins and rupee.

During the pre-colonial period, currency was not used for any of the trade transactions. All trading activities were done through barter trade. Paddy, articles like yam, millet, chilly, salt, wooden plate, earthen pot, loomed cloth, shells and beads served the purpose of currency. Before silver coins and rupee were introduced in the markets, most goods have been exchanged by barter. For example, a man wanting to buy a mithun for a feast would probably have to pay for it in rice.

However, after the coming of the British in the early nineteenth century many new changes were made to ensure speedy economic development. They made it a point that all buying and selling of goods should be done by using currency instead of the traditional method of exchanging goods. All economic exchanges using currency as a medium gradually picked up among the people.

The cash in the hands of the people came from *posa* received from the British, direct sale of some items against cash and advances made by the Indian traders, such as, the Marwaris to the people for sale of some of their farm and forest products. When large number of people started coming to the hills namely the British Christian missionaries and other people from the plains leading a more sophisticated and better life than the hill people.

Naturally the hill people too wanted the same lifestyle. The people began using things like soaps, shoes, matchboxes

and other consumer goods required for modern living. To buy the things required money. The traditional barter system came to be in disuse and in its place money economy came into being. In the course of this transformation, indigenous cottage and handicraft industries were destroyed to make way for British manufactured goods.

The British to find a market for their manufactured goods sold their products at relatively cheaper price and imposed taxes on the handicraft industries. Under stiff competition the people of Assam had no other choice but to shut down their handicraft industries. By the end of nineteenth century the indigenous silk and handloom industries of Assam, were almost extinct. During the last decade, the use of Assamese silk had visibly decreased and the imported cotton stuff has taken its place. The foreign made articles are gradually finding more favour with the people. By sacrificing the comforts of silk, gold and silver ornaments they now afford to buy these entire new articles. Just like the indigenous and cottage industries destroyed, introducing cheap Liverpool salt in the market destroyed even the salt trade.

Salt Trade

The economy of the Northeastern frontier region was self-sufficient. Every family provided for itself by agriculture almost all the requirements of daily life, cultivated rice, pulses, fruits and vegetables to supply their table; mustard to light their houses, silk and cotton to provide their garments. The most important export item needed by the people was salt.

Salt was used for consumption as well as for other purposes for instance, in Lakhimpur district in Assam; the people of Assam imported the Tibetan rock salt for medicinal purpose only. To fulfill their needs trade transactions with Tibetans were sometimes mostly for crude rock salt. The salt was bartered for Assamese cotton, silk cloth and other articles of local produce. The traditional 'salt industry' declined because the introduction of cheap Liverpool salt pushed Tibetan salt out of the market. The imported salt was purer in quality than the Tibetan salt. The crude local salt from Tibet

could hardly compete with cheaper foreign salt brought in by the East India Company. In 1875-76, the quantity of Tibetan salt imported into Udalguri fair was 1889 mounds and at Doimara fairs 225 mounds. In 1876-77, the quantity imported in Udalguri and Doimara fairs was 1764 mounds 19 seer and 258 mounds respectively. Hodson observed in 1908, Liverpool has to a great extent succeeded in ousting the home made articles.

Since the imported salt was cheap, the local sellers used to remelt the imported salt and gave it the shape and appearance of the local salt so that the people would buy it. Eventually rock salt failed to compete with cheap Liverpool salt. Thus, with slowing down of intensity of trade fairs, the trade also declined.

Organised Trading Groups: Marwari Businessmen in North-East India

After the British Government of India consolidated their position in Assam and the neighbouring hill areas, restored law and order, opened new avenues of employment and trade, provided security to traders, a new group of trading communities came to take part in the new economic opportunities. They were the Marwaris from Rajasthan.

The Marwaris, who entered Assam and the neighbouring hill areas under the protection of the colonial authority, monopolized both the external as well as the internal trade and in the process grew up as a dominant business community. Under a stable environment there was a steady increase in the indigenous population and also influx of outsiders in large numbers.

For example, the British encouraged people coming from outside Assam to settle in Assam, as it would contribute to the cultural and material prosperity of the people. The keyas or the merchants of Marwar from Rajasthan, had trading establishments at Jogighopa, Goalpara and Gauhati, wherefrom they had been carrying on their business with the Mudias (merchants) of western Assam, and within a few years of British occupation not only did they set up their golahs at

the headquarters, but extended their activities even beyond the frontier. Marwaris originally belong to the state of Rajasthan in northwestern India.

They are a business group and their main occupation is work related to trade. Socially Marwaris are close-knit community; they help their fellow members by giving them loans to set up their business. When one of them moves into a new area and is well established he then calls his relatives and friends from his hometown to either assist him as employees in the shops, or give them money to start their own business. Once they are well established, they repay all the money.

This kind of relationship has helped them to emerge as one of the most successful business community in India. Between the years of 1860-1900 thousands of Marwari communities moved out from Rajasthan mainly from Bikaner, Jaipur, Jaisalmer and Jodhpur and came to Calcutta, Assam, North India and other parts of India. In these new places they became very successful and prosperous businessmen and became the main exporter-importer, stockbrokers and speculators.

Migration to Assam and other Parts of North-East India

The Marwaris where ever they went whether it was in central India, the rural areas of Bihar or Assam, became the most influential and important money lenders and merchants. The Marwaris, besides the monopoly of external trade, worked as bankers, speculators, Mauzadars and farmers of government revenue. In 1838 when Major Jenkins visited Gamiri in Darrang district he found a Marwari merchant besides his own trade and was performing the duties of the government as a Mauzadar that is a revenue collector.

In Assam the first Marwari business house to settle in Assam were the Murshidabadi firms. They first settled in the border area of Goalpara near Bengal in the early nineteenth century before Assam was included into British India. Goalpara, one of the first towns across the Assam border on the Brahmaputra River, was a natural centre for trade between British India and the still independent Assam.

Several Marwari firms from Murshidabad had branched there. Mahasingh Raj Meghraj Bahadur from the Murshidabad house was the first Marwari to arrive before 1850's, but large scale of migration only began after the opening of the railways in the 1870's and 1880's. The Marwaris settlement in Assam started from 1840 onwards, when there was progress of tea and jute cultivation and small industries.

The development of communication and the growth of administrative and commercial townships contributed to the system in which traders, speculators, merchants, shopkeepers increased from 1860. They came following the trade routes to Calcutta. Then from Calcutta they moved further east into the rural areas of Assam and neighbouring hill areas. The Marwaris were found in every important village.

They sold salt, cotton- twists and piece goods like brass-metals, undrained sugar, etc., in exchange for money or paddy, rice, mustard and silk. The relationship of the traders with the peasants was often one of exploitation. These traders made cash advances to the cultivators and the rate of interest charged usually was one anna per rupee per month or 75 per cent. Due to the protection given by the colonial authority in 1860, they dominated and controlled the indigenous local banks.

The opium market from 1860 and jute market after 1890 were primarily under them. Monopoly in both the external as well as the internal trade grew up as a dominant and successful business community. This was mainly because there was no competition coming from the local businessmen. There were only a few and most of them did not have enough capital to invest in the trade. Unlike the Marwaris, the traders of Assam and the neighbouring hill areas thus did not play any role in the external trade.

Their position was confined to the level of the retail sellers of the markets. Allen had noticed such a situation and he wrote in 1905, though he is found of trade is not a shopkeeper. None of them could actually compete against the Marwaris. Their businesses were mostly centered on opening general merchandise shops and giving financial loans to local farmers for buying seeds and growing rice. Initially export and

manufacture of jute, tea and coal were in the hands of the European agency houses.

It was under them that the Marwaris found employment as brokers and agents. Later they had control on all the export products except tea and on the import of all essential commodities. The Marwaris served as agents to the British Company houses. At the peak of their business the British were looking for experienced businessmen as their agents, to supply goods to their armies, the tea gardens and to help in the business transactions needed moneylenders to give loans to peasants. The Marwaris with capital, close knit and high level of commercial skill were the obvious candidates to take part in the business activities opened by the British. By providing security to the Marwaris a huge number of them migrated to the North-East of India.

