

Economic roots of the Regional Capitalists Class : A Study of the Primitive Accumulation of the Marwari Community in Colonial Assam

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From the middle of the nineteenth century and especially after 1914 an independent capitalist class developed in India. But the provincial capitalist classes, who were different than the national one, took some more time to emerge due to the uneven developments and unequal avenues of capitalist enterprises in different provinces of India. In Assam this class emerged as 'the capitalist class' only after the independence. By the time the national capitalist class had consolidated their position, the capitalists of Assam had finished their primitive accumulation and appeared as a prosperous economic class who had the virtual control over all major productive means of rural Assam. But since Assam did not provide proper potentials for industrial pursuits, this class had to be content with trade and big merchantile operations. Tea, Coal, Oil etc, were almost European monopoly. The consequence was not only the stunted growth of capitalism but also the capitalists class. Another fact of basic importance is that the provincial Capitalist Class of Assam was not the indigenous Assamese but was composed of Marwari ethnic elements. There were few Assamese entrepreneurs who invested only in plantations.² But not only they were few in number, after 1947 they disappeared gradually. The Marwaris entered Assam along with the British and in the absence of any local trading class soon gained a foot hold in the transforming economy. They started from scratches : from shopkeeping in even the remotest areas of Assam to trading, moneylending, speculations and acting as the agent of the *raj*.

The rise of the Marwaris in Assam from a group of immigrants scattered all over the countryside, indulging in petty business to become the virtual controller of the Assamese economy in the long run is matter of immense curiosity. This study is also essential to know the economic roots of our capitalists, the means and methods they used to acquire their 'primitive accumulation.'

The Marwaris are the group of people hailing from Marwar in Rajasthan.³ Like the Gujratis, the term Marwari is also applied to group of endogamous castes with elements of a common culture despite differences in ritual practices, regional origin and economic activity.⁴ They were unorthodox Hindus with strong sense of community solidarity and tight knit family.⁵ The trading and money-lending castes attained their highest development in Gujrat and Rajputana through which lay the famous trade route centre of the Great Mughal state.⁶ During the 19th century also Rajputana was witnessing vicious feudal strife and it was by no means an ideal place for largescale trading and money-lending operations.⁷ Limited scope of trade and such business pushed them out of their state.⁸ The Marwaris migrated to Assam mostly through Calcutta. And in Calcutta they moved in three waves ; first in 1564, second in 1813, end of the Company's monopoly trade and the third in the 1890's.⁹ The Marwaris that entered Assam was mostly in this last wave. Ever since the beginning of the British rule they started petty shopkeeping, acted as mauzadars, managed the export-import traffic and almost all the trade except the tea-trade. These strangers were known to the native Assamese as *Keya*. Their operations were easier since they did not face any competition from the local people. The other group of traders in the Brahmaputra valley were the Bengali Muslims who were not only small in number but engaged only in small time trades.¹⁰

Shop-Keeping

The Marwaris kept shops (*gala* as they were locally called) all over the valley. Around the prosperous tea plantations they would set up shops and sold articles of essential requirements to the labourers.¹¹ The labourers who received their wages in cash spent a good part of their salary in buying goods from these shops. Marwari shops were found in almost all the villages of Assam. Populous villages aside, it was found strange even to the authorities how these *Keyas* could reach those remote villages.¹² Besides permanent shops, all over the province there were weekly *hat* (market) which were held on some scheduled days of the week and where transaction took place between buyers and sellers. The Marwari shops were a permanent feature of such *hats* everywhere. ¹³ Some places of the Valley where such *hats* were held gradually developed in to permanent commercial centres. These places were Goalpara, Barpeta, Rangia, Gauhati, Kalaigaon, Tezpur, Chappermuk, Bishnath, Golaghat, Jorhat, Lakhimpur, Dibrugarh and Sadiya. They were centres of Marwari activities also.

Every *Sadar* and sub-divisional town had its *Keya* quarters, are dotted down everywhere in the country, even in the extreme limits of Abor frontier then known as North Eastern Frontier Agency (NEFA) or the present Arunachal Pradesh. They would settle themselves in the 'midst of jungle' and on the 'paths leading to the mountains' from which the hill people descended. It was exclusively with these Marwaris that the various tribes of NEFA carried their transactions. These tribes primarily brought primary products like rubber, wax, hand-woven cloths, elephant tusks, rhino-horns, medicinal plants which they exchanged for rice, salt, opium, cloth, cotton, piece-goods and so on.¹⁴ The Marwaris also indulged in elephant-trade and slave-trade which although illegal was immensely profitable.¹⁵ In these shops that were kept in the plains of Assam the primary items sold were foodstuffs, staples, pulses, mustard, European piece-goods and salt.¹⁶ The salt trade of Assam was so lucrative that as early as 1785 the East India Company was attracted to it and contemplated taking over this trade.¹⁷ The Marwari shop keepers were often paid in kind not only by the hill tribes but also the plains men. The hill people gave raw materials of which they did not know the value. The villagers of the Assam plains paid in foodgrains when they could not pay in cash. The shop keepers were only too happy to accept them since they could supply them to other villages/foodshort areas or even hoard and sell back to the villagers when prices go higher.

