

Saadulla and Bardoloi

Perspectives on Fiscal Policy

Imdad Hussain

In the post-independence historical writings on Assam Sir Muhammad Saadulla and Gopinath Bardoloi are usually presented in two sharply contrasting moulds. Saadulla, who headed five ministries under provincial autonomy, as the Muslim League premier who had opened the floodgates to East Bengali Muslim immigrants and who sought and worked for the inclusion of the province in the eastern wing of Pakistan. Bardoloi, the Congress premier at the time of the transfer of power, on the other hand has a revered place as the 'Lokapriya' — the beloved of the people, and the 'saviour of Assam' whose successful opposition to the Grouping Scheme of the Cabinet Mission ensured that the province remained in India in 1947.¹ The two were known to differ on almost every aspect of government and politics in Assam, but there was one concern, however, which they shared and, not known to many, often discussed.² This was Assam's finances and the exceedingly discriminatory fiscal relations imposed upon her by the colonial Government of India. But in their response to the problem, in their views and policies to overcome them, they differed, and differed widely. It is this divergence that accounts for the respective positions they occupy in recent historiography and in people's imagination.

Between the two Saadulla had a longer experience of public life.³ It began in 1912 when he entered the 25-member Legislative Council when Assam was reconstituted as a Chief

Commissioner's province after the annulment of the partition of Bengal. Though not involved in the non-cooperation or Khilafat movement he was among those behind the Gauhati Municipality's refusal to present an address of welcome to the visiting Viceroy in October 1920. Thereafter he proceeded to Calcutta to practice law in the High Court.

During these years Bardoloi made his appearance on the political scene in Assam. Years later, in 1943, Saadulla was to remark about the man who had then become his principal political rival:

I know Mr. Bordoloi personally. He was my student for a year ... and then a colleague in the Gauhati Bar. He has been pitchforked into this position by adventitious circumstances. He was not a keen Congressman ever and did not go to jail in 1921 or 1931 movements.⁴

A caveat needs to be entered here. Bardoloi, by his own admission, was incarcerated in January 1922, and was goaled for three days.⁵ Congressman or not, it was at this time that he came under the influence of Mahatma Gandhi, after the latter's Assam visit in 1921, and became a "Gandhian". Unlike Nehru, says a recent writer, "Bardoloi seems to have accepted most of the Gandhian ideas uncritically. Even the idiosyncratic notion of 'Brahmacharya' seems to have attracted him and he was most unhappy that he had been unable to put it into practice".⁶ Nonetheless certain Gandhian tenets, as those on the peasantry, remained ingrained, and was to find practical expression in later years.

In 1923, after his return to Assam, Saadulla was elected to the second reformed Council. That year he was appointed minister for education and agriculture, the first of many ministerial positions he was to hold during his long and illustrious political career. Till he joined the Muslim League in October 1937, he was unattached to any political party, and for electoral purposes, and for the forming of ministries, he relied upon none too dependable groups and rickety alliances. While this gave him independence of action it was also to deprive him of support in the legislature. His dependence on the European block in the Assembly, particularly during 1937-38 against the destabilizing Congress-League politics, opened him to the charge of being

pro-British.⁷ He has been described as a moderate in his political views⁸ and he certainly was a believer, like so many of the leaders before the advent of Gandhi and mass movements, in gradual constitutional advance towards self rule.⁹

Saadulla's dyarchy years are of interest as they show the development of his ideas, and policies of government and development. Two of these stand out prominently: the first was a concern for the interests of Muslims, almost exclusively of those of the Assam valley,¹⁰ a concern that was to remain close to his heart till his final days. The second was the status of Assam as a major province in India, and to that objective, the need for sound provincial finances. He relied too long on the Government of India, unrealistically, considering the nature of colonialism, for investments in critical areas of development; and his disappointment in this regard was to lead him to controversial policies to raise provincial resources.

On 8 August 1949, while pleading for a "better deal" for Assam in the financial provisions of free India's Constitution Saadulla told the Constituent Assembly: "Assam is now the poorest province in the dominion of India, poor not in resources, but poor in numbers, poor in the financial position and poor in the economic condition of her population." But this poverty, he went on to say, "has been forced upon her by man-made laws and the inequity of the Central Government."¹¹ He prefaced his arguments with words that ring true sixty years later in today's context:

75 percent of our total revenue goes to pay our salary bill. If as much as very nearly three-fourths of the provincial revenues goes towards the payment of salaries of its public servants, no wonder, Sir, that Assam is so backward in providing all the amenities that go with an efficient and full fledged autonomous government.

Among the man-made laws that the ex-premier singled out was the Montagu-Chelmsford Reforms, which ushered in the Government of India Act, 1919, and dyarchy, as the period when "the greatest injustice was done to a poor province as Assam". The financial provisions of that Act, which provided the basis for both the Act of 1935 as well for India's Constitution,

and their impact upon Assam, as Saadulla so strongly points out, merits a closer scrutiny.

The Montagu-Chelmsford Report had recognized, if dyarchy were to succeed, the need to loosen the Government of India's absolute control over the revenues generated in the provinces: "(I)f provincial autonomy is to mean anything real the provinces must not be dependent on the Indian Government for the means of provincial development," it had piously declared.¹² Under the existing financial arrangements the proceeds of certain heads of revenue were shared between the Centre and the provinces, the provincial assignments being based on their estimated needs, the surplus appropriated by the Government of India. This was to come to an end and a complete separation of imperial and provincial revenues effected. Of the "divided heads", in the old budgetary terminology, income tax and the sub-head general stamps were to be Central or imperial, and land revenue, irrigation, stamps and excise, provincial. The deficit in the Central budget on account of the new distribution of revenue heads, estimated at Rs. 1863 lakhs, was to be met by provincial contribution, at 87% of the anticipated surplus accruing to them. A schedule of payments by each province was worked out.¹³

This part of the Report was greeted with considerable dismay by almost all the provinces. The predominantly agricultural Madras and United Provinces, saddled with what they perceived as disproportionately huge contributions were particularly troubled, and even obstructive. To an extent the authors of the scheme were culpable of casuistry. The post War years were marked by largely increased expenditure without a corresponding expansion of revenues. The public debt had vastly increased between 1918 and 1924.¹⁴ During the same period the deficit in the Central budget was more than Rs. 980 million, "a blot in the history of Indian finance", as one near contemporary writer put it.¹⁵ More significantly, land revenue which accounted for 50% of the gross revenue in 1858-59, had been steadily decreasing, dropping in 1920-30 to 20% while "modern" taxes, on income,¹⁶ customs and excise expanded from 12% to a combined 50%.