New Routes and Markets

Opening up of new trade routes have always been a key factor that motivated business communities to migrate to new lands. After the decline of the traditional trade routes through Rajputana and Kutch, traders moved to newer commercial centers and ports where there were plenty of business opportunities.

They moved to those areas where the indigenous population was neither well organized, nor had the abilities to exploit the new trading opportunities opened up after the British conquest. Opening up of new railroads up to Bengal and Assam made it even more convenient to come to these areas. With better transport facilities, like opening of railways and telegraphs it helped the Marwaris who were settled thousands of miles away from home.

Families would be left in the home village in Rajasthan and visited after every few months. They frequently communicated with their family members, who lived in faraway places like in Rangoon and Bombay. The Marwaris being opportunist and professional businessmen were very much interested in going to Burma to do business. Under the protection of the British they had hoped to enter Burma

through the North-East India. Capture the markets, open shops and be the main retail supplier. It was also part of the British plan to open routes to Burma and engage in trade. Even though the plans could not be carried out, they continued to supply provisions to the English owned tea plantation, they were retail sellers, and financed much of the tea trade by the loan they gave through the Calcutta banking firms. The Marwaris also had monopoly control on the inland grain and clothes trade, because all retail outlets, small village shops and wholesale trade located in Calcutta were in the hands of the Marwaris.

By the 1930's, after World War 1 the Marwaris began to venture out in all sections of trade, whether it was in acquiring tea gardens, opening shops, industries so on and so forth. With their hard work and dedication they soon became the leading and wealthiest business communities in the North-East India. These developments affected the trans- Himalayan trade flow into and out of Assam. But it was the Marwaris who opened the eyes of the local people that they could earn money through agricultural and industrial activities.

Opened Haths (Market Place)

After the British occupation of Assam and the neighbouring hill areas starting from the early nineteenth century trade in modern line has been opened up. To encourage local trade, permanent Haths (market place) or shops instead of the temporary Haths and fairs have been opened near the Sadar stations (police station). In neighbouring villages the professional commercial class, such as, the Marwaris took part in buying goods brought by the hill dwellers.

The markets became an important economic centre, which supplied all the essential goods available and also serves as a meeting place for people coming from distant villages. The reason why the haths were situated near the sadar station was to provide a congenial atmosphere during the market days, so that the people can go about with their economic activities without any fear of being attacked by the Nagas. Apart from giving protection this was also to impress the hill people that

the British were much superior in strength. In the market one would find, selling of Assamese-cotton, cloth and muga thread, British manufactured goods, coarse rice, pulse, sweet potato, turmeric, ginger, chilli, mustard oil, tobacco and opium. Traders came from Cakutta, Dacca, Tibet, and Myanmar came to the haths with loads of foreign textiles, foodstuff and luxuries and collected the local produce in exchange of their goods. It was the Marwaris from Rajasthan a mercantile class that controlled the trade. The hill people directly sold their goods either directly to the Marwaris or to the hawkers, and with the cash they bought salt, opium, broad cloth and ironwares from them. Through hawkers, the Marwaris collected articles of local produce.

By late nineteenth century, shops were being opened at the market places by the Marwaris to have direct economic interactions with the people. The shops sold a variety of items ranging from home appliances, to food and cloths. In 1839, at the five sadar stations, there were not more than twenty Marwari shops; in 1853 there were eighty four besides sixty two maintained by other traders.

By the close of the nineteenth century, these shops or markets were subsequently extended to different parts adjacent to the tea gardens, with the development of tea gardens; urban centers emerged as a result of seat of administration or places near the highway or river transport. These shops acted as the collection and distribution center of imports. After 1873 the Marwaris obtained Inner Line pass to establish shops and business houses in remote areas of the region. This way they managed to carry out trade transactions in the most interior villages without any hindrance. They became the outlets for selling British and Indian industrial products, tea, salt, and other provisions to the local people who sold their handloom products, handicrafts, cash crops like Mishmi teeta, rice and several forest products.

Thus, it can be concluded that, after the coming of the British in the early nineteenth century there was a gradual process of change in the trans-Himalayan trade. Trade underwent changes and marginalization due to the advent of

western dominance of sea routes and more particularly the emergence of British India and drawing of new international boundaries. The economic changes that took place in Assam and the neighbouring hill areas during the British rule were within the framework of colonialism. The region was transformed into a raw material territory and a market to sell the British manufactured goods. The process of economic diversification had been set along with the British occupation, mainly due to tea cultivation, construction of road, railways and improvement of steamer services.

TRADE IN POST INDEPENDENT INDIA (1947-1962)

North-East India as we know today is a creation of the partition of the Indian subcontinent in 1947. The partition created new borders; that not only divided the people of North-East India but also disrupted the trade ties with its neighbours. Prior to the partition, there was no concept of a separate Northeastern Region, as every single province or hill region was closely linked, for trade, economy, and movement, to the adjoining areas of East Bengal, Bhutan, Tibet or Burma.

Before 1947, the Khasi, Jaintia and Garo Hills maintained close relations with Sylhet, the Mizo Hills with Chittagong Hill tracts and Tripura with Comila, Noakhali and Sylhet. Parts of the Mizo Hills, Manipur and Naga Hills had direct trade links with Burma, where many of their ethnic kinsmen lived. Even the areas of the former NEFA (now Arunachal Pradesh), had close contacts with Tibet and Burma (Myanmar).

These hill areas had closer ties with the adjoining areas of Bengal, Myanmar, Bhutan, and Tibet than with each other. However, the partition in 1947 ended the trade with its neighbours. All the border points earlier opened for trade were sealed and strictly patrolled by security forces at certain key areas. There was no movement of either goods or people. Sales of goods in neighbouring markets were no longer possible after the closure of the border areas.

Therefore, the sudden closure of local and traditional markets with the people across the border has caused great economic hardship especially for those people who have been

mostly dependent on trade. After the closure of the borders, people living in the border areas of the state have not been able to arrange for marketing their products satisfactorily.

This chapter will study how the following events were responsible for altering the trade ties.

- The partition of the Indian sub-continent in 1947.
- The fall out of Sino-Indo border conflict in 1962.
- The outbreak of insurgency in the Northeastern region adversely affected the trade ties with the neighbouring countries and caused the geo-political isolation of North-East India.

During the initial years of Independence, these three major developments had changed India's policy outlook on this newly created frontier region. During the first years of independence, three major developments affected Northeastern India trade ties with the neighbouring countries and changed India's policy on this newly created frontier region. Firstly, the partition of the subcontinent into India and Pakistan considerably weakened India. It fragmented the territory, economic resources, armed forces, population and the likes. Secondly, the regional security had also changed considerably from the time of the British. It had clearly become hostile and unstable.

On the northern frontiers soon after the termination of the Chinese civil war, India had to reckon with the Chinese occupation of Tibet in 1950. A frontier kept quite by the British, had become alive and unstable. Thirdly, the outbreak of insurgency movement in North-East India. The first development was the partition and the redrawing of maps.

THE PARTITION OF INDIA IMPACT OF PARTITION AND REDRAWING OF MAPS DISRUPTION OF THE TRANSPORT SYSTEM

Historically the economy of the Northeastern region was very closely linked with that of the neighbouring countries like Myanmar, Tibet (China), Bhutan and Bangladesh. Commerce, river and land transport, barter and movement of people into each other's market place were the ways in which trade had

been conducted all these years. According to David Ludden, partition, cut old routes of communication and mobility across new national borders shaped more dramatically than almost anywhere in the world. Evidently, the Bengal Assam railway tracks from Guahati to Dacca were torn apart at the Cachar-Sylhet border in 1965. The Northeastern region of India became geographically isolated and land locked in course of time, due to the formation of historical Indo-Burma boundary in 1826, the Indo-Bhutan boundary in 1856, the Indo-Tibet boundary in 1914 and Indo-Pak boundary in 1947. The land locked situation can be understood by the fact that it is situated at the extreme part of eastern India, on the fringes of the country.

