INDUSTRIALISATION AND COLONIAL PENETRATION IN ASSAM IN THE NINETEENTH CENTURY: A SECTORAL ANALYSIS OF THE TEA, COAL AND OIL INDUSTRIES

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EPILOGUE

The industrialisation of Assam in the nineteenth century was inseparable from the economic policy of the British in India which may be divided into three main phases, viz. (i) acquisition (ii) colonisation and (iii) exploitation. The annexation of Assam belonged to the third phase. It was the stage in which the Raj attempted to exploit the resources of the country with the help of new techniques. The mercantile character of the East India Company had been solidly protected by the "steel frame" of its organisational set-up. The cardinal motive of the administration was revenue maximization. Hence, the extent and scope of all activities were limited by considerations of commercial gain. The economic policy in general was largely negative, relying almost entirely on private enterprise for exploitation and concentrating only in those areas which served their interest. The indigenous industries were neglected to make way for new enterprises which were almost entirely European in capital and management. Consequently, there developed a situation in which the traditional economy of Assam was totally disrupted. The new economy resulted in considerable growth but little development.

India has always been pre-eminently an agricultural country and the economic structure of Assam was no different. The village was the most important unit and because of the difficulties in communicating with the outside world, it had to be entirely self-sufficient. All the principal needs of the community were satisfied locally and only for such articles like salt recourse was to be had to an outside source. Like the rest of India, the village was the kernel around which Assamese society evolved. It grew its own food, made its own implements,

wove its own clothes and had its own priest, goldsmith and doctor. In the precolonial period when cash payment of revenue was not known, the village was all the more isolated. There was no occupational caste or sub-caste and each artisan combined in himself his craft together with the pursuit of agriculture. It has been suggested that perhaps because of this, the proficiency of the artisan could not be expected to be great.[1] Indeed, except in the artistic wares[2], Assam, like the rest of India, had no localised industries. This was in contrast to some other countries of the same period; Russia for instance, where Mavor mentions whole villages of blacksmiths, wire-drawers etc. whose products were intended for sale.[3] In Assam there was little distinction between capital and labour. Most of the people were self-employed and seldom worked for hire. No worker was hereditarily attached to any particular trade and there was considerable social mobility. In fact, the autonomy of the village economy was a significant feature of the Assamese society in the pre-colonial era.

While formulating their policies, the Ahom rulers were guided by consideration of political necessity and practical expediency. They encouraged free trade with the neighbouring territories to a limited extent so that it might be mutually beneficial as the surplus generation in one area balanced the deficit in the other. The frontier trade was not only a source of revenue but also a symbol

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1 D.R. Gadgil, The Industrial Evolution of India, p 11.

2 For example, the gold works of Barpeta and Jorhat and bell metal utensils of Sarthebari.

3 J. Mavor, Economic History of Russia, Vol.1, BK 3, Chapter III.

of the assertion of their power beyond the physical limits of their domains. Trade with Tibet had an added importance as it imported more than it exported and the balance was made up in gold and silver. Trade with Bengal was necessary mainly because of the requirement of salt. It must be remembered, however, that foreign trade was restricted as the Ahom monarchs did not encourage the presence of foreign traders in their kingdom for long periods. Barter was the general mode of transaction and money was seldom used by the Assamese peasant. The little transaction that took place in this respect passed through in small amounts mainly for the purchase of salt.

Although basically agricultural, the crafts and industries of pre-British Assam were considerable. One of the prominent industries prevalent at that time was silk culture and its manufacture. Silk fabrics, viz., eri, pat and muga were woven both for domestic consumption and sale. Cotton was also cultivated extensively. It was spun and woven by the women members of the family principally for personal use but the excess was bartered. Gold washing and the making of gold jewellery was another important craft. The Marias or braziers, who manufactured utensils from amalgamated metal, together with the potters, distillers, blacksmiths and carpenters, helped to meet the requirements of the local people. In the art of boat building and brick-making also a high degree of proficiency had been achieved. Thus it is apparent that, though limited in scope and extent, the industries of Assam occupied a very significant position in her economic activity in the pre-colonial period.

The situation, however, completely changed within a

few years of British occupation. A process of deindustrialisation was set in motion whereby the traditional industries suffered so greatly that most of them either fell sick beyond recovery or fell on the path of ultimate ruin. This was merely a reflection of an all-India phenomenon. Deindustrialisation was the outcome of a conscious policy pursued by the Raj to extract raw materials from India to feed the growing industries in England and to promote a market for English products in India. Their task was made relatively easier by the disappearance of the native courts which had been the main patrons of the local arts and handicrafts. In Assam the additional factors which augmented the process were the internal disorders in the kingdom and the occupation of the province by the Burmese.

The British occupation of Assam brought about a commercial revolution and established a new economy in the province. However, as this was affected through a discriminatory system of customs duties with the British commercial interest in view, the new economy of Assam was bound tightly to the heels of British economy in a subservient position. In course of time Assam lost not only her self sufficiency but also most of her external markets. The balance of trade totally shifted in favour of the East India Company. Once an exporter of finished products, she now became a large importer of foreign manufactures and an exporter of raw materials. In the face of stiff competition from the highly developed industries of the West, the indigenous Assamese industries fell on the path of eventual decay. A classic example was the effect on handloom products. The ordinary peasant wanted a fabric which was both cheap and

durable. So far as the quality was concerned the local weaver faced no problems. But in respect of price he was beaten by the machinemade goods which flooded the market. In course of time, the local handloom products gave way to imported piece - goods. Other local crafts in bell metal, copper, brass and earthenware similarly suffered from the brunt of colonial exploitation. Like the rest of India Assam afforded the spectacle of a vast province with decaying handicrafts. This in turn compelled the ryots to fall back upon the land.

Related to the decay of the indigenous crafts was the decline of some of the older towns which had been centres of traditional crafts. Places like Sualkuchi and Barpeta were bypassed for new centres of trade. In England, the growth of new towns in the nineteenth century compensated for the stagnant or decaying towns,[4] but in Assam this was conspicuous by its absence. Some new centres did develop but these were due much more to the growth of commerce than of industry. As such an important factor which determined the growth of towns was the construction of roads and railways. The advent of the railway to a town generally meant an increase in trade. It also had the effect of creating new centres of trade in the tract through which it passed. In Assam, railway construction meant a diversion of the old channels of trade and hence spelt the decay of old towns. The process of deindustrialisation had been slowly but systematically completed.