The Financial Relations Committee under Sir James (later Baron) Meston of the United Provinces which went into the details of the Montagu-Chelmsford scheme, and examined the

criticisms of the major provinces, reported in late 1919.¹⁷ Meston, one of Chelmsford's close advisers on the reforms, and described as "one of the most important positive influences on the Government of India",¹⁸ expectedly made no change in the division of the revenue heads: land revenue, income from excise (spirits and drugs), irrigation, forests, stamps and registration fees were assigned to the provinces; customs, income tax, railways, post and telegraph, salt and opium to the Government of India. To placate the carping Bombay and Bengal presidencies a provision was made to assign to the provinces 25% of the increment in the provincial collection under income-tax.¹⁹ Nor did Meston depart from the Report on the provincial contributions, he only fine tuned them, as it were. Taking the estimates for 1920-21 as his starting point Meston arrived at figures of Rs. 983.06 lakhs as the Central deficit and a net increase to the provinces of Rs. 1050 lakhs. This "increased spending power" of the provinces was made the principle on which their contributions were calculated. The amount they were required to pay was to be reduced or increased in the next seven years so as to maintain "standard proportions", based on their capacity to pay, their other indirect contributions to the central Government, the relative incidence of Central taxes and "other" economic factors. The figures for each province as they finally stood were no different from that suggested in the Montagu-Chelmsford Report:

Madras - Rs. 384 lakhs	United Provinces - Rs. 240 lakhs
Panjab - Rs. 174 lakhs	Bengal - Rs. 63 lakhs
Bombay - Rs. 56 lakhs	Central Provinces - Rs. 22 lakhs
Assam - Rs. 15 lakhs	Bihar & Orissa - nil

Meston took his recommendations to London and obtained the approval of the Joint Parliamentary Committee.²⁰ Only one significant change was made by that Committee, and it was in the grant to the provinces a share of the proceeds on income tax. The Committee also expressed the hope that the Government of India would do away with the provincial contributions as early as was possible. Meston recommendations were incorporated into the Devolution Rules under the Act.

How far had the Meston Report and the amendment by the Joint Parliamentary Committee been able to assuage the

feelings of the major provinces is not clear. On Assam's 'tribute' to the Centre, Saadulla was later to remark:

Lord Meston by a curious calculation, either through want of proper appreciation of the condition of Assam, or through negligence of Assam's representatives in placing their case before him, calculated that Assam was not merely solvent but will have such a surplus that it will be able to give the Centre a contribution of fifteen lakhs per annum. But all these calculations were found to be entirely wrong and divorced from facts. Assam was a deficit province to the tune of 25 lakhs every year.

Meston's estimates for the province, a revenue of Rs. 178 lakhs against an expenditure of 162 lakhs was indeed a miscalculation. Assam's deficit, considering her liabilities, leave salaries and pensions of the bureaucracy payable in England, the cost of the Assam Rifles, payment to Bengal for the use of her High Court, amounting to Rs. 67 lakhs, was of considerable proportions. Her expenditure should have been Rs. 229 lakhs and, at Meston revenue figures, a deficit of Rs. 51 lakhs.²¹ Worse still was the assignment of revenue heads. Excise on petrol and kerosene and export duty on her tea, sources most capable of expansion were to remain exclusively Central. Their implications for Assam's finances was far reaching. Consider that between 1916 and 1920 the Government of India had earned Rs. 50 lakhs on her tea, Rs. 14 lakhs on petroleum and Rs. 30 lakhs as income tax, sources that could have been the foundations of Assam's economic stability.²² These amounts had been overlooked in computing her contribution to the Central exchequer.

To be fair, Assam's Chief Commissioner, Sir Nicholas Dodd Beatson-Bell had laid claims to special treatment for the province much before Meston's Report. In December 1918, Arthur Botham, for instance told the Government of India's Secretary for Finance that "Mr. Beatson-Bell trusts that in fixing the contribution to be paid by Assam to Imperial Funds regard will be had to the special need for expenditure which exists in an underdeveloped and backward province".²³ Again, in a note in following August, Beatson-Bell, while drawing attention to Assam's meager resources, said:

It must, however, be remembered that Assam tea before leaving India pays an annual sum of Rs. 28 lakhs to the Government of India, and that the portion of Assam tea which is consumed in Great Britain pays on entering that country an additional sum of 8 million pounds sterling per annum to the resources of the Empire. When, therefore, I ask that Assam should receive special treatment I ask it not on the ground that that we are poor but on the ground that although we have paid and are paying enormous contributions to the public revenues yet owing to existing methods of taxation, these contributions swell the coffers of the Government of India and the Government of Great Britain, and not the coffers of Assam. It is idle to ask that out of the 8 million sterling which is contributed by Assam tea to the British exchequer any portion should be returned to Assam. I cannot, however, see why this should be so in regard to the 28 lakhs which is paid to the Government of India in the shape of export duty.²⁴

“I propose in all stages of the proceedings before the Committee on Financial Relations to take the public of Assam in my full confidence”, Beatson-Bell, realizing the importance of the issues, said in September 1919. And, with keen insight into contemporary political behavior and with a certain degree of prescience, he added:

I need hardly say that I shall welcome any criticism and suggestions. The important point is this, that when we come to lay the final case for Assam before the Committee on Financial Relations we should do so after a careful study of the facts and if possible with complete unanimity. A present few members of the public have, I fear, realized the full gravity of the situation. In the more interesting discussions on “franchises” and “functions” the really essential question of finance has been generally overlooked. Whatever be the nature of the new Government, unless it has adequate resources, it will be powerless for good.²⁵

At a time when constitutional reform itself was under a cloud public opinion on any aspect of it, can hardly have been forthcoming. In the Council the ill will generated by Beatson-Bell’s

unfortunate remark on the “tainted money” issue made informed discussions on the subject well nigh impossible.²⁶

The Chief Commissioner has been extensively quoted if only to emphasise that the problems anticipated by the local administration, and given expression to by Beatson-Bell, were precisely those that were experienced by Assam under dyarchy and provincial autonomy. Devolution only marked a shift of that expression, to Saadulla and his colleagues in Council.

The division of provincial government or dyarchy, into “reserved” and “transferred” departments, text book knowledge to students of political and constitutional history, is briefly told. The reserved subjects were administered by two executive councillors, appointed by and responsible to the governor, while the transferred were under two ministers theoretically responsible to the Council.²⁷ The procedure for the budget allocations between the two branches of the administration was laid down in the Montagu-Chelmsford Report:

The budget (it said) should be considered by the whole government acting together... . In these joint discussions the provincial revenues will be estimated; the contribution to the Government of India will be estimated; the proposed allotment for the reserved subjects will then be carefully scrutinized and examined with a view of facing criticism in the Legislative Council and the remainder of the revenues will be at the disposal of the ministers. If such a residue is not sufficient, it is open to the ministers to suggest extra taxation either within the schedule of permissible provincial taxes, or by obtaining the sanction of the Government of India to some tax not included in the schedule.²⁸

To this simple procedure the Joint Parliamentary Committee introduced the element of discrimination with their recommendation that as a rule that two thirds of the grants should go to the reserved subjects and only one third to the transferred.