The Northeastern region is surrounded by five international countries that is, Myanmar, China, Bhutan, Bangladesh and Nepal which 98 per cent of the Northeastern boundaries are shared with the neighbouring countries. Only by a narrow belt of land connects the region with the rest of India. This narrow road is about 21 kilometers broad which passes between the international boundaries of Nepal and Bangladesh.

While the rest of India has direct access to the seaports and natural harbours of India for contact and trade, North-East India remains virtually isolated. The trade facilitators in North-East India received a serious setback by the drawing of the Indo-Pak boundary line in 1947, which destroyed the well-developed road and river system commonly used for travelling and transporting goods outside the region. Thus, by the drawing of new international boundary line, the eastern region found its traditional road, rail, river arteries and ocean outlet at Chittagong port, which earlier served as the lifeline of the Northeastern region. It was suddenly severed and the external borders of Northeastern region rendered inhospitable or even hostile on account of political tensions.

Therefore, the shipping industry, which was the lifeline of the Northeastern region never fully recovered from the aftermath of the partition. The sudden closure of the local and traditional markets across the border caused great economic hardship on the people who had depended mostly on trade

for their survival. After the closure of the border areas, people of Assam, Meghalaya, Nagaland, Arunachal Pradesh and Tripura lost the traditional markets and since then they have not been able to market their products satisfactorily. Mainly because of the hilly terrain and absence of communication to most of the border areas of the state adjoining Myanmar, Tibet and Bengal the arrangement for transportation of their products has become more difficult, costly and unremunerative. Such terrestrial location along with poor infrastructural facilities converts this region into an isolated pocket and adversely affected the economic development. Some of the major effects of partition on the economy are as follows:

Waterways

The development of the transport system in Assam was closely associated with the development of the tea industry. The increasing importance of the tea industry in Assam became absolute necessary to be linked with the rest of the country. In the later part of the nineteenth century through the Assam Bengal railway, the tea planters of Assam are instrumental in the improvement of communications, constructions of numerous roads, and extension of railway lines towards the eastern region. Prior to the coming of the British to Assam, river served as the lifeline in Assam. All communication was done through river network. From the early times until the advent of railway locomotives and automobiles towards the beginning of the present century, the chief means of communication in the state was by country boats.

The River Brahmaputra and its numerous tributaries, which were connected to the Bay of Bengal, served as the main channel of communication. Before the coming of the British traders and travellers would travel from Sadiya in upper Assam to Dhubri in lower Assam and beyond by boat.

A steamer service was first introduced in 1847 in Brahmaputra River half a century before long distance railway communication was started in Northeastern corner of India. The river facility in the early years of the nineteenth century

of British occupation in Assam, trade was mainly carried by steamers and boats and later by the railways. The tea industry in Assam needed a well-developed river transport to carry out the tea trade. The East India Company first started a steamer service to Assam from Calcutta in 1847 when it purchased the two steamers belonging to the Assam Company. But the service maintained by the Government was very irregular and the steamers did not proceed beyond Gauhati. The Assam Company, the only tea company at that time, petitioned the Government to establish a regular service, running monthly as far as Gauhati, and in alternate months, the whole way to Dibrugarh in upper Assam.

A private company was soon formed for the purpose of navigating the Brahmaputra and the Surma River. This company was the India General River Steam Navigation Company. The company established a service of daily mail steamers on the Brahmaputra in 1861. A similar service was opened on the Surma River in 1887.

The above-mentioned company commonly known as, the Joint Steamer Company have continued to maintain the steamer service to and from Assam. Steamers to Calcutta export tea, jute, timber and other bulky products. On the way to Calcutta the steamer services passed through Chittagong port presently now in Bangladesh as Assam has no port in its territory. Prior to the partition, communications with Calcutta was via Chittagong.

The two ports of Calcutta and Chittagong, now in India and Pakistan respectively handled the bulk of the tea, coal and timber export. Therefore, with the access to the port of Chittagong transport of tea, coal and timber was easy and speedy. "The tea grown in Assam found its way to the port of Chittagong, while tea grown in Sylhet was sent to the port of Calcutta. This resulted in huge export of tea, as tea was sent from the gardens to the nearest ports. Partition and the formation of East Pakistan destroyed the well-developed river system, which was normally used for transporting the goods. The eastern region got deprived of free access to ports like Chittagong. After the partition, Chittagong went to East

Pakistan and the access to Calcutta became difficult, as there were no proper railways, roadways and waterways connecting Assam with Calcutta.

The trade and commerce thereby the whole economic life of the state faced the problem of a serious transport bottleneck. During the pre-partition days, steamers filled with tea, coal and timber would reach Calcutta from Dibrugarh via Chittagong in a week's time. Now after losing access to the Chittagong port it became very difficult for goods to reach Calcutta in such a short time. In March 1948, many custom check posts were set up along the borders of India and Pakistan. The strict enforcement of custom regulations in both countries further aggravated the difficulties and unnecessary harassment by the custom officials to the traders that caused delays in the transshipment of goods. Due to the frequent delays, most of the goods were spoilt by the time it reached its destination.

As the Pakistani crews mainly run the steamers, there were some apprehensions about the possibility of sudden stoppage of this service to the eastern sector of India. For the Indian traders it was always difficult to get bookings in the steamers as preferences were always given to the Pakistanis first. Therefore, the partition of India deprived Assam of some of the important facilities she had been enjoying for so long; for example, the well elaborate broad gauge railway traffic system was no longer available to Assam. Assam lost access to the railway sub-headquarters arrangement at Lalmanirhat, the whole of Assam was served by the meter gauge line at Parbatipur and Santahar, and lastly, the facility of the Chittagong port and the railway headquarters in East Pakistan was no longer available in the eastern part of India.

Railways

Till the 1870s the railway network was poorly developed in Assam. The nearest railway lines from Calcutta to Assam were as far as Goalando in south-eastern Bengal and Poradaha in Central Bengal. Even in 1879 there was no direct rail route from Calcutta to Assam, the furthest the Eastern Bengal Railway came was up to Kaunia on the River Teesta or to

Goalando on the River Padma, whereas the rest of the journey to Dibrugarh from either of these two places was by River Brahmaputra. The linking of Assam by railway line from these places was considered too difficult because of the dense forest and the terrain. In 1881, the Assam and Railway Trading Company made the first attempt to open a rail route but was fully functional in 1882 from Dibrugarh Steamer Ghat to Jaipur Road. Following this, in 1884, Benjamin Piercy and three of his Italian engineers built the railway line in the coalmine from Makum-Ledo and between Dibrugarh and Saikhowaghat in Assam. It was known as the Dibrugarh-Sadiya Railway (DSR) with workshops at Dibrugarh. In 1904, the longer line the Assam Bengal Railway was constructed between Chittagong and Dibrugarh. This line joined the port of Chittagong in East Bengal via Lumding in Assam passing the important tea and coal producing belts of eastern and southern Assam.

This railway connection helped considerably in the growth of the tea and coal industries in Upper Assam and in the Surma valley. After the partition, the tea planters in Assam faced many new problems. One major problem was the lack of proper transportation facility. The transport of tea through the pre-partition routes became difficult. It was found that Indian tea could not get effective priority in booking, particularly in view of the new traffic with the Pakistan railway system had to carry, because of the diversion of jute from Calcutta to Chittagong.

Towards the end of December 1949, the Pakistan railway suddenly stopped all routes via Pakistan from Assam and to the rest of India. It was only the tea gardens in Assam that bore the brunt of partition. For North Bengal gardens tea was sent by rail all the way through Bihar and West Bengal, on the outskirts of eastern Pakistan. For Assam the difficulty was still greater as there was no direct rail link with India. Due to all these difficulties, the necessity for the establishment of a new railway link between Assam and the rest of India through Indian territories had to start immediately. The Indian Government sanctioned a sum of Rupees. 8.9 crores for constructing a new Assam Bengal rail route and the railway

authorities started work on the new lines in January 1948. The first thing the railway authorities did was to fill up the gaps between Assam and West Bengal. There were three major gaps in the existing railway system that had to be filled to establish the connection with the railway system of Assam.