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4 L.C.A. Knowles, The Industrial and Commercial Revolution in Great Britain during the Nineteenth Century, Chapter II.

The stage was now set for the introduction of a new economy. Modern industry in Assam started with the establishment of the tea plantations. With the introduction of European capital investment a new factor was introduced in the economy. Hitherto the Europeans had been content with their share in the commerce of the province. They had been the carriers of India's foreign trade but had taken little interest in the growth of Indian industry. With the growth of the tea plantations new avenues for finance and business management were opened up. This marked the beginning of the European exploitation of Indian resources on a large scale.[5] The enormous speculations in the tea gardens was followed by a sudden reaction in 1866. All the property depreciated and the severe depression that followed lasted till 1869. By 1871, however, the tea industry in Assam was once again placed on a firm footing. The cultivation even spread to new areas in the country like the Nilgiris. By 1900 the total export of tea from India (Assam sent the bulk of it) amounted to 188,000,000 lbs. In 1910 the Assam Company alone produced 5,786,708 lbs of tea making a profit of £39,238 and paying a dividened of 12½% to its shareholders.[6] In the world market for indigo, synthetic dyes had become a dominant factor in the twentieth century. In the case of coffee, the Brazilian coffee had been controlling the market. In the tea market, however, Indian tea dominated the scene. In 1866, of the total

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5 The manufacture of indigo by European planters had begun in India before the end of the eighteenth century, but the system on which indigo was cultivated was not strictly a plantation system.

6 H.A. Antrobus, A History of the Assam Company, p 410.

import of tea into the United Kingdom, only 4% had been Indian, the rest being Chinese. By 1903, of the total import 59% were from India, 31% from Ceylon and only 10% from China. The total amount of capital invested in the industry increased from £1 million in 1872 to an estimated £14 million in 1890.[7] The tea plantations of Assam brought about a dramatic change in the economic policy pursued by the British Government in India and paved the way for an active colonial penetration in the region.

Tea led the way and other industries followed. By the second quarter of the nineteenth century the economic potentiality of the region had been fully ascertained. But the main impediment towards opening out the province had been its almost non-existent communication system. The mighty Brahmaputra was navigable but the enormous cost of fuel made steam navigation an impractical proposition. The necessity of a local source of supply of coal was, therefore, acutely felt, especially after the establishment of the tea industry.

Preliminary reports had confirmed the existence of coal in Upper Assam but it was not until the formation of the Assam Railways and Trading Company in 1881 that steps were taken to mine the mineral available locally. By 1903 the total output of coal in Assam was 293,000 tons, about 5% of the total output in India. This quantity was sufficient to meet the local demand as the only consumers were the railways, steamer companies and the tea gardens. Initially, the excess coal was shipped to Calcutta to be

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7 Gadgil, Op.cit., p 119.

sold to various shipping companies for consumption in ocean going vessels, but this proved unprofitable and was discontinued. It is important to remember that, like the tea industry, the coal industry was also European in capital and management.

While the discovery of both tea and coal and the subsequent establishment of these industries had been the result of conscious efforts on the part of the British, the oil resources on the other hand were an accidental discovery. The extraction of crude oil by rather primitive methods had been going on in the fields of Upper Burma from the early years of the nineteenth century. Mechanization was practically non-existent at that time. The oil fields were controlled by a very closely formed guild-like organisation.[8] Till 1889 the Upper Burma deposits was the only important source of oil in the region. The production in those wells were not sufficient to meet the demands of India and as such large quantities had to be imported. Thus when the Assam Railways and Trading company first struck oil at Digboi in 1889, it marked the beginning of an extensive industry in Assam. In 1901 the Digboi refinery was commissioned with a refining capacity of 20,000 gallons a day. In 1907 the output of crude oil in Assam increased to 3,156,665 gallons. The prospects of oil industry were extremely bright because the petroleum products were assured of a secure market. Once again, however, this industry also was entirely in European hands and being more capital than labour intensive, had marginal impact on local society.

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8 Land Revenue Records 1838-59, Feb. 1955, Prog. Nos. 5-8.

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The development of the new industries in a purely subsistence economy of the Brahmaputra Valley left a deep imprint on the agrarian structure of the region. The changeover from the traditional economy to commercialisation was so sudden that land under tea cultivation far outstripped the area under other cash crops. Hunter, in his Statistical Account of the Lakhimpur District wrote: "rice cultivation is stated to have retrograded instead of advanced during the past twenty years owing to every other description of agriculture having been sacrificed to tea cultivation."[9]

Plantations in general are associated with the opening up of waste lands at minimal costs. Consequently large tracts, far in excess of the required minimum for viable plantations, were acquired. This naturally led to an over acquisition and consequent under utilization of the land. Several factors led to the emergence of such a situation in Assam. The desire of keeping away prospective competitors in the neighbourhood, to have marginal land available to be sold off later at an unearned profit, maintenance of a continuity of plantation tracts etc. were usually the determining factors.

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9 W.W. Hunter, A Statistical Account of Assam, Vol.1, p 371.

The tea, coal and oil industries created new demands and opened up fresh avenues for the development of ancillary industries. Yet only those resources were developed which did not require large investment, ensured profitable returns and did not clash with the promotion and marketing of British goods. It was also apparent that in any scheme of industrial development, the establishment of an effective communication network was essential. Thus, following the footprints of other parts of India, railways and steamships were introduced in Assam to facilitate the import of manufactured goods and the export of raw materials.

It can thus be seen that the industrialisation of Assam was confined to certain sectors only. While the process of driving out the people from their old crafts was proceeding at an alarmingly fast rate, there was no proportionate growth of new industries to absorb the displaced persons. Of the indigenous industries, the village industries had gradually died out under the pressure of new forces. Its organisation still remained primitive. The position of the artisan with respect to capital or his semi-agricultural position underwent no change. The worst effect of this increasing loss of traditional industries and the failure of new industries to take their place was that the economy of the province came more and more under foreign domination.