Assam’s Finance Department, which in practice actually decided the allocations went by the book. The budget of 1920–22, which earmarked Rs. 2 crores for the reserved subjects and Rs. 56.86 lakhs for the transferred provoked considerable opposition. The Council was quick to point out that while the police

budget had risen by Rs. 11 lakhs, education had an increase of Rs. 4.79 lakhs, and public health, agriculture and industry only a lakh each. This discrimination was again forcefully pointed during the budget session in 1924. That year's proposal had assigned Rs. 57 lakhs to the transferred as against Rs. 1.75 crores to the reserved.²⁹ That the transferred subjects were being "starved" in favour of the reserved was a constant theme in the Council debates. One criticism of the budget recorded in the proceedings of 1924–25 was typical of the popular mood:

The budget is entirely regardless of necessity to return the benefit of the outlay to the people who contribute to it. Secondly, it is unevenly distributed as regards the apportionment of the budget, the bulk of that falling to the share of the foreign element. Thirdly, it is independent of any consideration of the people to support its steadily increasing burden. Fourthly, innocent of any system of scientific estimating and provision for the chief needs of the people, and fifthly, unconnected with any demands of the members and needs of the people and their moral and material developments.³⁰

That the financial settlement under which dyarchy functioned was unsatisfactory was widely held as early as in 1924. That year the Assam Government told Sir Alexander Muddiman's Reforms Enquiry Committee that "of all remedial defects which have hampered the working of the reforms, finance is the most important; if even at this stage the Ministers could be given a surplus, however modest, an enormous improvement in the situation would result".³¹ The Committee's own conclusion was just as honest: "the difficulties from finance have formed one of the main obstacles to the success of the Reforms". And:

It is due to it (the Meston Settlement) that Ministers have been unable to enter upon a policy of a progressive development in the spheres of administration committed to their care. If they had been unable to do so, they would have been able to provide an answer to those critics who have reiterated the allegation that the reforms were a sham, and they would also have been able to consolidate their position or else would have enunciated a policy more acceptable to the Councils which would incidentally have consisted in the

establishment of the responsibility of the Ministers to the Councils.³²

The fact was that all provinces were reeling under unremitting budget deficits. A small reduction in the provincial contributions was made possible after an improvement in the Government of India's financial position, and with further improvements, they ceased in 1928. During 1926-27 Assam's budget for the first time showed a small surplus and the announcement of the appointment of a Statutory Commission gave hopes of a possible revision of the Meston Settlement and a financial turnaround for the province.

The Statutory or Simon Commission reached Shillong on 2 January 1929. Saadulla, now a minister with five years experience of dyarchy and with a knighthood earned a year earlier, took a leading role in presenting Assam's case before it. He wrote one memorandum and collaborated in three others. The Assam government's official document was also his handiwork. Saadulla's principal argument for special financial treatment for the province, and one that underscored all the documents was based on three factors which he said made the cost of administration relatively high. The first was her geographical position and topography. Assam was divided into two valleys separated by a range of inaccessible hills with no direct communications between them. Each of the valleys, being divided by mighty rivers, required public works on both banks which was a drain on her meager resources. The second was the need, on "political and social" grounds, for a large European bureaucracy to administer the hills. Contributing to this expense was the presence of a European planting community scattered all over the province. And the need to maintain the Assam Rifles for the defence of the frontier.³³

Assam therefore needed additional funds. The Assam Rifles he suggested as a cost-cutting exercise, be borne on Central revenues. As for augmenting provincial revenues:

I am for keeping all provincial sources of revenue and also for including in it certain heads of revenue (which) at present are enjoyed by the Central Government. I strongly advocate that the proceeds of any export duty or of any income tax on a commodity and of the provinces thereof, respectively,

raised by a particular industry of any province should be made available for that province.

In the joint memorandum with three of his other Councillors Saadulla again referred to the fact that Assam in spite of being a poorly developed province was made to pay for the Assam Rifles and the administration of the backward tracts while her rightful share of her revenues generated within the province was denied her by the Devolution Rules.³⁴ The seven member Committee of the Council emphasized the low standard of administration, aggravated by the inequity of the Meston Settlement, and pointed out what Assam lacked as a governor's province:

1. Assam was the only province in India without a high court or a university of its own.
2. There was not a single college for training of teachers or for higher education in agriculture, engineering, veterinary science and medicine.
3. There was not a single hospital for women.
4. That Assam had the largest incidence as well as the fewest facilities for the treatment of leprosy in India.
5. Communications within the province were the poorest in the country.³⁵

The Simon Commission, which reported on 30 May 1930, recognized that Assam, the smallest was apart from Burma, "the least developed of the governor's provinces".³⁶ The Commission's financial adviser saw "no shortcut to a solution", but accepted the fact that "most of the provinces are extremely short of money".³⁷ Lord Eustace Percy's Federal Finance Committee, 1932, did not respond to the Assam's claim to proceeds of excise duty or petrol and kerosene, but rather declared itself "unable to assume the abolition of such provincial contribution within any period that could be foreseen."³⁸ Parliaments' response to Assam's problems was even more discouraging. The White Paper of 15 March 1933 while granting to Bengal half the net proceeds on export duty on jute refused to extend the same principle to Assam's tea. Some of the provinces, notably Assam, were likely to need assistance, it concluded, but "should receive subventions from the Federal revenues. These subventions may be either permanent or terminated after a period of years."³⁹

The early 1930s were not exactly Assam's finest moments in the history of provincial finance. The Civil Disobedience movement and the Great Depression,⁴⁰ then at its peak had cut into her revenues. Extreme difficulties faced by the peasantry had already led to land revenue remissions since 1932. In these depressing conditions, on 5 April Saadulla, now Finance Member, presented his deficit budget for 1933–34. The importance of these proposals and Saadulla's budget speech has not been fully appreciated so far. For one, it summarized Assam's case and united competing and conflicting political forces on the issue; for another, as will be seen and, as briefly remarked earlier, it marked a shift of emphasis in Saadulla's fiscal policies that was to drag him into an endless controversy. Portions of the speech, long as they are, deserves to be quoted:⁴¹

Very little of public amenities or administrative convenience of a civilized government, without a High Court or a Judicial Service of her own. Assam with only two undeveloped Arts colleges, without a University of her own or any professional Colleges but a Law College on a temporary standing, Assam without any adequate and up-to-date hospital for ameliorating the sufferings of humanity. Assam without any facility for road transport and with hardly any railway transport systems, was, under the financial settlement of the present Constitution made to pay to the Central Exchequer a sum of Rs. 15 lakhs annually for six years and a sum of seven lakhs for another year, though provinces much more developed and fatter purses were exempted from such a payment. By this consideration alone, Assam lost the colossal sum of Rs. 97 lakhs during the last ten years.

He then repeated what he told the Simon Commission on the expenditure relating to the Assam Rifles:

Assam from her geographical situation is the Eastern Frontier of the Indian Empire. While the Central Government spend crores in the North-West Frontier Province, and even now, since she was created a Governor's province some two years back, are paying a subvention of over a crore annually to that province, Assam received only a sum of Rs. 16 lakhs annually towards the cost of maintenance of the Assam Rifles,

the militia guarding the Eastern Frontiers, while she was made to pay an average about Rs. 4 lakhs annually towards the cost of these forces.

All this was brought out to show the contrast with what Assam had paid in the last four years to the Government of India, Rs. 2,24,57,000, on her petrol and kerosene. On why Assam was so persistently overlooked by the Government of India and the authorities in England, Saadulla makes the following observation:

In these days of propaganda and publicity, Assam being the smallest province in India, has no voice in the Councils of the higher authorities. To give only one example, the Federal Finance Committee of the Third Round Table Conference either ignored the huge deficit of Assam, or failed to take note of it in their report simply on account of the absence of a champion of the cause of Assam in their deliberations.⁴²

At the close of the budget session the Council unanimously resolved to address the British Parliament directly on Assam's claims. On 14 September, 1933, a memorandum was prepared for the Joint Parliament Committee with all facts and figures in telling detail.⁴³ Assam needed alternative sources of revenue not subventions, which, the memorandum said, was "inconsistent with provincial autonomy". At any rate, "we fear that the amount of subvention will be determined not on what Assam needs, but by what the Centre can afford" and, "past experience leads us to apprehend that the Subvention Committee which is to be set up may not even visit Assam and that Assam may not be represented either on or before". (This is exactly what happened, the Chairman of the Committee met the Governor in Calcutta and drew up his report). Finally, the Council appealed to Parliament:

In the name of fairness, justice and equity, for safeguarding the very existence of the province and to enable it to have the amenities of a civilized and autonomous Government, the Assam Legislative Council humbly and earnestly beseech the Joint Parliamentary Committee and through them the British, to provide in the Constitution Act for the allocation

to Assam of the entire proceeds of the excise duty on petrol and kerosene manufactured within the province.⁴⁴

All this proved of no avail. Assam's claims on petroleum and tea were rejected by the Joint Parliamentary Committee. "it is certain that Assam needs an assured increase in its revenue, but the question in what form this need is to be met, whether by fixed subvention or by an assignment of revenues, is a matter of fiscal administration on which we do not feel called upon to express an opinion."⁴⁵ The Subvention Committee under Sir Otto Niemeyer fixed Assam's subvention at Rs. 30 lakhs per annum. In rejecting Assam's proposal on oil Niemeyer said:

The Assam Government put forward a special claim in connection with the proceeds of the Excise duty on Assam Oil, though the incidence of the tax obviously does not fall on the producing province. I do not think there is any economic justification for this particular claim or that it presents any real analogy with superficially similar claims which it may be alleged have been recognized elsewhere. In any case, having regard to the amount of the proposed assistance, which such receipt could only operate to reduce, it is unnecessary to pursue this matter further.⁴⁶

In his 5 April 1933 budget speech Saadulla had made what was surely a remarkable statement. Revenue from petrol and kerosene, he said, was of the nature of a capital levy, and was very much unlike other revenues. Assam's oil would not last forever, and this source of revenue would cease at some future date. Therefore "if the interests of the future generations of Assam are to be safeguarded, we must look to the sources of revenue which are not in the nature of a capital levy". One such source that he proposed was the opening of the waste lands — some 25 lakhs acres or 75 lakh *bighas*, to yield a revenue of Rs. 50 lakhs.⁴⁷ But for this proposition one would have been tempted to dismiss that remark as a case of sour grapes. Be that as it may, Saadulla's line of reasoning must be seen in the wider context of his ideas on fiscal management and provincial development.

From the opening decades of the twentieth century there had been a slavish adherence on the part of the bureaucracy to the notions of balanced budgets, that is, current revenue

balanced against current expenditure.⁴⁸ This was essentially to prevent any rise in the public debt and the risk of financial stability. Assam followed this fiscal practice even though its shortcomings were demonstrated during the War when schemes relating to education public health and sanitation, agriculture and industry had to pend indefinitely, and more recently, during the Great Depression in 1929. The budget deficits of that and subsequent years are instructive.⁴⁹

1929-30	-	Rs. 26	lakhs
1930-31	-	Rs. 35	lakhs
1931-32	-	Rs. 8	lakhs
1932-33	-	Rs. 17	lakhs
1933-34	-	Rs. 35	lakhs

The dependence of Saadulla, an ardent follower of the policy of balanced budgets and on the Government of India for capital investment has already been noted. Like Delhi he was wary of market borrowings or loans to finance welfare and development projects. The refusal of the Government of India, and the Home authorities to grant Assam preferential treatment for provincial taxation, already clear from the confabulations on the reforms from the Simon Report to the Parliamentary White Paper, led him to his scheme to increase the crop area for the expansion of land revenue.

Since the early days of British rule in Assam the bureaucracy, brought up on the teachings of Thomas Robert Malthus (1766-1834), laid particular emphasis on human resources for the development of the newly acquired province. The devastation of Assam and its population from foreign or Burmese invasions and internal commotion during the twilight years of the Ahoms had provided the justification. Land was abundant and labour was not. Climatic and racial theories explained Assam's continued underdevelopment.⁵⁰ Major John Butler, a military officer turned civilian magistrate, for instance wrote in 1847: .

In many parts of the province coal of a good quality is found, and indeed the soil of Assam generally may be considered extremely rich: it abounds in valuable products, such as rice, sugarcane, moongal silk, pepper, mustard seed and cotton. But the bounty of nature is marred by the indolence of man: the cultivator seldom looks beyond his immediate wants, and makes no attempt to improve his condition. In

fact, this country may be considered at least a century behind Bengal, and there seems little prospect of improvement, excepting by the introduction of a more active and industrious people who might stimulate the native to increase exertions.⁵¹

From the second half of the nineteenth century plantation labour was imported because, it was said, the opium sodden Assamese would not work and clear the jungles for the tea companies.

Such ideas long persisted. It did the rounds in the inter-war period when the primacy of land revenue in resource mobilization gave agricultural production a renewed emphasis. Arthur Bentinck of the ICS and a senior deputy commissioner of the province, thus wrote approvingly of the immigrant peasant from eastern Bengal in 1921:

They have reclaimed and brought under permanent cultivation thousands of acres which the local cultivators had for generations past merely scratched with haphazard and intermittent crops or recognized as exigent of efforts beyond their inclination. The large undulating expanse of char lands to be seen in late March or early April finely harrowed, weeded and newly sown are something to which the spectacle of ordinary Assam cultivation is quite unaccustomed. They have besides their industry, shown examples of new crops and improved methods.⁵²

Geoffery Soames, also of the ICS and one of Assam's senior bureaucrats, was even more explicit:

I think the settlement of these immigrants is on the whole beneficial. They may be more lawless and more criminal, although I am not one of those who regard every Mymensingh immigrant as a blackguard. They are undoubtedly magnificent cultivators who should be of practical value of the Assamese, if the latter were enterprising and energetic enough to wish to learn from them. Moreover, they have brought under cultivation classes of lands which the Assamese would not look at. They have brought and are bringing in a very welcome addition to the land revenue of the province.⁵³

The official view was that there was enough land for both the local inhabitants and the immigrant. The early decades therefore saw a constant flow of immigrants, both plantation and agricultural labour. The total number of net life-long migrants into Assam, Bengal and Bombay has been estimated (in thousands) as follows:⁵⁴

	<i>Assam</i>	<i>Bengal</i>	<i>Bombay</i>
1911	757	1285	272
1921	1140	1129	414
1931	1241	762	424

The bulk of the migrants into Assam was plantation labour. The Statutory Commission in their report gave the number, on the basis of figures provided by the Government of Assam, as over a million in the estates and over half a million ex-labour settled in the province, "many of them holding plots of their own for the growing of rice".

Saadulla's ideas on land revenue, like those on budgets, thus followed bureaucratic or colonial traditions. They were put into practice after he formed his first ministry, in April 1937, under the Government of India Act 1935. For an apt study of these one needs to look at his budget proposals for 1937-39 alongside those of Gopinath Bardoloi, who followed him, for 1939-40, both in approach and in their content. But first the financial arrangements under that Act.

The new Constitution made no fundamental changes from the Act of 1919.⁵⁵ Instead of the tribute of Rs. 15 lakhs under the Meston Award, Assam was now to receive a subvention of Rs. 30 lakhs per annum. This of course fell far short to cover the normal deficit of Rs. 65 lakhs that the Federal Finance Committee had calculated. The old division of revenue heads was retained. From the divisible income-tax, Assam was granted 2%. This too was inadequate. For instance, of the 750 sterling tea companies in Assam, 150 paid their taxes in London and 600 in Calcutta, and Bengal's share of 20% of the divisible pool swelled her resources on that account. Expenditure under "charged" items, such as the salaries of the governor and the judges and for the administration of the 'excluded areas' the last amounting to some fourteen lakhs, were outside the control of

the legislature. Provincial autonomy in Assam also began with certain disadvantages. Though the provincial debt standing at Rs. 1.75 crores was cancelled by the Government of India the liability of Rs. 90 lakhs in the Provincial Fund was transferred to Assam. Further, Delhi refused to underwrite the deficit of Rs. 32 lakhs inherited by the new Government.