These gaps were to connect:

- Kishangang in Bihar with Bagrokata in Assam;
- Magarihat in Assam with Hashimara in North Bengal; and
- Alipur Duar in North Bengal with Fakiragram in Assam.

To help the tea planters, the Indian Government also adjusted the freight charges, gave concessions to fertilizers coming to the Assam tea gardens. A new railway system known as the Assam Railway with headquarters at Pandu (near Gauhati) was set up in 1948 to facilitate efficient management of the Assam railway lines. With the re-grouping of railways, the Assam Railway was merged with the North Eastern railway zone with headquarters at Gorakjpur, in April 1952. In 1956 the rail communication through East Pakistan was restored for goods traffic. But because of the strained relations between India and Pakistan, there has not been much flow of goods traffic through Pakistan. River communications as well as road links disrupted one political unit and another in Tripura, Manipur, Cachar and Mizoram.

For example, there was less movement of people coming from Pakistan and going to other parts of India from Assam, as the people of East Bengal needed passports to legally enter the Brahmaputra valley. Same thing happened when the tribal people of Chittagong Hill tracts tried to enter the Mizo Hills. Despite the restrictions on free movement, however, illegal trade secretly continues whether it is from across Mancachar, a major smuggling and business center on the Indo-Bangla border or in Moreh, in Indo-Myanmar border.

India-Burma Unprotected Borders and Unrecorded Trade

The drawing of a boundary line has certainly affected the

economy of the people, no matter which sides of the border they were living. The new boundary line caused more disadvantages and hardship because it interfered with their free movement of trade. Since most of these places are situated in remote areas, communication facilities almost nil, and most of the basic essential goods does not reach them on time.

They had no alternative but to continue with their traditional barter trade with their neighbours though it may be done in an illegal way. The old road links and water ways are being used in many places such as in Moreh in the Indo-Myanmar border, Fakiragram, Mancachar and Karimgang in Assam, Lichubari and Dwaki in Meghalaya, Tiangbung in Mizoram and Kailashashar, Agartala, Sonamora, Bilonia and Sabroom in Tripura for the illegal export and import trade.

However, a significant volume of informal border trade carried out between India and Burma underwent a radical change after independence. Things started to change when the communist in Burma within three months of independence, attempted to overthrow the government through armed rebellion and this had generated uncertain political situation especially along the eastern borders of India. Even in the eastern region of India troubles were brewing among the tribal people. Immediately after Indian independence, the Northeastern region was going through political turmoil as many of the hill tribes were fighting against the Indian government because they too wanted independence.

Such political happenings could be dangerous for eastern India where rumblings of discontent among the tribal groups were increasingly becoming visible already in the aftermath of Indian independence. On the Burmese side, the Communist supported and instigated the Karens, Kachins and Shans to fight for their independence from Burma. Similarly, on the Indian side, the Nagas, Mizos and Assam hill people received aid and encouragement from the Chinese and Burmese Communists to fight for independence.

Therefore, the outbreak of the Burmese civil war was also one of Jawaharlal Nehru's main concerns at the regional level because the indefinite continuation of instability in a country

at the gate of eastern India was clearly viewed as dangerous. For one thing, it could have major ramifications on India since the areas on both sides of the frontiers were inhabited by the same tribal or ethnic groups the Chins and the Arakanese of Burma are of the same stock as the Mizos of India.

On the other hand, if Burmese communist takes over, Burma-India would indeed be faced with adversaries on all her frontiers. External pressures on India were already building up at the time of independence, to which she had to respond. But since the new political leaders were not ready to accept the concept of defence strategy for the subcontinent; they had to design a new strategy that is maintaining friendly relations to face national security problems. The security issues reached its limit after the occupation of Tibet by China in 1950 and the Chinese aggression into North East Frontier Agency in 1962. Post 1962, Burma relation with India underwent a radical change. The rise of military regime in Burma, the two countries drifted apart, and also because of Sino-Burmese border agreement and a treaty of friendship and mutual non-aggression signed on 28th January 1960.

After China's close relation with Burma since the early 1970s soured the relation with Delhi. Partition, war, diplomatic strains and tensions gave a major blow to the Indo-Burma trade. The 1962 Chinese aggression of NEFA all the border trade that was taking place in the Indo-Burma border was completely stopped. Both the Burmese and Indian governments, on the ground of security measures completely sealed off their borders for protection from the Communist rebels, in an effort to stop the secret supply of arms from China, cross-border insurgency and drug trafficking.

However, despite stopping the border trade, the large part of the Indo-Myanmar border which is about 1,643 kilometers long have remained unprotected, unmanned and in many places ill demarcated has made the borders a safe heaven for illegal trade. The partition of the country and consequent redrawn of political boundaries has made the border management a stupendous task for both the local as well as national government.

In such inhospitable topographic conditions, and since large parts of the borders with the neighbouring countries have remained unprotected, unmanned and, in many places ill-demarcated, impenetrable hills and forest along the borders coupled with unifying social environment, combating smuggling, movement of people is not an easy task. Difficult terrain, impenetrable hills and forest and since the population in the border areas is ethno-culturally more or less homogeneous on either side of the Indo- Myanmar border putting up fence in the border areas is not an easy task. The absence of physical barrier in the border either in the form of border fencing or even strict vigilance by security forces etc. along the Myanmar border has made the borders a safe heaven for illegal trade. As the illegal trading continues in the sector, it has become difficult for the customs to guard the entire 1640 kilometers Indo-Myanmar border. Traders living on either side of the international border resorted to illegal trade by crossing over the borders. The traders also took advantage of the customary practice of free movement of people and goods of ethnic origin. Trade between Northeastern region and Myanmar mainly flows through unofficial channels in the Moreh-Tamu sector in Manipur and Champhai in Mizoram. The major item imported from Myanmar across Manipur border is narcotics. Due to its close proximity with the Golden Triangle, the Northeastern region has been used as a route for sending drugs to India and other countries. The other major group of informal imports consists of luxury and fancy consumer items such as apparels, electrical and electronic consumer durables, cosmetics etc.

All these items are smuggled from Myanmar. These goods are however produced not in the neighbouring countries but mostly in the industrialized countries of East and Southeast Asia such as Japan, Thailand, and China etc. Most of these commodities are currently in the negative list of imports of the Government of India.

Disruption of Traditional Trade and Human Habitation

Initially, the government of India had hoped that the

North-East India, being closely situated near China, Burma and Bhutan could be used as a trade corridor between India and the neighbouring countries. Through the centuries there has been a natural exchange of goods and services between North-East India and the countries of South and South East Asia. Geographically, this was permissible because this frontier region is land locked and has numerous passes and land routes which was used by people coming from Southeast Asia and China to enter India.

The first Ahom king Sukhapha migrated to Assam in 1228 A.D. from the Shan State of Myanmar, and established Ahom kingdom 'Asom' and gave stability to this part of the country. It is known that during the Ahom rule there were economic interactions and marital relations with China and Myanmar. Likewise, the Chins from Myanmar have migrated over the past centuries to Manipur and Mizoram and the Maities of Manipur from Myanmar. Most parts of North-East India had been economically integrated through barter trade with the neighbouring countries like Burma, Bhutan, Tibet and Bengal. The creation of new international borders not only disrupted the trading networks but also deprived the people of their livelihood.