The planters found an encouraging partner in the Government who assisted by promulgating the Waste Land Rules in their favour.[10] It is true that the very nature of the tea or coal industries necessitated the utilization of a portion of the land for the labourers' quarters, officers' bungalows, factory etc., but these together took up only an insignificant portion of the land leased in. There were, of course, instances when portions of the land were allotted for cultivation to the labourers. But even then much of the land was left fallow and the under-utilization of plantation land persisted in the Brahmaputra Valley during the period under review.

Secondly, although theoretically only waste lands were leased out, many of these were not actually waste lands. Pemberton in his report states that the Singphos "occupy the level tract of the country extending east from the Moamaria borders across the Noa Dihing and Tenga Panee; and in the mountains to the heads of the Duphla Panee and Dihing River," and that they, along with the Khamtis and Moamarias "hold their lands in acknowledged dependence on the British Government."[11]

The Singphos were alleged to have been the earliest known people to have made tea in Assam. They did not cultivate the plant but collected the leaves from plants growing wild in the jungles and then, by some unspecified

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10 Refer to Chapter III for details.

11 R.B. Pemberton, Report on the Eastern Frontier of British India, pp 69-71

process, made a concoction that resembled tea.[12] Most of the Singpho territory were later developed into tea plantations. We may, therefore, safely assume that in the process the indigenous claimants must have been displaced from their traditional lands. There is in fact record of compensation being paid to indigenous claimants for the land occupied for tea cultivation. In a correspondence stretching over a period from June 1876 to September 1877 between the Chief Commissioner of Assam and the Government of India[13], there is a detailed discussion on the compensation payable to the evicted Nagas in the Namsang region. One of the letters reads:[14]

> ...the annual payments of Rs.450 to the Namsang and Borduria Nagas, in recognition of their rights to the Towrock tea garden, are to be made by the Government.

The money was to be paid to the Government by the proprietors of the concerned tea estates, which is clear from the following:[15]

> ...Until the revenue payable under the Lease Rules shall exceed such sum, and that the proprietors in each case will be allowed the option of taking so much more land as may be necessary for the purpose of the gardens, paying for any valuable timber thereon separately.

The above case is just one instance of a section of the indigenous population being displaced. This happened very frequently. Moreover, it was not the case of one section

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12 H.A. Antrobus, Op.cit, p 249.

13 A.S.R., Finance, November 1877, No. 1897.

14 ibid.

15 A.S.R., Foreign Proceedings, August 1876, No.406.

of indigenous population being displaced by another, for as noted earlier. only an insignificant portion of the tea industry was under native control.

Under-utilization of land had important consequences. Although the planters formed the largest land-owning class, they contributed the least towards the revenue of the state.[16] As a result, the burden of taxation fell heavily on the ryots.

During the time of the Ahom monarchs the revenue of the state was paid in the form of personal service. With the coming of the British, as money became more an object to the state than servitude, a land tax was gradually introduced. There were three distinct classes of tenures in the Brahmaputra Valley,viz., the Ryotwari, Nisf - Khiraj or half assessed tenure and Lakhiraj or revenue - free tenures. The general tenure was Ryotwari whereby the tenant had the right of occupation in the land covered by his lease so long as he paid the Government revenue punctually. The Assam Settlement Rules declared holdings settled for a term of years to be heritable and transferable on condition of the transfer being registered.[17] The Nisf-Khiraj and Lakhiraj lands were those generally given for religious and charitable purposes. A district was divided into Mauzas or circles, each under a Mauzadar who collected the revenue. The Mauzadar was obliged to pay the entire land revenue due from his Mauza by the end of April. For his obligation he

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16 Refer to Chapter III for details.

17 W.W. Hunter, Op.cit., p 49.

received a commission of ten percent on the first Rs.10,000 and five percent on the balance of the revenue received by him. He was normally succeeded by one of his family members. The Mauzadar occupied a very influential position in the village. Thus apart from the financial benefit of the system, it also fosterd the growth of a stable and loyal gentry owing allegience to the administration.[18]

Initially, the average rates of land revenue for the districts in the Brahmaputra Valley were : 6 annas per bigha [19] for Basti (homestead lands); 5 annas per bigha for Rupit (wet, paddy lands): 4 annas per bigha for Pharingati (dry high lands). In 1861 Colonel Hopkinson put forward a proposal for raising the revenue of Assam on the ground that it was unreasonably low.[20] In 1867, the Government, acting on his proposals arbitrarily doubled the rates. As a result of these enhanced rates implemented during 1868-71, the total land revenue jumped from Rs.10,01,773 in 1864 to Rs.21,65,157 in 1872-73.[21] This naturally fell heavily on the peasants, especially since money economy had only recently been introduced in the province. With the limited paying capacity of the peasant cultivators, the land revenue was transformed into a virtual rack-rent that impoverished them.

The Assamese cultivator held small holdings devoted to raising two types of crops : (1) Food crops, like

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18 A. Guha, Planter - Raj to Swaraj, p 48.

19 One acre = 3.025 bighas.

20 A.S.R., File No. 388 of 1861.

21 A. Guha, Op.cit, p 10.

rice, which were first in order of the cultivated area and importance, and (ii) cash crops like jute and oil seeds, which the cultivator sold to pay the land revenue. As food crops occupied the major portion of the cultivated land, the peasant was often hard pressed to pay the revenue demand. He had to resort to borrowing from the moneylender at exhorbitant rates of interest, especially during times of scarcity. There were also instances of confiscation of private property on failure to pay the revenue.[22] Although the land revenue rates remained unchanged for a quarter of a century, the total land revenue had increased substantially because of new additions to settled areas. In the ten years between 1882-92, the settled area of the Brahmaputra Valley, for example, had increased by 15%.[23]

In 1889 the Government of India came to the conclusion that the time had come for revising the rates of revenue, and accordingly a resettlement of the Valley was made in 1893. The new rates resulted in a rise of nearly Rs.11,10,000 in the land revenue demand which was equivalent to an increase of 33% on the figures of the previous year.[24] The justification of the general enhancement lay in the fact that there had been a great increase in the price of staples produced by the Assamese and also in the wages of labour since the last settlement.[25]

The following table shows the revenue receipts of

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22 A.S.R., (General Dept.), Revenue A., April 1902, No. 16-75-2.