Saadulla's first budget, for 1937-38 showed a surplus of two crores, a surplus that was meaningless if the inherited liabilities were taken into account. His second was a deficit one to the tune of Rs. 4.5 lakhs.⁵⁶ Bardoloi on the other hand showed greater pragmatism and was able to depart from the bureaucratic traditions. There were, however certain common features in the fiscal and economic policies. One of them was remissions on land revenue. It was conceded, it will be recalled, in the difficult days of 1932, and Saadulla on the recommendations of the Land Revenue Enquiry Committee, made substantial remissions. Bardoloi carried them further, particularly in areas subjected to inundations.⁵⁷ Both were similarly placed on this issue of prohibition of opium. This was one subject that had engaged the Assam legislature even before dyarchy, when in its early years a policy of progressive abolition was set in motion.⁵⁸ Bardoloi's attempt at total prohibition of opium consumption was partly successful in the subdivisions of Sibsagar and Lakhimpur districts. It proved counter productive, leading to a decline of revenue of Rs. 3.70 lakhs against the enforcement cost of Rs. 45 lakhs. Ganja (hemp) consumption increased by 29% within nine months. Total prohibition was achieved under Saadulla in 1942-43. As a Gandhian, Bardoloi was keen to introduce total liquor prohibition throughout the province but the problem and cost of enforcing it upon sixteen lakhs labour plantation (the most vulnerable to addiction) and six lakhs tribal people was a daunting task. The third area of common concern was economy in the administration. The recommendations of the Resources and Retrenchment Committee, headed by Saadulla himself, were too long delayed by him. On the other hand substantial measures of economy were more effectively introduced by Bardoloi. Most significant in this regard was his emphasis on the provincial services as he saw no reason to spend thousands on each of the European officials when the average income of an Indian was between two and four rupees a month.

One of the major shortcomings of Saadulla's first budget was the virtual absence or insufficient attention to welfare expenditure. To give one example: public health in a country where the mortality rate was as high as 19.63 per square mile, received only 4% of the budget allocations. Not surprisingly, perhaps, for his government was not a popular one without even a working majority in the Assembly.⁵⁹ It was only after he joined the Muslim League in October 1937 turning his ministry into a League one, that some attention to these is discernible. It was then too he put in practice his land revenue scheme. His second budget projected a land revenue of Rs. 15 lakhs by opening up a quarter of the waste lands. The criticism that Saadulla failed to make a departure from the "bureaucratic and orthodox principles of public finance" stands on observed empirical foundations.

"What was new in the Congress programme", says Professor Amalendu Guha whose knowledge of the economic history of Assam is second to none, "was a direct and bold confrontation with the European planters in fiscal matters and a departure from the erstwhile policy of seeing much virtue in surplus and balanced budgets." Bardoloi's long association during the past fifteen years with the country's national leaders gave him an insight into the nature of colonial exploitation and a keen understanding of the economic policies espoused by the Indian National Congress. In this he was ably assisted by Fakhruddin Ali Ahmed, his first Finance Minister, whose days in Cambridge had instilled in him ideas of socialism. Three new taxes that were introduced in 1939 was an attempt to shift the revenue base from the peasantry to the middle class, in keeping with the declined objective "of easing the burden of taxation on the poor and of providing means for the uplift and betterment of the masses":

1. The Assam Sales of Motor Spirit and Lubrication Taxation Act which yielded Rs. 4 Lakhs.
2. The Assam Amusement and Betting Act, bringing in Rs. 65,000.
3. The Assam Excise (Amendment) Act on foreign liquor to bring in Rs. 15 lakhs.

The Assam Sales Tax Bill which sought to tax all luxury items had to be withdrawn on technical grounds.⁶⁰ The bold

confrontation that Guha talks about was the Assam Agricultural Income Tax, estimated to fetch Rs. 25 lakhs. It was indeed aimed primarily at the tea planters, but also at zamindars and the better off peasant proprietors. To meet the opposition of the last class the exemption limit was raised from Rs. 2000 to Rs. 3000. The opposition of the tea planters was overcome after the Assam Finance Act, 1939 modified some of the less equitable clauses in the bill and fixed the rates of annual taxes.

The full significance of Bardoloi's budget has not been fully appreciated. The new taxes which brought in nearly thirty lakhs clearly showed that land revenue as a more reliable source for Assam was in reality a myth, and in so doing demolished the very rationale for opening up wastelands and encourage extended migration from eastern Bengal. It is not a little curious that his prison diary written during his internment in December 1940 which contains a record of his daily meeting with fellow internees should make no reference to land revenue. Rather it was the province's control over her natural and mineral wealth including petroleum that Bardoloi and his prison mates talked about. The financial management of these, and agricultural income tax, they felt, should be in the hands of the provinces.

Saadulla pursued his land revenue policies regardless. His Land Development Scheme of December 1940, which tried to regulate the settlement of the migrants, soon ran into rough weather. After the League's Lahore resolution of that year Saadulla opened himself to the charge that his scheme and the policy of his government was to provide the demographic justification to Jinnah's claim upon Assam for his Pakistan.⁶¹ The huge capital receipts of the Government during the last two years of the War which overshadowed land revenue helped only to focus attention on Saadulla's alleged political motive. At the end of it, it was again the old themes of export duty on tea and excise duty on oil. Bardoloi's Finance Minister, Bishnu Ram Medhi presenting the last budget before independence, bemoaned in tone and language reminiscent of Saadulla of yore:

It may not be out of place to mention once again that since the inauguration of Provincial Autonomy in 1937 it has been repeated in the floor of the House by successive Finance Ministers in their budget speeches the financial difficulties that confronted the province due to the financial injustice

meted out to a poor and undeveloped province like Assam which produces petroleum, kerosene, tea, etc. and distributed more than 30 crores of rupees to the Central Government in the shape of excise duties in the last decade, was left to run the new Constitution scheme ... with all the paraphernalia of a top-heavy administration with a subvention of a trifling sum of Rs. 30 lakhs, while the amount granted to each of the provinces of North West Frontier and Sind was one crore and one crore and ten lakhs per annum respectively.

The representation backed by an unanimous resolution adopted by the Assembly for a substantial share of the excise duties to meet the financial difficulties of the province was turned down by the Government of India.

It is this common concern and not their differences that Saadulla and Bardoloi took to the Constituent Assembly after independence. Their interventions there, particularly of Bardoloi, in the various stages of discussions on the financial provision of the Draft Constitution, detailed in B. Shiva Reddy's work on the Constitution⁶² has been ably summarized by Nirode Barooah in his slender volume on Bardoloi.⁶³ Saadulla with his experience going back to the early days of dyarchy exposed Assam's financial problems and showed where and when they went wrong. Bardoloi saddled with enormous post-War and post independence burden pleaded for special treatment for Assam, *inter alia*, in Union-provincial revenue sharing. His government in a memorandum to the Constituent Assembly noted that the allocations of revenues between the Union and the states were practically the same as that under the Government of India Act, 1935, and that the provinces would merely collect the revenues assigned to them.⁶⁴ "So far as this Province is concerned it means that the financial position will remain what it is unless something is done to give her a share of the revenues collected by the Union." Facts and figures were marshaled to show that,

Having already exhausted the entire field of taxation reserved for her and touched the normal Indian standard in the severity of taxation, and yet being unable to provide the normal standard of service to the people, Assam is compelled to look to revenue sharing as the only source of relief.