For centuries, for example, the people of the hills such as the Garos and the Khasis had traded with the Muslims of East Bengal, in Mymensingh and Sylhet districts. The Garo Hills, which is the neighbouring district of East Bengal would supply ginger, potato, and from East Bengal (Bangladesh) came in fish, chilies, jute products and salt. Since the days of pre-independent India, when Khasi and Jaintia hills was under the state of Assam and Bangladesh was then known as East Pakistan, the Khasis and the Jaintias frequently visit the markets of Bangladesh in the south and that of Assam in the north to exchange different products ranging from rice, fish, limestone to miscellaneous materials like spices and fruits.

Iron was manufactured in the hills and exported in the shape of hoes to the Assam valley. An estimated 20,000 maunds of iron were exported from the hills in 1853. Most of the neighbouring districts of East Bengal had been the main

market for the agricultural produce of the Assam border districts, consisting largely of tribal people. Hence, after partition, both India and Pakistan halted all trade ties in the eastern borders. Another good example is that of Tripura. Before the partition of India, Tripura was a princely state governed by the tribal kings. For centuries the state had a very close trade and commercial relation with the people of East Bengal (Bangladesh).

The then Tripura kings use to organize big trade fairs annually in places like Melarmath near the borders of Bangladesh. The traders from Bangladesh brought indigenous goods of various kinds to sell in the fair. Sometimes the trade fairs use to extend up to a week or even a month depending on the participation and demand of the public.

People from faraway places came to the fair to buy and sell their goods. No money was used everything was done on barter basis. The route use by the traders was either by the riverine routes or through the mountain passes. If the traders could not manage to sell of all their goods, the king used to buy it to encourage the traders to come again and to support the growth of economy in the state. All this was stopped after India cut all the trading relations Tripura earlier shared with East Pakistan. India was totally against the idea of Tripura's desire to get its essential imports from East Pakistan, but would rather have them send down from the mainland India, though it would have taken a longer time.

Even Pakistan was not at all comfortable with its Eastern wing (East Pakistan) maintaining any economic ties with India, it stopped importing coal from neighbouring west Bengal, and got it imported from China, though it was situated very far. The Pakistani authorities closed down all the markets and stopped all the trans-border trade. This caused a lot of economic hardships especially for the border villages in North-East India, because the markets in East Pakistan had always been their buyer.

Thus, owing to the hilly terrain and absence of communication arrangement for their products became difficult. The people were left with their surplus produce on

their hands with no buyers to buy their goods. Drawing of new boundary lines in Indian sub-continent not only changed the geographical landscape and drastically affected the economy of the people living in the Northeastern Region but also disturbed the original habitat.

These new boundary lines ran along mountains, ridges and river beds. It meant dividing the people, and different tribal people found themselves in one closed geographical region that was India. For example, half of the ethnic tribal minorities found themselves living in Burma while the other was thrown into India. This is what happened to the Garos, Khasis, Tansas, Nagas, Kukis, with most of their ethnic cousins or relatives living in the Chittagong Hill district of Bangladesh and Myanmar while The Nagas live on both sides of the hilly border region between India and Burma. The Nagas are found in the Northeastern states of Nagaland, Manipur, Assam, Arunachal Pradesh and Burma in the Sagaing Division and Kachin state. (See map 4) There are now nearly half a million people of Indian origin living in Myanmar.

Separated by new international frontiers, boundaries strongly sealed the people could not freely go to the neighbouring areas of Burma and Bangladesh, which were inhabited by their ethnic cousins. Further, many ethnic groups had new custom officers, immigration controls and border police to keep them legally divided.

It is interesting to note that though the traditional trade has been affected by formation of old and new international boundaries, even then cross border trade and movement of people illegally continued despite the formation of impermeable boundaries. As the border area is porous with thick jungles, which are difficult to mend. Taking advantage of the situation, people of the same ethnic group cross the boundaries. The ties between the people of North-East India and neighbouring Burma and East Pakistan gradually grew close over the centuries that there is little that governments can do to prevent the illegal movement of goods and people and services across national boundaries. The people belonging to the same ethnic origin border patrol can never tell on which

side these people really belonged. For the people of Northeastern region ethnic coalitions, oral traditions and lifestyles based on respect for nature have mattered more than frontiers. Here men and women, with common origins but different nationalities, share a racial, historical, anthropological and linguistic kingship with each other that is more vital than their links with the mainstream political centres, especially at Delhi, Dhaka and Rangoon.

SINO-INDO BORDER DISPUTE (1947-1964)

The other major problem that India faced on its northern frontiers was the emergence of Sino-Indian differences on the border issue. The present Sino-Indian border is the product of Manchu policy, Chinese Republican policy and British policy. In 1911 Tibet revolted against the Manchu dynasty, and until the end of 1912 there were continuous skirmishes on the Sino-Tibetan frontier.

"In 1913, Tibet declared full independence. It was to resolve this conflict that the Simla Convention was called by Great Britain. At a conference in Simla in 1914, attended by British, Chinese and Tibetan representatives, the McMahon line was drawn dividing the boundary line between India and Tibet. The Chinese Government refused to ratify the line because of which the boundary line could not be settled.

As China refused to accept the arrangements, there was no formal demarcation, but the British did send political officers up the border every year to show the flag and reaffirm their claim to all territory south of the main watershed. After the coming of the new communist party in China, The People's Republic of China began to take a belligerent stand on the regions along India's northeastern borders.

Chinese government claimed the boundary line was the result of British imperialist aggression against China and especially the Tibetan regime of China. It argued that Sino-Indian frontier had never been formally delimited. Instead China in the eastern sector claimed about 94,700 square kilometers of Indian territory, including the Kameng Frontier Division, the Subansari Frontier Division, the Siang Division

and three fourths of the Lohit Division of the North-East Frontier Agency. China insisted that the traditional and customary line, as drawn on the Chinese maps, was correct.

In contrast the Indian government confirmed that the entire length of the boundary had been defined and was part of India. Rumors were afloat of their designs on Tibet, and they were also showing reluctance to accede to the Government of India's request to alter their maps, which showed vast areas south of the Himalayan watershed as Chinese territory, and delineate the McMahon line as the international frontier. The northern border thus became a live and sensitive region and the problems of the frontier tribes were now a matter of national concern for which the central government decided they must take direct responsibility.

Occupation of Tawang, 1951

The Government of India initially faced difficulty in the state of administration in the frontier areas, particularly in NEFA. During the British period, a number of tribal areas in the Northeastern Region such as the tribes of Nagaland, Mizoram, and Meghalaya been brought under various kind of administrative control from the first half of the nineteenth century, however there were numerous tribes along the Assam's northern borderlands adjoining Tibet that had never been brought under formal or regular administrative control up to the close of the British regime. It was through a *pos* system under which certain commodities particularly valued by the tribes, such as cloth, salt and iron, were annually given to their chiefs by the political officer in lieu of their good conduct.

The British had contented themselves with merely drawing the McMahon line, and for the next thirty years did not make any move to bring the tribes under proper administration. It was not until the 1930s that the British became worried about the northern borderlands of Assam. "Apprehensive of Chinese ambitions attempt was made to extend the administration to short distances beyond the hills, established a few paramilitary outposts at key areas along the

valley routes leading to the McMahon line. Apart from the few military outposts, no regular administration was set up near the northern border of Assam.

The tribals had been left very much to themselves, and particularly those living in the northern areas had many contacts and trade relations with the Tibetans and the Bhutanese. After independence, the vast, mountainous tract north of the Brahmaputra was termed as the North East Frontier Agency (NEFA). Under a new constitution, NEFA was included as part of the state of Assam, administered by the President of India, and the duties exercised by the Governor of Assam.

On 17 March 1950, Debkanta Barooah a Member of Parliament revealed in Parliament facts which showed that, Tibetan officials were forcibly collecting money from the NEFA hill tribes, and also that the Assam Government was making an annual payment of Rupees 5,000 to the Tawang monastery in NEFA which was under Tibetan administration, and that the money was sent to the Drepung monastery in Lhasa. So it came to be known that the Tibetans did not abide by the Simla agreement of 1914, and still continued to occupy Tawang area east of Bhutan.