23 A. Guha, Op.cit, p 48.

24 A.S.R., (General Dept.) April 1902, No. 16-75-2.

25 ibid.

five districts of the Brahmaputra Valley between 1880-81 and 1903-04:

REVENUE RECEIPTS IN RUPEES [26]

DISTRICT	1880-81	1890-91	1900-01	1903-04
KAMRUP				
LAND REVENUE	9,12,000	9,52,000	11,92,000	12,30,000
*				
TOTAL REVENUE	13,25,000	14,90,000	17,38,000	18,56,000
DARRANG				
LAND REVENUE	4,37,000	4,85,000	7,01,000	6,96,000
*				
TOTAL REVENUE	9,31,000	10,11,000	13,48,000	12,92,000
NOWGONG				
LAND REVENUE	4,32,000	5,03,000	5,61,000	4,77,000
*				
TOTAL REVENUE	9,02,000	10,09,000	10,34,000	9,88,000
SIBSAGAR				
LAND REVENUE	6,19,000	8,11,000	13,96,000	14,22,000
*				
TOTAL REVENUE	14,11,000	17,66,000	26,00,000	25,92,000
LAKHIMPUR				
LAND REVENUE	1,90,000	2,59,000	5,30,000	5,88,000
*				
TOTAL REVENUE	7,98,000	11,00,000	18,03,000	19,21,000

* EXCLUSIVE OF FOREST RECEIPTS.

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26 Tabulated from information in Allen and Gait, Gazetteer of Bengal and N.E. India, 1905.

In spite of the systematic revenue maximization nothing was done to improve the condition of agriculture in the state. Hunter's observation in 1874 that there were no irrigation facilities, that manure was not used and that the system of rotation of crops was practically unknown[27] also held good in 1900. The agricultural implements used were primitive. Although the tea, coal and oil industries were marked by striding technological advances, due to apathetic attitude of the British the agricultural sector remained mostly stagnant. In fact the output deteriorated in many areas. Neither a single irrigation project was taken up nor was any attempt made to deal with the recurring flood havoc. In Assam floods were a common feature and large areas in the vicinity of the rivers had to be left uncultivated because they were prone to inundation. In 1874 Hunter reported that there were ten important embankments in Kamrup as a defence against floods and that there was a great necessity for more of these protective works. Nothing, however, was done to improve the situation.

The few embankments that were constructed were nothing but makeshift arrangement.[28] The lacklustre attitude of the Government towards agriculture was largely responsible for the deteriorating economic condition of the masses in the province.

The high land revenue siphoned away a large portion

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27 Hunter, Op.cit., p 54.

28 ibid, p 376.

of what could have been the cultivators' possible savings thereby draining the countryside of its capital. Consequently expenditure on agriculture improvement was restricted. The general spirit of uneasiness which surrounded the land revenue system tended to make the Assamese ryot indolent and was largely responsible for his lack of initiative and absence of a spirit of enterprise.

It is important to remember that in any agricultural country, progress in the agricultural sector must be simultaneous with industrial growth if an overall economic development is to be expected. In Assam, industrial growth and development had no link whatsoever with agricultural sector. Agriculture continued to be traditional and the economic condition of the masses deteriorated due to taxation and monetization.

Closely allied with the agrarian problem was the question of immigration. The magnitudes of immigration into the tea districts was so high that by the beginning of the twentieth century, a distinct demographic change had taken place. In the Brahmaputra Valley, out of a population of 31,08,699 in 1911, 631552 were immigrants and only 25,018 emigrants.[29] Sir Herry Cotton, Chief Commissioner of Assam, felt that the primary concern of the Government should not be so much the enhancement of revenues as of the extension of cultivation. "The millions of acres of cultivable lands now lying waste represents millions of rupees which might be dug out of the soil, but are now allowed to lie useless like talent

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29 Census of India 1911, Vol.III pt.1, p 24.

wrapped in napkin." He believed that since Assam was short of labour the most urgent necessity of the province was an increased labour supply. It was hoped that if immigration was encouraged from the densely populated areas of India, a dual purpose would be served. First, the labour problem would be solved and secondly, the extension of cultivation would mean an increase in the revenue of the province.[30] Migration within the province was minimal as there was practically no major shift in the rural population. Most of what took place occurred due to the extension or shifting of a peasant's cultivation by a few miles which, through the accident of boundary, brought him within the limits of an adjoining district.[31] Migration in Assam was, therefore, mostly ultramigration. The majority of the immigrants were from Bengal (64.9%), North-Western Provinces (14%) and Central Provinces (10.8%) which were the main recruiting areas for tea garden labourers.[32] The tea recruits from Bengal, however, did not mean Bengalees but mostly the tribals from the Chotanagpur division which then formed part of Bengal.

The largest class of immigrants was, no doubt, that of the labour force. By 1902-03 the total imported labour force in the Brahmaputra Valley amounted to 340,483 persons and accounted for 13% of the total population.[33] In the district of Lakhimpur, the largest

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30 A.S.R., P.W.D., Oct. 1902, No.105.

31 Census of India 1891, Vol.I, p 189.

32 Census of India 1901, Vol.IV pt.1, p 33.

33 Imperial Gazetteer of India, (Eastern Bengal and Assam) 1908, p 125.

of the tea districts, 41% of the population gave their mother tongue as other than Assamese in the census of 1901. It has been recorded that "tests of language and birth place show that Lakhimpur is ethnically ceasing to be a portion of Assam and the indigenous inhabitants gradually sinking into a position of marked numerical inferiority."[34]

One significant point to note here is that since the tea industry offered employment to women and children as well, migration to the tea districts was in the form of families rather than individuals. In most other industries where scope for the employment of women and children is limited, the male member usually leaves behind his family in his village and remit money for their maintenance. In Assam most of the migrant workers came with their families following the lead of their co-villagers or elders who had gone ahead of them and settled permanently in their new surroundings, with old friends and relatives, values and attachments. Since these immigrants were basically acquaintance oriented, they tended to settle in homogeneous groups usually having little communication with their neighbours. Thus although different cultures met, the result was not the emergence of a composite culture but a mosaic of cultures. H.K. Barpujari suggests that these 'coolie' immigrants constitute a "floating population"[35], while

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34 ibid, p 107.