Transactions were effected not only in the *hats* but also at the houses of the villagers.¹⁸ The shopkeepers would send their agents to the houses to collect the surplus products like rice, paddy, pulses and especially a little jute and mustard.¹⁹

An important source of profiteering for these shopkeepers was the sale of opium. In the later part of Ahom rule the Assamese had developed this habit of opium smoking and eating. Since it was a good source of public revenue the British Government encouraged it²⁰ and by the next thirty years the habit had developed into a terrible evil spreaded all over the country. Until 1860, private traders were allowed to sell opium to the people. This resulted in the open selling of opium in the shops kept by the Marwaris in every village.²¹ In 1860 it was made a Government monopoly. Since then these shopkeepers were granted license to obtain opium for sale thus making Government opium easily within the reach. In 1873-74 there were as many as 5137 opium shops while the number of villages in Assam, according to the 1881 census, was 6776.²² Even when the *mahal* system of opium was introduced in 1877, it

was the Marwaris who were granted the rights to sell opium.

Thus the lakhs of rupees which annually pour in the districts of Assam pass into the pockets of these Marwaris traders and shopkeepers who sell their stuff in the villages.²³ Moreover shopkeeping resulted close contact and acquaintance between the villagers and shopkeepers which in turn gave rise to money-lending and borrowing. The villagers needed cash money and the shopkeepers were ready with the cash.

Moneylending and Usurious operations

Without adequate monetisation of the economy, the British demand to pay revenue in cash caused a miserable plight for Assamese peasants. The Marwari shopkeepers found this situation ripe for money lending and thus multiply the earning rate. They came forward to advance loans to the peasants to enable them to pay the revenue. This loans was advanced at an interest rate of one anna per month per rupee. In other words 75%.²⁴ When the crops were harvested, the creditor Marwaris would carry off a part or the whole of the product as against the loan which had increased four-times including the interest. The agriculturists actually became depended again on the money lenders for the rest of the years. Borrowing was the only means of livelihood for them. This process thus went on in a cyclical manner.

One of the important reason for borrowing was opium-addiction.²⁵ With the Marwaris around, ready to advance money as loan, the pauperised peasants borrowed for every reason. Lands, livestock and even the household utensils were mortgaged to the Marwaris.²⁶ The whole rural economy thus steadily slipped into the hands of the Marwaris.

The consequence was also remarkable. In a country where rural indebtedness was almost nil in the beginning the of nineteenth century went up to the Zenith.....

Extent of Rural Indebtedness²⁷

Dists	% of indebtedness to total families in the sample	average debt per family in Rs.	average debt per indebted family in Rs.
1	2	3	4
Darrang	81.5	188	229
Nowgong	78.0	183	235
Jorhat	83.0	120	149
Goalpara	62.0	111	180
Cachar	90.0	179	200

The provincial Banking Enquiry Committee of 1929-30 calculated the total amount of indebtedness in Assam at Rs. 220 million and moneylending or borrowing was ascribed to be one of the most important reason behind this tremendous growth of indebtedness.

The post depression period, in 1931-33 the Government of Assam took measures to relieve the rural people from indebtedness. The Assam Valley Moneylenders Act was passed in 1934 to reduce moneylenders extortion from debtors. Compound interest was prohibited and the rate of interest to be charged was restricted to $9\frac{3}{4}\%$ and $12\frac{1}{2}\%$ depending on whether the loan was secured or not.²⁸ During 1936-1939 several Debt Conciliation Boards under the Assam Debt Conciliation Act of 1936 were set up to help the debtors in settling old debts with creditors by arranging reduction of the total amount and payment in instalments²⁹. But the legislations had hardly any impact due to the lack of proper implementary measures. In the second world war period money and job opportunities increased considerably which helped the situation to improve.³⁰