The amendments on the Draft accordingly suggested in the memorandum and argued by Bardoloi in the Assembly were however rejected.

This rebuff, it must be remembered, after Assam's case, her "tale of woe" as B.R. Ambedkar uncharitably put it, was championed by two of her most outstanding leaders, one a premier and the other an ex-premier. It would seem curious, that way back in December 1937, at a time when Saadulla was decrying the loss to Assam of her oil revenue, the visiting Jawaharlal Nehru saw the problem in much the same light:

At Digboi one sees the familiar iron derricks against the skyline, and they announce to the visitor that he is entering an outpost of the great Empire of Oil. The Assam Oil company is associated with the Burmah Oil Company and the two together are parts of the Shell combine. This accumulated wealth of the past ages is being pumped out at Digboi, but Assam, the owner of this wealth, hardly profits, for the royalties go to the Central revenue of India. This is unfair to the people of Assam, and there is an agitation against it which seems to me to be justified. The price of petrol is higher in Assam than in Calcutta or elsewhere. This remarkable example of capitalist economy was in evidence in Burma also. Burmese or Assamese petrol is cheaper in London than in the country which produces it, where the oil is pumped and refined.⁶⁵

The pen-ultimate sentence perhaps provides a clue to the position taken by Nehru in 1949. That there was a need then for a strong Centre with the nation's wealth in its hands cannot be denied. At any rate, however, the noble goals set out in the Directive Principles of State Policy, Article 36 to 51, of the Constitution, of "the right to work, the right to adequate income, the right to education and the measure of insurance against old age, sickness, and other disabilities" demanded Central ownership and control of the material resources of the country.

Gopinath Bardoloi passed away on 8th August 1950, aged only sixty years. Saadulla who briefly joined the Indian Congress, retired from public life after his humiliation over the nomination for a seat in the Assam Assembly in 1952. Five years after Bardoloi he died at the age of seventy. The inequities

of the Central Government and the injustice of the various constitutional acts that operated against Assam's interest and against which they lent their voice had now become perpetrated. How they would have adjusted to the new dispensation had they lived longer is of course in the realm of speculation.

END NOTES

1. See, for example, Satis Chandra Kakati, "Gopinath Bardoloi and the Grouping Scheme", in Arun Bhuyan (ed.) *Nationalist Upsurge in Assam*, Guwahati 2000, pp. 252-260. A more balanced account is by the writer of the chapter "The Cabinet Mission Plan", in Arun Bhuyan, *et al.* (eds.), *Political History of Assam*, Vol. III, 1940-47, Guwahati, 1999 (Second edn.) pp 323-397; Nirode K. Barooah, *Gopinath, Indian Constitution and Centre-Assam Relations*, Guwahati 1990, pp. 23-28. The most sympathetic reference on Saadulla comes from historian Keshav Narain Dutt, *Landmarks of the Freedom Struggle in Assam*, Gauhati 1958, whom he describes as "a veteran Assamese politician first and a leader of the Muslim League next", p. 122.
2. Most writers, however, give the impression that Saadulla and Bardoloi had a hostile relationship. This is far from the truth. Bardoloi, and even his successor Bishnu Ram Medhi frequently consulted Saadulla on various matters, particularly on finance, relating to Assam. There was cordial personal and family relations — Saadulla's sons used to call Bardoloi, "Mama" (or uncle on the maternal side).
3. It is surprising that there is still no full length study on Saadulla or on Bardoloi. For a brief account on Saadulla see Abdul Manaf Sikdar, "Sir Syed Muhammad Saadulla and Government and Politics in Assam, 1921-1947", Unpublished M.Phil. dissertation, department of History, North Eastern Hill University, Shillong 1996. Nirode Barooah's projected volume has not seen the light of day, but his slender volume, *op. cit.*, has a short but useful biographical note.
Saadulla was born on 21 May 1885 in Gauhati. His father, Syed Muhammed Taibulla, a descendant of Assam's well known sufi saint Ajan Fakir, came from Kacharihat in Golaghat and settled in the Lakhtokia area of Gauhati and was a teacher in the Sonaram High School. Saadulla had his early education in Gauhati and graduated from the Cotton College, being in its first batch of graduates. He moved to Calcutta, to the Presidency College and Calcutta University where he obtained a Masters in Chemistry, the third Assamese to obtain this degree. He briefly taught at Sonaram before joining Cotton College as assistant professor where Gopinath Bardoloi was among his distinguished students in the intermediate Science class. A year later, after a degree in law, he entered the Gauhati Bar. It was then that he took to public life.
4. Quoted in Amalendu Guha, *Planter Raj to Swaraj. Freedom Struggle and Electoral Politics in Assam, 1826-1947*, Delhi, 1977, p. 232.

5. Gopinath Bardoloi *Tarun Ram Phookan* (in Assamese), Calcutta 1940, p. 60, in Nirode K. Barooah, *op. cit.*, p. 4, n. 3.
6. Nirode K. Barooah, in *Ibid.*, p. 2.
7. For details, Abdul Manaf Sikdar, *op. cit.*, pp. 43ff. Congress-League collaboration caused considerable embarrassment to the first Saadulla ministry. It will be recalled that in the very first session of the Assembly in April 1937, Basanta Kumar Das of the Congress was elected Speaker defeating the official candidate Keramat Ali by 56–51 votes. Muhammad Amiruddin of the League was elected Deputy Speaker. On Bardoloi's "politics" during this period see Muhammad Tayyebulla's unflattering *Karagarar Chithi* (in Assamese), Gauhati 1962, and his *Between the Symbol and the Idol at Last*, New Delhi, 1964.
8. Amalendu Guha, *op. cit.*, also Sikdar, *op. cit.*
9. For example on the resolution in the Council on Dominion Status for India which was made at his suggestion — "My idea was that there will be such an amendment for accelerating the second instalment of reforms from other Provinces, it is only meet and fair that such a demand should go from as well" — he however, objected to the use of the term "immediate", *Assam Legislative Council Debates*, Vol. IV, No. I, March 1924, p. 45.
10. As early as in 1913, reacting to the order of the Chief Commissioner on proportionate representation of communities in government, Saadulla said: ((T)he various circulars to give Muslims their share of service issued by the Eastern Bengal and Assam Government seems to have been forgotten when one finds the extreme paucity of Muhammadan officers in all departments of Government Service", quoted in M. Kar, *Muslims in Assam Politics*, New Delhi, 1990, pp. 158f. Saadulla's later opposition to the severance of Sylhet, a deficit district and a drain on Assam's resources, was his fear that Muslims would lose the advantage of their numerical strength and the province its status as a major province.
11. *Constitutional Assembly Debates*, 8 August 1949, pp. 265–273.
12. *Report on the Indian Constitutional Reforms*, Calcutta 1918, Chapter VIII, pp. 130–39.
13. *Ibid.* How the plan of contribution was drawn up can be seen from the table below:

(in lakhs of rupees)