35 H.K. Barpujari, A Political History of Assam, p 62.

Amalendu Guha feels that there is limited assimilation. However, it appears that they form a community by themselves and although over the years have integrated with the local people, they seem to have retained their distinct identity during our period of study.[36]

After the expiry of the term of their original labour contracts, most of the migrant workers either renewed their contracts, settled down as cultivators or took up employment as carters or artisans. By 1901 the population of non-Assamese ex-garden labourers had increased appreciably. In the Sibsagar district, in spite of a considerable Assamese population, they formed nearly 7% and in Lakhimpur almost 15% of the village population.[37]

Ex-garden coolies were not the only non-Assamese permanent residents in the villages. The expansion of the tea industry and the consequent increase in population opened up new avenues for the businessmen. Marwaris had entered the tea business, not as producers but as purchasers of tea for sale to the local people.[38] As the communication network developed, they entered Assam in large numbers and gradually displaced the local traders. Even the production of such traditional items like mustard oil and pepper passed into their hands.[39]

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36 Census of India 1911, Vol.III, Part 1, p 97.

37 Census of India 1901, Vol.IV, Part 1, pp 35-36.

38 P. Griffiths, The History of the Indian Tea Industry, p 127.

39 B.C. Allen, Lakhimpur Gazetteer, 1905, p 103.

The coins required to pay the increasing labour force were difficult to obtain and guard. Enterprising traders from Rajasthan took cheques from the planters and delivered the money for a commission.[40] These "garden bankers" also established shops at remote places. Other businessmen who came into the province to try their fortune included Punjabi carpenters, cobblers from Bihar and United Provinces, Kabulis from Afghanistan and Nepalese graziers and cultivators. These immigrants changed the demographic pattern of the Assamese society considerably. It was the general policy of the planters to encourage and promote the growth of local markets near the gardens. This in turn had a decentralising effect, for it tended to prevent the formation of large towns. Thus although the population increased, there were no towns with over 20,000 inhabitants and only five with over 10,000 people even as late as 1911.[41]

Less permanent than the above immigrants, but nevertheless an important segment, was the European population. As already mentioned earlier, there was no accumulation of wealth in Assam and a few among the local people could be regarded as even moderately well off. Hence even when the opportunity for investment presented itself, only a negligible minority could take advantage of it. The capital flowing into the industry at the turn of the century was, therefore, almost entirely British as the following table reveals:

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40 ibid.

41 Census of India 1911, Vol.III, Part 1, p 8.

INVESTMENT IN THE TEA INDUSTRY, 1900[42]

INVESTMENT	PERCENTAGE
Sterling controlled	76%
Non-Indian Rupee controlled	13%
Indian Controlled	11%

The bulk of the Indian rupee capital belonged to non-Assamese persons who remitted portions of their income to other states of India.

As the tea industry grew, the European population also increased. "Professional men, sailors, soldiers and even pensionable civil servants threw up their callings to join the new Eldorado in Assam."[43] In Dibrugarh subdivision alone there was "in 1901 an European population of 431 souls and in many essentials Dibrugarh might be regarded as no less English than Australia or the Cape."[44] As the management and administrative staff were almost entirely European there was a huge economic and social gap between them and their Indian subordinates. The Europeans formed their own social island, a mini England in a tropical setting, retaining their own customs, traditions and way of life. At each

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42 Report of the Plantation Enquiry Commission 1956.

43 Montfort Chamney, The story of the Tea Leaf, p 48.

44 B.C. Allen, Op.cit., p 104.

of the important places there was a European club in which most of the members were tea planters living in widely scattered places. Of these clubs O.M. Martin wrote that "there was a great influx at weekends. In addition, tea planters used to give tennis parties to which friends were invited from far and near. A certain proficiency of tennis was useful in such a society."[45] The European community of Assam led an isolated life. This group of immigrants was semi-permanent and mobile, for except a negligible minority, none came with the intention of settling permanently.

Another major group of immigrants was that of the educated Bengalis. Owing to the slow progress of education in Assam in the nineteenth century,[46] there were only a few educated Assamese who could take part in the administration of the province. Hence a large number of Bengalis found employment as clerks and Mohururs in the tea gardens. At the official level, the Amlahs of Bengalis replaced the local aristocracy when the latter proved incapable of discharging their duties[47] under British rule. An additional factor which favoured the Bengali influx was that the Bengali language was made the

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45 Martin Papers, in Cambridge South Asia Archives quoted by J.B. Bhattacharjee in N.R. Ray (ed.) Sources of the History of India, VOL III, IHS, Calcutta, 1980 p 158.

46 A.J.M. Mills, Report on province of Assam, Appendix D.

47 This was because towards the later part of Ahom rule, the criteria for holding high official positions was not merit but birth in certain families.

medium of instruction in the schools of Assam.[48] However, it was not so much the cultural or linguistic domination as the economic impact - their virtual monopoly at all offices - that made these immigrants from Bengal the eyesore of the local people. Consequently, there existed an undercurrent of tension between the two groups.

It is generally expected that in any agriculture based economy, the greatly increased demand for rice would lead to an increased production. In Assam this was not the case. The vast influx of immigrants seriously upset the balance of supply and demand. The local farmers appear to have let the opportunity slip through their fingers. As a contemporary, G.M. Barker remarks: "While there was a sufficiency of rice, salt and vegetable to eat and a bit of hubble-bubble in the house, he was happy and cared not for the future."[49] Rice had to be imported resulting in high prices especially in those areas with dense population. In 1863 when rice was available at Sylhet and Cachar at 32 seers per rupee, in Goalpara at 25 seers per rupee and in Kamrup at 23 seers per rupee, in Lakhimpur only 15 seers were available for the same price.[50] The annual import of foodgrains into the Brahmaputra valley increased from 0.3 million maunds in 1872 to around 0.7 million maunds in 1895-96.[51]

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48 Census of India 1891, Vol.1, p 157. This resulted from (i) the ignorance of the British who considered Assamese "a corrupt and vulgar dialect of Bengali and (ii) The desire to economise by imposing on Assam the infrastructure already in Bengal.