The Chinese occupation of Tibet in 1950, there was a strong possibility that China would try to extend her influence into those areas which has been claimed by China in her maps as falling within the Chinese sphere of influence. Since this was the only vulnerable area through which an attack might be launched by China against India.

It was, therefore, very necessary for India for setting up of a light administrative framework in these areas as soon as possible, so that when Chinese threat appeared they would find a fully developed administration able to take care of itself. On February 2, 1951, the government of India took over Tawang and established the headquarters of an Assistant political officer at Tawang in 1951.

The Chinese invasion of Tibet in 1950 was a turning point in not only in NEFA's (North East Frontier Agency) history but also for the entire Northeastern Region. The occupation

of Tibet posed serious security problems to the entire northern frontier of India, as these areas were subject to serious dangers and, therefore, great vigilance became necessary. It was the Chinese entry into Tibet in 1950 that focused interest upon the region. Throughout history, India has seldom been worried about the North-East Frontier region.

The Himalayas had been regarded as an impenetrable barrier against any threat from the north. The Chinese had their own domestic problems and never caused any problems in the frontier areas. The politicians at the center were too remote and had their minds too preoccupied with pressing issues nearer home to trouble themselves much over the tribals of the northern hills.

The occupation of Tibet and the Chinese government refusal to accept the McMahon Line as the boundary line and claimed the border areas of Tawang and Longju changed the government's stand regarding the future shape of the Northeastern region. It became abundantly clear that the region was a zone of vital political and strategic importance. Realizing its political and strategic importance, the government of India could not afford to ignore the eastern region and let the tribes remain in indefinite isolation.

New Defence Measures and its Impact on Trade

In November 1950, the Indian government decided to set up a committee under the chairmanship of Major-General Himmatsinghji, the Deputy Minister of Defence, with representatives of Defence, Communication, Home and External Affairs Ministers to study the problems created by the Chinese invasion of Tibet.

The North and North Eastern Border defence committee was established in February 1951. The major recommendations of the Committee were establishing of paramilitary outposts along the main tracks leading to the frontier, expansion and reorganization of Assam Rifles, positioning a regular army troops at strategic points of NEFA to hold the Chinese back from a full scale attack on India's frontiers, the extension of the administration in the NEFA, development of intelligence

network along the border, development of civil armed police, development of communications and check posts, the construction of roads for the movement of troops and supply of provisions in case of an attack from the north.

There was a considerable increase in the Assam Rifles and other armed police units in larger concentration at strategic points from which effective patrolling could be regularly undertaken. The Indo-Tibet check post staffs were given wireless communication system. Based on Himmatsinghji Committee Report, by the end of 1952, 30 check posts were in operation in the frontier, of which 7 were in Ladakh, 4 in Punjab-Himachal Pradesh, 6 in Uttar Pradesh, 5 in Sikkim and 8 in NEFA.

By 1959, the number of check posts in NEFA had risen by 22. In the NEFA border in particular, Nehru had been prodding the Army Headquarters to establish border posts at all the key points along the McMahon Line, so as to assure the government of India's presence in the disputed border region.

After assessing all the dangers and shortcomings, the government of India decided that the administration in NEFA should be taken right up to the frontier; new districts should be opened, with the administrative boundaries coinciding with the tribal boundaries as far as possible. Instead of the old tribal system of maintaining law and order, modern methods of police administration should be introduced. The economic needs of people should be surveyed and supplies sent from India so that they could be economically tied to India and not to Tibet.

A lot of developmental works were carried out to win over the people. Schools were opened in NEFA, where both Hindi and Assamese were taught, so that the tribal could gradually develop cultural links with the plains people. Other essential services provided, such as giving medical help to the tribal people, opening of hospitals, medical centers, and the establishment of road and air communications. All the porous borders between India, Tibet and Bhutan were properly guarded and registration of Tibetans was carried out in the check posts.

The presence of check posts were not readily acceptable to the local population of NEFA, because across this long land frontier, traditional trade and interactions between the Tibetans and the people of NEFA had existed for over a thousand years, as strict enforcement of rules in the border areas, curtailed their liberty a great deal and they could no longer move across the frontier as they liked and this they strongly resented. The establishment of check posts completely stopped the facilities for border trade between western Tibet and NEFA; and it interfered with the cultural exchanges between Tibet and NEFA.

Chinese Aggression, 1962

Since no solution was brought on the unsettled boundary line between India and Tibet China, "the first major thrust of the Chinese into the Tawang area in the north western extremity of NEFA took place in 21st October 1962 and claimed 5200 square kilometers of border territory south of the McMahon Line.

Not many days afterwards the Indian armed forces were defeated and pushed backwards. So rapid was the enemy advance and so utter the collapse of Indian resistance that it was taken for granted that, within a matter of days, the whole of NEFA, if not Assam, would be lost to the Chinese.

The Chinese declared a unilateral cease-fire and halted their advance just short of entering the Assam plains. Nevertheless, the Chinese aggression had a serious repercussion on the Northeastern trade with its neighbours. The Chinese attack on NEFA all the trade transactions and other socio-cultural activities of the people suffered a major setback due to the closure of the borders with Tibet.

To make up this loss the government of India tried to establish greater economic links with the Assamese in the plains of Assam and other indigenous markets in the mountains. The people are using mill made clothe and more importantly have picked up Assamese and Hindi languages which they require every moment they remain outside their land.

Thus, the occupation of Tibet and the Chinese aggression in 1962 it became abundantly clear that the region was a zone of vital political and strategic importance. Realizing its political and strategic importance, the Government of India could not afford to ignore the eastern region and let the tribes remain in indefinite isolation.

INSURGENCY AND POLITICAL UNREST IN NORTH-EAST INDIA

Third component was the domestic unrest that threatened the national security. The two internal challenges facing the Indian system were secularism and territorial integrity. Secessionist movements in North-East India, Punjab and Kashmir threatened India's territorial integrity. External support giving to the secessionists' movements escalated violence in North-East India, Punjab and Kashmir. Insurgency in North-East India caused violence, political uncertainty in the region.

A number of insurgencies in North-East India have caused security problems for the government. Three states in particular have witnessed various insurgents and guerilla movements. The first and perhaps the most significant insurgency originated in Nagaland in the early 1952. Nagaland boasts the regions oldest insurgency, which served as a model for several of the others. Nagaland was the first to take up the path of violence and was soon followed by Mizoram and Manipur and finally by the whole North Eastern region.

The Nagas, Mizos and Manipuri's began to advocate for independent states, whereas, others ask for greater autonomy. The insurgents in Nagaland grew in strength followed by Mizoram. The Mizo National Front of Mizoram fought with the Indian security forces throughout the 1960s. The People's Liberation Army of Manipur followed this. They fought to unite the Meitei tribes of Manipur and Burma into an independent state.

The Naga separatist movement and demand for a separate Nation gradually spread to the other areas like the Mizo hills. On 1 March 1966 Mizo National Front (MNF) led by Laldenga,

revolted against the government almost on the Naga pattern. There after the whole region was infested with militants that quickly spread like wild fire. Soon after trouble in Manipur started by Meitei insurgents in June 1978, under the leadership of Biseswar and the People's Liberation Army (PLA) and a little later, by the People's Revolutionary of Kangleipak (PREPAK)-a Marxist-Leninist organization under the leadership of Tulachandra.

The Meiteis feel they are neglected and deprived in the matter of employment. The frustration is so deep for the proud Meities that they want to renounce their Vaishnav heritage and revive old tribal loyalties. These insurgency problems reached the tribal people of Tripura. The Tripura tribals revolted in June 1980 against the loss of political power caused by an influx of Bengalis from Bangladesh which reduced them to a minority as well as subjecting them to Bengali economic domination which led to alienation of their land, thus being deprived of job and exploited in trade.

The Tripura Upajati Juba samiti (T.U.J.S) was formed in 1967, since then has been agitating for restoration of tribal land, the deportation of foreigners and the creation of an autonomous district council for tribals. Insurgency problem spread through the region and since the region shares most of its international borders with the neighbouring countries.