Landowing and Land Speculations

One community whose investment in real effect deserved less qualification, was the Marwari community in Assam. As these merchants and money lenders settled in Assam they required lands primarily for their own habitation. Since they were basically traders, shopkeepers and moneylenders they did not acquire land for cultivation. But soon land resources began to be transferred from impoverished peasants to these money lenders and shopkeepers against the debts. The Marwaris of the valley possessed 13,000 acres of land in 1913-14.³¹ This acreage increased to 13,800 in 1914-15 and to 14,252 in 1915-16. In 1916-17 the acreage came down to 13,965 acres. There was no reason given for this reduction in the Government records. But the most probable reason could be that some of the lands which were deposited against debts were taken back by the debtors after repayment. But in 1917-18 it jumped up to 15,338 acres. This huge increase was attributed to the transfer of lands from indebted agriculturists through Civil Court decrees. The increase was also the result of land purchased by the Marwaris from impoverished peasants. The increase was more significant because it was mainly confined within the limited areas of Sibsagar and Darrang.³³ The implication is rural pauperisation and separation of their means from peasant was more acutely taking place in those districts. In these districts the increases was also due to pri-

vate purchase by the Marwaris.³⁴ In 1918-19 the area held by such group increased to 163.1 acres.³⁵ That year again the increase was due to the reason attributed in the previous year. Hence the Chief Commissioner approved of the addition of a clause to the form of new periodic *patta* the effect of which would be that the transfer of land by professional classes to persons belonging non-cultivating classes would require prior sanction of the district officer. It was hoped that this restriction would tend to prevent the exploitation of cultivators by the Marwaris. The post-war rise in prices was in favour of the merchants. Profit increased although there was no substantial increase in land transfer. The reason was the war-time boom in the monetary economy and the consequent pouring of money in Assam which enabled the peasants to earn from extra-agricultural sources. The land possessed by Marwaris in 1919-20 was 16,454 acres.³⁶

One implication of the increasing transfer of land resources was the emergency and rise of a wage earning class from the agriculturists.³⁷ The Marwaris who thus became landowners, were basically shopkeepers and money lenders as shown and not cultivators themselves. They remained so and employed landless Assamese labourers and immigrant peasants to cultivate their land. They produced commercial crops essentially. The Marwari traders also provided a substantial part of the necessary finance to enable the immigrant peasants to bring soil under plough.³⁸ The money lenders assisted economically the immigrants so that the latter could reclaim land, expand cultivation of jute, pulses and vegetables which were of immense exchange value³⁹. Even the Assamese producer and weavers were given loan and advances to produce more silk and rubber. This venture was not very successful because the Assamese still produced only to satisfy their requirements. In Goalpara, Kamrup and Darrang, it was recorded that they would make advances to the cultivators of silk in October when the revenue was falling due and take repayment later in thread or cloth and then both these commodities were exposed in the Calcutta market for sale.³⁹ In the same manner they would advance money to the tribes of North Eastern Frontier Agency (NEFA) who would descend back from the hills with raw-material and hand over these to Marwaris.⁴⁰

Trading and Merchantile Operations

The trade of [the Brahmaputra Valley was carried on two

different directions. Firstly with neighbouring Bengal, and secondly, within the valley itself. The former was more important and lucrative. The trade with Bengal was essentially export trade by which mostly primary products, agricultural commodities and household finished products like silk was sent out of the province and the internal trade consisted of imported foodstuff and European goods which were then circulated in the remotest possible villages of Assam. Transportation was done both by steamer and large boats and both of these export and import was conducted entirely by the Marwari merchants.⁴¹ The principal items exported by them from Assam were timber, hides, unhusked rice, silk-cloth, fish, cotton, lac, bettel-nuts and jute, mustard, coal etc, while the import item consisted of European piece goods, salt, hardwar, oil, tobacco, flour, metal, sugar, spices and pulses, brass, copper, iron, and opium.⁴² There was great demand for Assam *eri* cocoons in England and some 300 to 500 cwts were exported annually from Goalpara alone to Gauhati for shipment to London. This supply was very far from representing the entire production of the valley. These cocoons were sold at Calcutta at Rs. 2½ to 3 per seer of about 3600 cocoons. Pierced cocoons sold in Calcutta at Rs. 60 to 70 per maunds.⁴³ The cotton that was produced in Assam was mainly for local satisfaction. But the trade that was carried on in cotton was impressive. In 1881, 20027 maunds were exported. In 1882 it was 18,464 which decreased to 14,199 maunds and shot up again in 1884 to 17,071 maunds and in 1885 as much as 26,277 maunds.⁴⁴ In contrast to this import of European goods was valued at Rs. 43,07,602 in 1881; in 1882 it was Rs 46,63,274. In 1883 it rose to Rs. 53,56,010. 1884 saw a decrease in import at Rs.477,33,47 and in 1885 jumped high to Rs. 82,81,020.⁴⁵ Simultaneously Indian piece goods were also imported and sold by the Marwaris. In 1881 this import was valued at Rs.45,630; in 1882 at Rs.19,100 and in 1883 at Rs.26,064. In 1884 it was a tremendous increase to Rs. 68,372 and in 1885 to Rs. 61,040.⁴⁶ Another important item of export was Rubber which almost exclusively obtained from *fiens elastica*. In 1882 its outturn stood at 10,000 maunds, but afterwards it showed a steady decline. In 1889 the outturn was only 3419 maunds, in 1890-91 it further decreased to 3076 and in 1891-92 it was only 3250 maunds.⁴⁷