49 G.M. Barker, A Tea Planter's Life in Assam, p 78.

50 B.C. Allen, Op.cit., p 26.

51 A. Guha, Op.cit., p 37.

Although the rise was small in comparison to the increase in the population it shows that the land abundant economy failed to respond to the growing demand.[52] On the other hand, the growth of the tea, coal and oil industries considerably stimulated the local interest in cash crops. This did not mean that the new techniques were adopted for development of cash crops. The implication was an increase in the importance of money in the new economy. An important consequence of this was indebtedness of the peasants which drew swarms of moneylenders and middlemen into the province. In fact the Kaya and the Mahajan assumed a prominent place in the economy of the region.

Thus it is clearly evident that had it not been for the immigrants, the population of Assam would have decreased in the two decades preceding 1901. In Kamrup and Darrang, where immigration was marginal, the population actually decreased by 7.1% and 24.8% respectively.[53] The non-indigenous population of the Brahmaputra Valley meanwhile increased from one lakh in a total population of 15 lakhs in 1872 and to an estimated 6 lakhs in a total population of 22 lakhs in 1901.[54] The influx of immigrants thus more than neutralised the decline in indigenous population.

This vast demographic and economic change that

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52 One important cause of the stagnated agricultural growth was no doubt the impact of the "Kalaazar" epidemic of 1988-90 which resulted in the loss of thousands of lives and the earthquake of 1897 which created havoc over hundreds of acres of farmlands.

53 Census of India 1901, Op.cit, pp 16-22.

54 ibid, pp 27-30.

gradually swept over Assam left little mark on the local people. There arose a situation when, by the beginning of the twentieth century, capital, labour, enterprise, trade and craft were all represented by outsiders. As a result, this so called industrialisation did not lead to urbanisation but to an increased pressure on the land.

It is true that there was no great accumulation of wealth in the rural sector, but it is equally true that the masses were completely ignorant of the possibilities of investment. Consequently the most common practice of utilizing any superfluous wealth was the purchase of cattle. The majority of the village folk fell prey to temptation of liquor and opium. The Government followed a rather doublefaced policy in this regard. In high sounding reports it condemned the effects of opium and country liquor, but in practice only encouraged its consumption. A contemporary wrote:[55]

> Government has recently hit upon a novel but infamous plan for increasing the revenue. Each well-populated village had perhaps one licensed retailer of spirits while the smaller villages were dependent for their supplies on their larger neighbours. But the desire of the Government to enrich the exchequer by a few rupees received from additional liquor licences has resulted in incalculable harm. Outside many large gardens liquor shops have now been set up.

These liquor shops, being easily accessible had a very demoralizing effect on the population in general.

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55 G.M. Barker, Op.cit., p 178.

Many who had escaped the clutches of opium now fell prey to spirits. Indeed liquor gradually became a part of all celebrations.

In such circumstances, a middle class ~~hardly~~ could have played a catalytic role. However, the newly born Assamese intelligentsia that managed to make its way to the administration was "extremely small, weak and disorganised as a class."[56] They were a minority dominated by foreign elements and were, therefore, totally unable to influence the rural sector. The ideas generated in the towns did not percolate into the hinterland and the new economy had little link with the traditional local economy.

III

In spite of the largely dismal character of the colonial rule, there were certain positive aspects. Reference has already been made to the development of the communication network in Assam.[57] Though limited in scope and extent, it cannot be denied that the local people did enjoy certain benefits from it. Any survey of the material progress in Assam would be incomplete without a reference to the development of education and the growth of medical facilities, however slow they might have been.

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56 Guha, Op.cit., p 26.

57 Refer to Chapter VI for details.

In the pre-British days education is Assam was purely of a religious nature and primarily the concern of religious functionaries. According to Hindu tradition, education was virtually limited to the Brahmins. However, no such rigidity was followed in Assam. As the non-Brahmin noblemen and merchants acquired wealth and power, they began to demand and get education for themselves and their children. The methods of learning in the pre-colonial era largely consisted of memorizing the sacred texts. There were no regular schools and education was usually imparted in the Tols, Satras, Pathsalas or in the houses of the Gossains. Gunner Myrdal has said "whenever education is considered from the view point of development, its purpose must be to rationalise or modernise attitude as well as to impart knowledge and skills."[58] Pre-Colonial education in Assam did not conform to this idea. During the early period of British occupation of Assam there were only a few educated people in the above sense of the term.[59]

As a result, when the new administration was set up, the number of non-Assamese in all Government offices and positions of responsibility was overwhelming. It soon became apparent that for want of education the local people could not avail of the employment opportunities even in the clerical cadres. Hence the absolute necessity

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58 Gunnar Myrdal, Asian Drama, p 313.

59 A.J.M. Mills, Op.cit., Appendix D.

of basic education in the three Rs., namely, Reading, Writing and Arithmetic, was urgently felt by many. Although some officers like Jenkins were alive to the gravity of the situation, the Government in general was half-hearted in its attitude towards the development of education in Assam. Being motivated by the economic consideration, they imposed on Assam the infrastructure already prevalent in Bengal. Bengali was made the medium of instruction in all village schools, and English and Bengali the medium in Sadr schools.[60] Consequently the school results were extremely poor. Only from 1874, when Assamese was made the medium of instruction, was there a steady increase in the percentage of successful candidates.[61] From then onwards, the untiring efforts of the local intelligentsia and their countless petitions to the Government resulted in the establishment of not only many more schools but also a college at Gauhati and a Medical college at Dibrugarh in the year 1900.

Until the early twentieth century, however, educational facilities in general were negligible in Assam. A few liberal minded and enthusiastic planters had organised primary schools. The majority appeared to believe that education would make the children unfit for work and in the absence of other forms of employment, would merely create discontent. Government, of course, took little interest in the matter.

The labourers themselves were apathetic as they

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60 H.K. Barpujari (ed.), Op.cit., p 108.

61 ibid, p 116.

considered the wages of their children of greater value than time spent in school. Hence the progress of education in the Brahmaputra Valley was very slow. The following table provides a picture of the educational scenario at a glance.