Most of the border being porous it is easy to move in and out of the region. This easy passage across the borders has facilitated entry of militants, armed smuggling and setting up of camps in the neighbouring countries. There is abundant evidence to show that most of the ethnic groups have established meaningful ties with the neighbouring countries. The tribal groups living on both sides of the border share common ties of culture and commerce.

The Chins and Arakanese of Burma are of the same stock as the Mizos, and half of the Naga population is living in Burma. This generates close ties between two frontier areas. Many of the insurgents groups of North-East India got a lot of financial, arms and political support from neighbouring China and Pakistan.

The Nagas with China, and what was East Pakistan in 1962; the Mizos with East Pakistan in 1963 and with Burma in 1972, and with China in 1973 and 1975; and the Tripuris (Tripura) with East Pakistan, the cadres of ULFA have received their basic training in the adjoining Burmese jungles where they shop for arms with extorted money. Many of these countries have allowed setting up of training camps in their lands to the North-East Insurgents. From 1956 onwards, the Nagas had been receiving weapons and training in East Pakistan. In that year, A.Z.Phizo, who led the Naga insurgency, had fled to Dhaka, from where he was flown to London on a false passport provided by the Pakistani authorities. From 1956 to 1966, Pakistan trained at least eight batches of Naga insurgents (1700 people in all), an armed them. In the late sixties, the Pakistanis also started training and arming the Mizo National Front, Manipur and Tripura insurgents.

In 1966, the insurgent Nagas started going to China for advanced training in guerilla warfare. The insurgents received their training in the adjoining Burmese and Bangladesh jungles where they shop for arms with extorted money. The insurgency movements of the Nagas, Mizos and getting support from the neighbouring countries have weakened the precarious unity they now have and created danger for the safety of the most strategic area in the Indian Union. The Chinese presence on India's borders, and the hidden Pakistani support to the Naga and later to the Mizo, Manipuri and Tripura insurgents came to be perceived as a major security threat, leading to an 'insecurity syndrome' in New Delhi. The increasingly unstable, violent and guerrilla like situation, that has developed in the Northeastern region has generated an unprecedented level of violence in Indian politics. This has troubled Jawaharlal Nehru. The Nagas declared a federal Government of Nagaland in 1956. From 1956 the region witnessed mass killing, torture of the Nagas by the India army, often described as the dark and senseless part of India's history.

There was extreme brutality, first from the Indian army side because the soldiers were ordered to soften up the Nagas.

Their opponents retaliated strongly and it was not long before it was a matter of doubt as to who was softening whom. The Naga problem started getting a lot of attention. Nehru was more worried about the insurgency problems in the Naga areas than even about the growing Chinese strength in Tibet.

On his visit to London for the conference of commonwealth Nehru realised that the Naga problem, along with Kashmir, was affecting the image of India. According to Nehru, *About the Nagas, I'm much worried. This worry is not due so much to the military or other situation, but rather a feeling of psychological defeat. Why should we not able to win them over? I do not like being pushed in to repressive measures anywhere in India this long drawn out business has a bad effect, both internationally and nationally and, if I may say so, personally on me. I'm therefore prepared to consider any reasonable approach to this problem, which promises a settlement.*

Although at the national level the political leadership was deeply troubled with the impending partition of India and in minimizing its adverse impact on the region and the country at large, had a vision of North-East India, He had a vision of North-East India in which the tribals would be allowed to develop according to their own genius and Assam a great centre of contact between the civilizations of India and China. Nehru visited Assam in December 1945 and on his return journey, he remarked about the Northeastern region, Assam has the look of great reserves of strength and potential power, I have no doubt that great highways by road, air and rail, will go across her, connecting China with India, and ultimately connecting East Asia with Europe.

Assam will then be no longer isolated far away province but an important link between the East and the West. The security scenario in North-East India looked rather bleak from New De' i's point of view in the late sixties. The insurgency movement, which first began in Nagaland, began to gain momentum, multiplied in number, and gained in intensity. The level of violence has become so great, the threat to territorial integrity so real, and the demand for independent

so insistent that it cannot be considered as a minor crisis. Due to growing involvement of China and Pakistan in supporting and instigating insurgent activities among the people of North-East India provoked alarmed and leading to insecurity syndrome in New Delhi. After the fall out of the Sino-Indo relation and its aggression to NEFA in 1962, left a strong impression on India's policy makers.

It had established the decisive superiority of China's land army, and its capability of sweeping away India's Himalayan defences. It no longer remained possible for India to allow the vast belt of mountains stretching out northwards from the Brahmaputra valley to remain unexplored, neglected and undefined void. Strategic and security considerations necessitated sealing of borders, strict vigilance at the borders, constructions of a network of communications for the movement of troops. Partition was, consequently, an extraordinary disaster for North-East India in particular.

In the separation of East Bengal now Bangladesh resulting in the abrupt severance of inland water, road and railway communication, as well as loss of access to the Chittagong port, and crippling economic linkages. It was followed by the Chinese aggression and insurgency problem in the North-East that led to hardening of the previously soft borders with Bangladesh, Burma, resulting to sealing of the region in the eastern direction. The Partition, Sino-Indo war, insurgent activities in the region, diplomatic strains and tensions converted this region into a zone of vital and strategic importance and made a major impact on the trade ties as all trade exchanges between North-East India and the neighbouring countries were completely stopped due to the sealing of borders.

CONCLUSION

Once known as Assam, today the North-East India is divided into Seven States, more commonly known as the Seven Sister States. These states are Arunachal Pradesh, Assam, Meghalaya, Mizoram, Manipur, Tripura and Nagaland. While the states of Arunachal Pradesh, Nagaland, Mizoram and

Meghalaya originally formed part of Assam, Manipur and Tripura were princely states that joined India after independence in 1947.

Before the British annexed this region in the early part of the nineteenth century, this region was divided into small independent princely states, and independent tribal units. After 1823 this region was brought under the Northeastern frontier of Bengal, administered from Bengal. Later it was changed into a Northeastern frontier region and after the independence of India the region was termed the Northeastern Region of India. Geographically, neighbouring countries such as China, Bhutan, and Myanmar surrounds all the Seven States.

Being situated near these countries this region has seen a huge influx of people from the neighbouring countries over a period of time. The cultural traits brought by these people are still retained to the present day. Being racially and culturally diverse the region has been described as a cauldron of various races and cultures.

Through these numerous passes and routes North-East India has received people from China and various parts of South and South East Asia. Invasions took place through the numerous passes and allowed trade relations to exist over a large span of time. Here people of different races mingled together, came from far away countries like China, Mongolia, Thailand, Laos, Tibet and Burma. Being situated at the border point of South and South East, it is at the cross roads of two different cultures.

Thus, North-East India signifies a zone that is multicultural, racially mixed and which shares much in common with South East Asia, including markets and other economic links. Due to its strategic location it was not isolated in the past; rather it enjoyed close economic interactions with neighbours across the frontier whether with China, Myanmar, Tibet and Bhutan. Through the centuries there has been a natural exchange of goods and services between North-East India and the countries of South and South East Asia.

Some of the trade ties go back as late as the ancient period. As has been mentioned earlier there were some parts of North-

East India that fell on the southern trails of the Silk Road. The earliest reference to the Assam-Burma route is found in *Si-yu-ki*, the accounts of the Chinese pilgrim Hiuen-tsang, who visited the court of Bhaskarvarman in Kamarupa (present Assam). It has rightly been assumed by scholars that India in the ancient period maintained her contact with China through Kamarupa, which was connected by eastern routes, although it was difficult to travel, to north Burma and south China. There is evidence that even in the early thirteenth century, through the Pangsau Pass in the Patkoi Hills, the Tai Ahoms from the northern and eastern hill tracts of upper Burma and western Yunnan entered Assam in 1228A.D.