Province	Gross provincial revenue	Gross provincial expenditure	Gross provincial surplus	Contribution (87% of col 4)	Net provincial surplus
1	2	3	4	5	6
Madras	1331	840	491	428	63
Bombay	1001	900	101	88	13
Bengal	754	675	79	60	10
United Province	1122	747	375	327	48
Punjab	869	614	250	218	32
Bihar/Orissa	404	359	45	39	6
Central Provinces	412	371	41	36	5
Assam	171	150	21	18	3

14. Amiya Bagchi, *Private Investment in India, 1900–1939*, London, 1972, Indian Rep. 1975, pp. 43–44; also K.T. Shah, *Sixty Years of Indian Finance*, London, 1927, pp. 415–439.
15. G.F. Shirras, "Public Finance in India", *The Annals of the American Academy of Political and Social Science*, Vol. 145, 129, Part II, p. 117, quoted in *Ibid.*
16. For details, Tirthankar Roy, *The Economic History of India, 1857–1947*. Second edn., New Delhi, 2006, pp. 317–329; see esp. the tables.
17. *Parliamentary Papers*, CMD 724 of 1920: see also Gurmukh Nihal Singh, *Landmarks in the Indian Constitutional and National Development*, Vol. I, 1600–1919, 6th edn., New Delhi, 1963, pp. 272ff.
18. P.G. Robb, *The Government of India and Reform, Policies towards Politics and the Constitution*, Oxford, 1976, p. 13 and *passim* for Meston's role in the reform process.
19. *Report of the India Statutory Commission*, Vol. I, Part V, Chapter III, pp. 348–49.
20. Robb, p. 110. Meston while in London actually drafted the Joint Parliamentary Report.
21. For details see Katoni's Jakhalu, "Provincial Finance in Assam. A study of Imperial-Provincial Financial Relations, 1874–1947", unpublished Ph.D. Thesis, Department of History, North Eastern Hill University, Shillong, 2001. An additional Rs. 18 lakhs was required for the schemes relating to education, medical and health sanitation and agriculture, which were shelved during the War, but had to be revived. With industrial policy becoming a provincial subject, the cost of the hydro-electric survey in the Khasi hills, at Rs. 1.83 lakhs, which began as a Central project was handed over to Assam. Finally, the cost of the new Council chambers had to be met from provincial revenues.
22. The figures on the revenue derived from these sources vary, in all probability on account of the difference, unexplained, between gross and net, the cost of collection etc.
23. Assam Secretariat, Finance — A Proceedings, February 1920. Nos. 8–27; A.W. Botham to Secretary to the Government of India, Finance Department, 6 December 1919.
24. *Ibid.* Note on the Finances of Assam under the coming Reform Scheme, N.D. Beatson-Bell. n.d. Cover letter by A.R. Edwards dated 25 August 1919.
25. *Ibid.*, N.D. Beatson-Bell, 5 September 1919.
26. In a Council debate on 5 April 1919, the remark by a member, Phani Dhar Chaliha that revenue derived from the sale of opium was "tainted money" provoked Beatson-Bell, President of the Council, to demand that every bit of the tainted money earned by Chaliha as a government servant and pensioner should then be returned. Word of the incident, which generated considerable ill-will towards the Chief Commissioner, had even reached England. Four months later a delegation to London to plead Assam's case as a governor's province, was asked by Montague about it. When told of the details Montague was reported to have kept "mum", which the delegation took to forecast "the downfall of Sir Beatson-Bell". Imdad Hussain, *From Residency to Raj Bhavan: A History of the Shillong Government House*, New Delhi, 2005, p. 93.
27. Among the reserved subjects were Finance, Land Revenue, Famine Relief; Justice, Police; Prisons, Reformatories and Criminal Tribes; Irrigation and

- waterways; Control of Newspapers, Printing Presses and Books; Factories, Mines etc. The transferred subjects included Local Self Government; Education, Medical Administration, Sanitation and Public Health; Public Works; Agriculture; Development of Industries; Excise; Veterinary Department; Fisheries and Cooperative Societies. Details in Gurmukh Nihal Singh, *op. cit.*, pp. 273–274; also Arthur Beridale Keith's *A Constitutional History of India*, Bombay 1967.
28. *Report on the Indian Constitutional Reforms*, para 257.
 29. *Assam Legislative Council Proceedings*, 23 March 1924, p. 185. Of the Rs. 175 crores, Rs. 9 Lakhs for salaries and pensions, Rs. 26 lakhs for obligatory expenditure (Rs. 15 lakhs under Meston Settlement, Rs. 6 Lakhs for expenditure in England, Rs. 2 lakhs for the Calcutta High Court, Rs. 3 lakhs for repayment of loans) and Rs. 30 lakhs for contingencies; from the Rs. 57 lakhs for the transferred subjects, Rs. 24 lakhs for salaries and the remainder for the "nation building" departments. The reduction in allocation to various departments from the budget estimate was: Primary Education by Rs. 18,000; Medical Rs. 19,000 (hospitals and dispensaries); Public health Rs. 18,000 (Malaria Eradication) Agriculture Rs. 30,000 and Industries Rs. 8,000. For similar reduction in the major provinces, see *Report of the Indian Statutory Commission, op. cit.*, pp. 353ff.
 30. *Ibid.*
 31. *Report of the Reforms Enquiry Committee*, 1925, para 53, For a detailed account of the Committee, L.F. Rushbrook Williams, *India in 1924–25 — A Statement prepared for presentation to Parliament in accordance with the requirement of the 26th Section of the Government of India Act (526 Geo. V, Chap 6)*, Calcutta, 1925, pp. 57–63; also Chapter III, Economics, pp. 116f.
 32. *Ibid.*, para 56.
 33. *Report of the Indian Statutory Commission*, Vol. XVII, Part II, p. 33, Memorandum (non-official) submitted by Sir Muhammad Saadulla, member, Assam Legislative Council.
 34. *Ibid.* pp. 8–34; Memorandum, Abdul Hamid, Promode Chandra Dutta and Sir Muhammad Saadulla.
 35. *Ibid.*, Vol. II, Part III, Memorandum of Assam Council Committee, 12 May 1929; W.D. Smiles, Amarnath Ray, Munowar Ali, Arzan Mazumdar, Karamat Ali, Sadananda Dowerah and M.N. Barooah.
 36. *Ibid.*, Vol. I, Survey, May 1930; para 92, p. 73.
 37. *Ibid.*, Vol II, Part VIII, Chapter VI, p. 252.
 38. *Assam Gazette*, 5 April 1938; Part VI, p. 33, See Percy Reports.
 39. *Joint Committee on Indian Constitutional Reform, Vol. I (Part I) Report*, para 56 and 59, pp. 301–302; also *Parliamentary Papers, CMD 4268*.
 40. For the Great Depression, see Dietmar Rothermund, "The Impact of the Great Depression on India in the Nineteenth Thirties", in S. Bhattacharjee (ed.) *Essays in Modern Economic History*, New Delhi 1984, pp. 236ff; on its impact on Assam, J. Buam "The Great Depression 1929 and the Economy of North East India", Unpublished M.Phil. dissertation, Department of History, North Eastern Hill University, Shillong 1989; for a concise account, Katoni Jakhalu, *op. cit.*, Appendix VIII, "Impact of the Great Depression on Assam", pp. 162–165.