PROGRESS OF EDUCATION[62]

	1890-91			1900-01			1903-04		
Institution	No.of Insts.	Scholars M	F	No.of Insts	Scholars M	F	No.of Insts.	Scholars M	F
PUBLIC									
Arts College				1	49		2	120	
SECONDARY SCHOOLS									
UPPER	18	3325		23	4907		26	6116	
LOWER	93	6991	93	127	8888	185	122	8560	382
PRIMARY SCHOOLS									
UPPER	102	50607	538	111	4290	371	94	3472	257
LOWER	2130		2895	76236	8126	2752	74298	5483	
PRIVATE									
ADVANCED	96	1852		89	2427	4	76	2384	
ELEMENTARY	189	3919	18	173	3003	53	151	3443	179

62 Imperial Gazetteer of India (Eastern Bengal and Assam) 1908., p 119.

If we take the number of children of school going age to be one-fifth of the population, we find that the number of such children receiving instruction in the schools of the Brahmaputra Valley amounted to only 7% even in 1903-04. Nevertheless, a start had been made and many enthusiastic tea garden managers started private schools in their gardens. It must be remembered that these schools were open to the public in order to cater the educational needs of the neighbouring areas. Thus the tea garden managers/owners made their own contribution towards the development of education in Assam.

Even a brief survey of the educational progress in Assam would be incomplete without a mention of the contribution made by the Christian missionaries. Success was usually obtained amongst the Animistic tribes who did not feel attracted towards Hinduism. In the Hills there were twice as many converts as in the Brahmaputra Valley where the missionaries were mainly concerned with the conversion of the immigrant labour force.[63] The fact that a large number of migrant workers came from Chotanagpur, where there was considerable missionary activity, was probably one reason for the general direction of their work in the plains. The German Lutheran Mission, for example, came from Chotanagpur to look after its emigrant converts who had settled mainly in the Sibsagar and Lakhimpur districts. In the rest of the Brahmaputra Valley, the American Baptist Mission was very active. By

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63 Census of India 1911, Vol.1, Part 1, PP 37 - 38.

1845 the American Missionaries had started three schools in Nowgong, five in Kamrup and fourteen in Sibsagar with an average of 347 students.[64] These schools normally made Assamese the medium of instruction. Apart from the regular schools, the missionaries generally succeeded in imparting a certain amount of informal education to their converts. By 1900 the proportion of literates religion-wise was as follows:

PROPORTION OF LITERATES RELIGION-WISE [65]

RELIGION	NO. FOR EVERY 1000 MALES	PERCENTAGE
CHRISTIANS	325	32.5
HINDUS	90	9
MUSLIMS	44	4.4
ANIMISTS	9	0.9

The high degree of literates among the Christians was due to the fact it included the European and Eurasian population among whom the proportion of children and illiterate adults was small. The disregard by the Muslims in general of the advantages of education was evident in Assam as well. The extremely low rate among the animists was partly because education spread slowly among them and partly due to the tendency among those of them who could read and write to become either Hindus and Christians.[66]

64 H.K. Barpujari, Op.cit., pp 107 - 108.

65 Census of India 1901, Op.cit., p 97.

66 ibid.

The overall picture of education in the Brahmaputra Valley at the turn of the century was thus far from bright. Nevertheless, a slow, though hesitant, beginning had been made.

Apart from education, another aspect became conspicuous by its absence. The growing British interest in Assam aroused an awareness about the complete lack of medical facilities in the region. When the British occupied Assam, medical care and health facilities in the modern sense of the term were practically non-existent. For the first time, the British introduced Western medical pracices. However, for a long time the little aid that did arrive was concentrated on the European community and the indigenous aristocracy they wished to favour. The masses continued to rely on their traditional medicines with combination of native herbal remedies and spiritual cures. Nothing was done to educate the masses even in the basic matters relating to medicine, hygiene or health care.

Perhaps the single most important event which radically changed this attitude and indirectly led to an improvement in medical facilities was the discovery of tea. In a labour-short economy, the workers for the plantations had to be brought at considerable expense from other provinces. Apart from the general unhealthiness of the climate, the journey to Assam was so exacting that by the time they arrived many were totally

unfit for work. Moreover the rate of mortality among those who survived was very high. It was, therefore, in the interest of the planters and colliery owners to prevent as many such losses as possible through the provision of improved medical facilities. In course of time most of the larger gardens and collieries set up hospitals and dispensaries within their premises. The Government was also pressurized to take measures to ease out the situation by setting up charitable dispensaries and hospitals. Hunter reported the following statistics for 1875.

STATE CHARITABLE DISPENSARIES [67]

DISTRICT	NUMBER OF DISPENSARIES	INDOOR PATIENTS TREATED	OUTDOOR PATIENTS TREATED
KAMRUP	2	209	972
DARRANG	1	102	3750
NOWGONG	1	153	1143
SIBSAGAR	2	211	2881
LAKHIMPUR	2	248	1736

In 1872 the Deputy Commissioner of Lakhimpur submitted these striking statistics of decrease in mortality in the tea gardens.

67 Compiled from information in Hunter, Op.cit.

MORTALITY RATE AMONG LABOUR POPULATION [68]

PERIOD	TOTAL NO. IMPORTED	TOTAL DEATHS	PERCENTAGE OF DEATH
1865	8098	999	12.33
1866	9362	714	7.62
1867	7438	266	3.57
1869	3436	148	4.33
1870	6681	179	2.67
1871	5413	163	3.01

Nevertheless epidemics, like Kala-azar, continued to claim a very large number of lives. On the suggestion of the Principal Medical and Sanitary Oficer, Assam, the Chief Commissioner recommended in May 1893 the introduction of a new scheme. This scheme, which had already been in force in Bengal for sometime, involved the sale of Government manufactured quinine at post offices.[69] Accordingly the Brahmaputra Valley was supplied with 500 packages each containing 102 five-grain packets. Out of these, 400 packages were distributed among 137 post offices. The total expenditure incurred was Rs.987-2-6 while the receipts amounted to Rs.258-5-0.[70] It was also suggested that with a view towards popularizing the sale of quinine a certificate be

68 P. Griffiths, Op.cit., pp 354-55.

69 Home Department A (Medical), 1896, Prog. July, Nos. 144-155.

70 ibid.

enclosed as to the genuineness of the product and directions for its use. It was further recommended that quinine should also be sold through the agency of vaccinators, respectable shopkeepers, tea gardens, collieries and railway companies.[71] Although the results were not very striking, the general instructions in sanitation, hygiene and medical care imparted by the state and private dispensaries did eventually filter through to the people.