Later on, the Burmese army used the same route in early eighteenth century when they occupied Manipur and Assam. During the six hundred years of Ahom rule in Assam close economic interactions was closely maintained either with Bengal, the Frontier hill tribes or with Bhutan, Tibet (China) and Myanmar. Likewise, even in the later part of the eighteenth century Manipur a small princely kingdom bordering Burma and Assam had maintained trade links with the kingdom of Ava through this Pangsau Pass.

Manipuri traders had trade relations with the Burmese through the Kabow valley and with the Chinese traders from Yunnan. Since the pre-British days there were also other tribal communities such as the Monpas, Mishmis, and Apatanis etc of Arunachal Pradesh who maintained trade relations with Tibet, Assam and Bhutan through the sub-Himalayan mountainous trade routes.

Therefore, due to its strategic geographical location North-East India in the past was linked up to China, Bhutan and Myanmar through the various routes. Economic ties were carried out by barter through the traditional trade routes that ran along the mountains and hills of the Northeastern region. Through these numerous routes and passes, economic and cultural links was maintained with its neighbouring countries.

The development of economy, crafts, and religious ideas in the region is largely because of the earlier link with neighbouring countries. Thus, the commonalities in culture

and religion are clear indications that there was an intimate cultural and trade link between North-East India and the neighbouring countries of South East Asia. From the advent of the colonial rule over Assam and the adjoining hill areas starting from the early nineteenth century there was a gradual change in the trade.

Trade has undergone changes and marginalization due to the advent of western dominance of sea routes and over global trade and more particularly the emergence of British India and drawing of new international boundaries such as the formation of historical Indo- Burma boundary in 1826, the Indo-Bhutan in 1856 and the Indo-Tibet in 1914 which isolated some parts of North East India from its neighbours. The decisions, to draw lines between the hills and the plains, to put barriers on trade between Bhutan and Assam and to treat Myanmar as a strategic frontier was a major setback to the traditional trade routes. With the advent of the British to Assam and the neighbouring areas, there was a major change in the region's economy. The annexation of Assam and the neighbouring hill areas was done in the interest of their economic needs.

The availability of oil, tea, coal increased the prospect of building trade relations with this region. After the coming of the British rule in Assam and the neighbouring hill areas agriculture based economy changed in the name of modernization. Since the traditional self-sufficient production economy did not bring much profit to the British; the self-sufficiency of the economy was destroyed. Production for satisfaction of needs was replaced by production for trade. Assam began to produce cash crops and articles of export, particularly, tea, coal and timber.

All the economic changes that took place in Assam and the neighbouring hill areas during British rule were done within the framework of colonialism. It transformed the region into a raw material territory and a market to purchase the British manufactured machine made goods. In the interest of tea plantations and trade, building of roads, bridges and railways began but aimed primarily at collecting tea and other

resources out of Assam. Regular markets were established in the foothill areas where the people of Assam, the neighbouring hill dwellers and the professional commercial class, such as, the Marwaris could take part in exchanging goods. Monetization was introduced in the market economy.

Due to the absence of organized trading group in the Northeastern Region the Marwaris under the protection of the colonial authority virtually monopolized both the external as well as the internal trade and in the process grew up as a dominant business community. Thus, economic diversification was introduced by the British; mainly due to tea cultivation, exploitation of coal and oil and construction of road, railways and improvement of steamer services.

Therefore, by the close of the nineteenth century, trading of commodities became an integral part in the production. However, the colonial economy was concentrated mainly in the two valley regions of Assam in North-East India, where most of the natural resources were concentrated and could be exploited because of easy accessibility as compared to the hills. Hill areas were by and large relatively isolated, except Shillong, which was developed by the British.

Since no direct administration was exercised over the people of northern areas of Assam, they continued with their social and commercial linkages with the people of the neighbouring countries like Tibet and Bhutan hitherto developed through the trans- Himalayan trade routes that extended to Tibet, Bhutan and Myanmar. The tribal societies were able to interact closely among themselves as well as with the others outside the boundary. The trade interactions that took place through the multiple trans-Himalayan trade routes with Tibet and Bhutan continued till the time of independence. Trade ties between North-East India and the neighbouring countries were severed due to three major events. During the first years of independence, these three major developments affected the trade ties and also changed the government of India's policy towards the Northeastern region.

The partition of the Indian sub-continent in 1947, and drawing of new international boundary lines not only

disrupted the trade ties but also isolated the region creating a feeling of isolation among the people. The new boundaries divided the people of North-East India ignoring their close ethnic ties with their neighbour. One half of the ethnic tribal minorities found itself living in Burma while the other was thrown into India.

The new international boundary line demarcating India from her neighbour drawn in 1947 converting the Northeastern region into a geographically isolated land locked region without having any natural harbors or sea ports affected the economic and cultural interactions between the neighbouring countries with feeling of remoteness and isolation among the people. Due to partition, the region found its traditional road, rail and river services at Chittagong disrupted.

On the other hand, Northeastern external borders were rendered inhospitable or even hostile on account of political tensions. After the drawing of new boundaries the Northeastern region became land locked. The situation can be understood by the fact that the region situated at the extreme part of eastern India, implies that ninety-eight per cent of its boundaries are shared with the neighbouring countries. Only by a narrow belt of land connects the region with the rest of India while the rest of India has direct access to the seaports and natural harbors of India for contact and trade.

Hence, North-East India remains virtually isolated. The close physical proximity facilitated the Northeastern region in the past to engage in economic ties with the neighbouring countries like Myanmar, Tibet (China), Bhutan and Bangladesh. Commerce, river, land transport, barter and movement of people into each other's market were the ways in which trade had been conducted all these years.

Partition destroyed the road and river system, which the people normally used for transporting their goods across the border. For security reasons, all the border points earlier opened for trade were sealed and strictly patrolled by security forces at certain key areas. There was no movement of either goods or people. The sale of surplus products, at neighbouring markets, was no longer possible after the closure of the border

areas. This stoppage of trade adversely affected the economy of the people especially those people living near the border areas. Although traditional trade had been affected by formation of old and new international boundaries, even then cross border trade and movement of people continued illegally despite the formation of impermeable boundaries.

Due to the porous border and people of the same ethnic group living along the border regions, cross border trade frequently takes place. The old road links and water ways are being used in many places such as in Moreh in the Indo-Myanmar border, and Fakiragram, Mancachar and Karimgang in Assam, Lichubari and Dwaki in Meghalaya, Tiangbung in Mizoram and Kailashashar, Agartala, Sonamora, Bilonia and Sabroom in Tripura for the illegal export and import trade.

During the first few years of independence, three major developments affected trade ties with its neighbours. It also changed the policy of the Indian government on the Northeastern region. Firstly, partition and drawing of new international boundaries weakened the economy, fragmented the territory, the armed forces, the population and so on. Secondly, the regional security had also changed considerably. It had clearly become hostile and unstable.

On the Northern frontiers India had border dispute with China. This border dispute led to the fall out of the Sino-Indo border conflict in 1962. Thirdly, spread of insurgency problem in North-East India. Insurgency caused violence and political uncertainty in the region. Many of the insurgents groups developed close alliance with the neighbouring countries. Insurgents established camps in the neighbouring countries and received financial assistance from neighbours.

Therefore, security was a major problem in North-East India during the late sixties. The insurgency movement multiplied in number, and gained in intensity. Due to growing involvement of China and Pakistan in supporting and instigating insurgent activities among the people of North-East India, and the border dispute with China, the government realised the strategic importance of the region. Therefore, for defence and security measures the government formally

sanctioned the reorganization and re-deployment of the military forces in this area, sealing of the border areas, and establishing check posts along the border areas. The presence of check posts and strict enforcement of rules in the border areas curtailed the movement across the frontier and completely stopped the facilities for border trade between western Tibet and NEFA, Myanmar and Bhutan. Therefore, the partition, war, insurgency, diplomatic strains and tensions over a long period are instrumental for severing the trade ties between the region of North-East India and the neighbouring countries.