Thus carried the import-export trade of the Assam valley amounted to a transaction of an enormous amount of money. The following figures will give an idea :

Year	Export Outturn in Rs.	Import Outturn in Rs.
1881-82	22,621,136	97,437,04
1882-83	18,637,182	12,099,682
1883-84	18,272,150	20,635,00
1884-85
1885-86	27,483,822	13,508,216
1886-87	20,312,259	11,212,405
1887-88	25,432,462	13,620,485
1888-89	29,945,212	11,401,770
1889-90	32,758,689	11,894,954
1911-12	12,77,04,042	58,285,536
1913-14	135,697,456	76,247,032
1914-15	148,017,143	856,630,07

These figures provide a vivid specturm of the money transaction that took place in Assam from only the export-import trade in the valley. It also gives an idea of the profit pocketed by these traders who conducted such extensive trade.

II

In the pre-colonial period trade was minimal in Assam. There was hardly any private trade because it was basically state controlled. Hence although one or two persons were successful as individuals an independent merchant class did not emerge.⁴⁹ One of the foremost attempts of the British after their entry into Assam was to foster a commodity-money relationship. With the advancement of this relationship trading began to flourish. Merchant and usuer capital represented by the Marwaris found a potential field. They were outsiders in Assam. But with their trading and money lending background and also the absence of any such local classes gaining foothold was only a matter of time. Competition whatsoever from the Assamese was nil while from the British it was less since the fields were different. This helped them to bring the rural economy under their dominance. The fact that the Assamese peasant economy was completely in the grip of these Mawari group ever since the advent of British rule is beyond dispute. As shown, peasant received cash advances from these traders against pledged crops to a considerable extent. These traders and their agents were mostly put in the census under the category of petty shopkeepers rather than moneylenders. Their numerous shops provided a network

for the filtration of credit into the rural areas. Peasants also secured loans through the mortgage of their labour to local landlords or these traders.⁵⁰ The encouragement and assistance given by them to commercial crop production hastened the transformation of the subsistence based agriculture of Assam and promote export oriented production. European goods penetrated into the interiors of Assam. The intensification of trade in such a economy indirectly helped monetisation and liquidity preference. But the separation of direct producers from their productive means was detrimental to the total interests of the economy. Besides substantial pauperisation, usury became an established institution. A new culture of commerce was inaugurated. The native Assamese still remained out of the arena and preferred administrative jobs. While some of them did join the racket but only as prestigious tea-planters.

Like the National Capitalist class, the Marwaris of Assam were also not the direct agent of the raj. They carried their ventures independently. In the beginning their enterprise did not involve labour. But when they engaged in agrarian commodity production by owning lands they used hired labour. Still their activities cannot be classified as capitalist production. It was basically feudal in nature and capitalist enterprises remained in the hands of the Europeans. Hence the primitive accumulation of this group was primarily through feudal means. In the process the feudal oppression they indulged in as merchant-moneylenders and the subsequent social reaction to such tyranny provides an important clue to the fact that most of the peasant movements in Assam were not only directed against the raj but also against these Marwaris.⁵¹

One of the reasons as to why the Marwaris of Assam could not emerge as a capitalist class during the colonial period was that unlike the national capitalist class the Marwaris of Assam did not invest in industrial pursuits as the avenues were absent. Moreover they had not completed their primitive accumulation. Hence their activities remained confined to trade and merchantile ventures. In the later period one avenue that had opened to them was tea-planting which was being deserted by the Europeans after Indian independence. But what is similar between the national capitalist class and its Assamese provincial counterpart (that is the Marwaris), they remained outside the arena of active politics. They had backed the finance of nationalist political parties. But in the post-independence period they had to finance some provincial political parties of Assam also. This was because, the emergence of an exogenous ethnic group as the Capitalist class in the

province was not viewed well by the indigenous group. They wanted to throw off the yoke and take control of their economy themselves. From the pre-independence period only there were some social moves to drive out the Marwaris.⁵² The position of the Marwaris was threatened. The heavy financing or 'bribe' to the local political parties was the only means to temporarily calm down the social temper.

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