41. *Assam Gazette, op. cit.*, pp. 28ff, Proceedings of the Assam Legislative Council.
42. *Ibid.* Saadulla went on to say, "There could not be any representative in that Finance Committee as there was no representative from Assam in the parent body itself, viz, the Third Round Table Conference, who knows, if Assam had her own representative in that Conference, the justice and irresistibility of her claim for the Excise duty on petrol and kerosene produced within her boundaries, would not have been admitted, like the claim of our neighbouring province of Bengal for the Jute excise."
43. *Assam Secretariat, Finance — Budget A Proceedings*. March 1936, Nos 19–20. Faiznur Ali, the President of the Council thus explained: "For no fault of its own, Assam has been left almost completely unrepresented during the more formative stages of the constitutional discussions now in progress; it did not enjoy the privilege of a representative at the Third Session of the Round Table Conference; it has no representative on the Indian delegation now associated with the Joint Select Committee; It has not been accorded an opportunity of sending a witness to explain its peculiarly difficult problems. Having failed so far in every endeavours to make the voice of Assam heard, we have ventured to seize what seems to be the one chance now open, namely, to ask you to allow us the courtesy of making this submission."
44. *Ibid.*
45. *Joint Committee on Indian Constitutional Reform. op. cit.*, para 260, p. 167.
46. *Assam Secretariat, Finance — Budget A Proceedings*, march 1936: Nos. 1–15, Financial Enquiry Report by Sir Otto Niemeyer, 6 April 1936. It is doubtful if Sir Michael Keane, Assam's Governor who met the Committee in Calcutta had pressed Assam's case strongly enough. He had turned down the Finance Member Sir Abraham James Laine's suggestion that a "critical review of the equity or inequity of the Meston Award, and of subsequent modifications" should be incorporated into Assam's memorandum to the Subvention Committee. On 12 May 1935, Charles Seymour Mullan, the Reforms Officer, told Laine that "I have discussed the matter with His Excellency... He does not think it necessary to examine the equity or inequity of the Meston Award and considers that the only point we need to touch on in the Award is the High Court contribution".
47. *Assam Gazette*, 5 April 1933, *op. cit.*
48. Tirthankar Roy, *The Economic History, op. cit.*, p. 325.
49. For details, Katoni Jakhalu, *op. cit.*, p. 165.
50. Sir Edward Gait, *History of Assam*, Calcutta 1906, and H.K. Barpujari, *Assam in the Days of the Company*, Second Ed, Gauhati, 1980, p. 2, appear to subscribe to this theory. H.P. Das *Geography of Assam*, New Delhi 1970, p. 12, goes even further when he writes of the "lethargic existence of the present day population", which he attributes to Assam's climate, "being very damp and humid (and) not very congenial for continuous labour", cited in Myron Weiner, *Sons of the Soil, Migration and Ethnic Conflict in India*, India edn., New Delhi, 1978, pp. 105–06.
51. Major John Butler, *A Sketch of Assam with Some Account of the Hill Tribes, by an Officer*, London, 1847, p. 34, also Weiner, *op. cit.*

52. In Weiner, *op. cit.*, pp. 98–99, Weiner also quotes citing the 1931 census, an Indian Deputy Commissioner of Nowgong who says: “They (the immigrants) have opened up vast tracts of dense jungle along the south bank of the Brahmaputra and have occupied nearly all the lands which are open for settlement in this tract. These people have brought in their wake wealth, industry and general prosperity of the whole district (of Nowgong). They have improved the health of the countryside by clearing jungles and converting the wilderness into prosperous villages. Their industry as agriculturists have become almost proverbial and they extract from the fields the utmost they can yield. Their care and love of cattle is also an object lesson to others. Government revenue has increased. Trade and commerce have prospered. The lakhs of rupees which annually pour into the district to buy their jute pass out of their pockets into those traders who sell them their foodstuffs and imported goods as well as into those of the lawyers and *mahajans* (money lenders) who look after their litigation and finance.”
53. Quoted in M. Kar, *op. cit.*, pp. 21–22; also Sikdar, *op. cit.*, pp. 18–19.
54. Zachariah, *Historical Study of Internal Migration*, pp. 203 and 210, in Amiya Bagchi, *Private Investment, op. cit.*, p. 131.
55. See Katoni Jakhalu, *op. cit.*, for details.
56. Assam Gazette, 8 September 1937, Part VI, p. 1102, See Saadulla's budget speech, *Assam Legislative Council Proceedings*, 16 February 1938, p. 63.
57. A. Guha, *op. cit.*, p. 233; During 1939–40, the remission added upto Rs. 40 Lakhs, or $\frac{1}{8}$ of the total provincial revenue.
58. Assam Secretariat, Finance-Budget A Proceedings, March 1931, Nos. 19–20; which shows the fall in opium revenue during 1925 to 1935 from Rs. 74 lakhs to Rs. 32 Lakhs, i.e., more than 50%.
59. Katoni Jakhalu, *op. cit.*, pp. 191–195, for details.
60. The demand for Pakistan by the Assam Provincial Muslim League was first publicly aired at its provincial conference at Barpeta in April 1944. After this Saadulla openly advocated the cause of Pakistan. He thus told an election meeting in Sylhet in October 1945 that “Pakistan is nothing but the administration of the country on principles enjoined in the Holy Quoran. There cannot, therefore, be any Muslim who will not support Pakistan.” quoted in M. Kar, *op. cit.*, p. 313, from *Janasakti*, 31 October 1945.

The question of encouraging Muslim migration into Assam to turn it into a Muslim majority province is of course a different matter, and is more particularly the work of the Provincial Muslim League, and of Abdul Hamid Khan (Bhasani) and Abdul Matin Choudhary. Warell's jibe, in *Viceroy's Journal*. Ed. Penderel Moon, London 1973, p. 41, is not without foundation. S.N. Mitra, the Deputy Commissioner of Darrang had thus recorded: “In Mangaldoi in Assam while I was trying to keep the Muslim immigrants from Mymensingh district in Bengal from encroaching beyond the line set apart for them, Mr. Abdul Matin Chowdhury, a Muslim Minister from Bengali speaking Sylhet, came on tour. He suggested that as a Bengali I should sympathise with the Bengali immigrants and not deal too strictly with their encroachment on land kept reserved for the Assamese. Of course I knew that the minister's harping on the Bengali sentiment was insincere. A Muslim Leaguer, his real objective was to increase the number of Muslims in

- Assam. The incident brought me face to face (with) the spectacle of a high Government dignitary asking me, in pursuit of his sectional interest, to disregard the declared policy of Government. I told Mr. Chowdhury politely that I was posted in Assam not as a Bengali but a member of the ICS." From Mitra's private papers, cited in Roland Hunt and John Harrison, *The District Officer in India 1930-1947*, London, 1980, p. 195. Incidentally Abdul Matin Choudhury sought election from this constituency in 1946.
61. *Assam Legislative Council Proceedings*, 10 March 1947, pp. 43ff, see budget speech.
 62. B. Shiva Rao, *the Framing of India's Constitution: A Study*, New Delhi, 1968; pp. 670-77; See also the relevant volumes of the Constituent Assembly Proceedings.
 63. Nirode K. Barooah, *op. cit.*, pp. 39-44.
 64. *Ibid.*, Appendix D, pp. 114-118.
 65. For full text see Arun Bhuyan, (ed.) *Nationalist Upsurge in Assam*, Guwahati, 2000, Appendix C (I) 2 (II) pp. 373-384.