Another outcome of the industrialisation of Assam was the growth of the workers movement. It has been seen that both the tea and coal industries did not attract local labour. Apart from economic reasons, a powerful deterrent was the attitude of the employers. During the period under review, practically all the industries were owned and managed by Europeans. The labourers came from distant provinces, and in a strange land, depended wholly on their employers for even the basic necessities of life. Apart from being invested with "police powers", the manager was "clad in the authority of the ruling race during the heyday of British power - the unquestioned king of a population geographically isolated from the more advanced elements of society."[72] From the outset, therefore, the gap between management and labour was extremely wide. The relationship between the two was distinctly one of master and slave. Official reports of the period always claimed that the relationship between

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71 ibid.

72 P. Griffiths., Op.cit p 376.

the employers and employees was generally satisfactory. In the prevailing circumstances, the workers had little choice. They could revolt against their tyrannical masters or run away. In nineteenth century Assam there was no organisation to lead these workers and indeed in the prevailing situation it was hardly possible to form such united organisations. Besides, as the labourers were recruited from backward communities, they had very little class awareness.[73] Therefore, however tyrannical an employer may have been, it was scarcely possible for the ignorant and timid workers to resist such oppression by organised opposition. Hence the labourers were compelled to take recourse to the second option, viz., desertion.

Towards the end of the nineteenth century, however, matters took a different turn. The spread of English education and through it, of western ideas and values, brought about a change in the outlook of the Indian intelligentsia. In Assam attention of all the educated people in the region was drawn to the miserable life and working conditions of the labourers. The leading weeklies and newspapers in Bengal and Assam came forward to mobilize public opinion in their favour. The "Arunodoi", "Mou", "Assam Bandhu", "Jonaki" and "Advocate of Assam" were a few local papers that roused the awareness among the Assamese by discussing contemporary topics. These were supplemented by regular discussion in papers like the "Hindu patriot" and "Amrita Bazar Patrika". Dwarka Nath Ganguli underwent considerable risk to his life when

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73 S.K. Bose, Capital and Labour in the Indian Tea Industry, p 89.

he travelled from garden to garden to get first hand information on the working conditions of the tea garden labourers. The materials thus collected were published in the form of thirteen articles in the "Bengalee" from September 1866 to April 1867.[74] The continuous reports in the press raised so much concern that the labour problem of Assam figured prominently in several sessions of the Indian National Congress.[75]

This moral support given by the public to the labourers naturally made them more self confident and less willing to accept the absolute authorities of the planters. In 1899, Henry Cotton stated:[76]

> There is a growing tendency in the coolie class to resent a blow by striking a blow in return and this soon leads to serious results as the coolies act in combination among themselves and armed with formidable weapons - the implements of their industry. But this exercises a healthy influence in restraining the hot-headed impetuous European assistant from raising his hand against them.

The end of the nineteenth century thus saw the rudimentary awakening among the workers in Assam. Although most of their agitations were crushed with a heavy hand, the trend revealed that the working class was not willing to accept everything lying down. It was against this background that the Indian National Trade Union Congress and various other nationalist groups extended their activities to the tea gardens in the early decades of this century.[77]

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74 These articles have been published in a book form. Slavery in British Dominion edited by K.L. Chattopadhya and Siris Kumar Kunda.

75 H.K. Barpujari, Op.cit., p 167

76 Report of Henry Cotton, 1889, quoted in Griffiths. Op.cit., p 377.

77 A. Guha, Op.cit., p 295 - 96.

IV

It is important, nevertheless, not to overemphasize the above aspects. Although Assam was undergoing rapid economic change in certain spheres, the general economic condition of the province merely shifted from the traditional pattern of indolence to colonial backwardness. The limited development transformed the province into a raw material producing and capital absorbing area leading to stagnated agriculture, repressed industry and foreign economic domination. Partial modernization of the economy was used to serve the colonial interests. "Imperialism no longer functioned through the crude tools of plunder and tribute or mercantilism but operated through the more disguised and complex mechanism of free trade and capital investment."[78] What was important was not the volume of foreign trade but its pattern, the nature of the goods exchanged and its impact on domestic income, industry and employment. What was developing with an amazing tempo was the British owned and British managed part of the economy with labour and middle men services almost entirely recruited from other Indian provinces. Their only contribution was the creation of some additional employment in the form of unskilled labour "who acted", said Dadabhai Naroaji, "as mere slaves to slave upon

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78 Bipan Chandra, Nationalism and Colonialism in Modern India, p 116.

their own land and their own resources in order to give away the products to the British capitalists."[79] The induction of foreign capital in the industries of Assam did not represent an addition to the internal capital through import of foreign funds. They merely represented a portion of the profit drained out earlier to be reinvested for further gains. Foreign capital also created vested interests which gradually wielded an increasing and dominating influence on the administration.

The communication network which was set up to promote industrial interests in Assam, actually contributed towards the economic backwardness in the long run. Roads and railways by-passed the old industrial centres to cater to the requirements of the new industries.In the process they facilitated the growth of new trade centres and the active penetration of the local market by foreign consumer products. They served as a "social overhead" not for Indian industries but for British industry.

The retarded industrial growth of Assam in the nineteenth century was not an isolated phenomenon. It formed part of the all-India pattern of the colonial economy. As elsewhere in India, in Assam also the economic autonomy of the villages was eroded. The local economy was restructured and the control of the Raj on

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79 ibid, p 122.

the land and resources was solidly entrenched. Assam was consciously and systematically grafted into the scheme of colonial economic extraction and domination. The tea industry gave Assam a prominent place in the commercial map of the world. In the coal and oil sectors also her contribution towards the country's total output was substantial. This was all the more marked because it came at a time when fuel was desperately required by the administration in order to set up an effective communication network for the consolidation of British rule, for the internal and external defence of the country and for the promotion of British commerce. In course of time the commercial interest in Assam became so compelling that it even led to a reversal of the British political policy towards the hill tribes of the North-Eastern Frontier

For a long time the policy of the Government towards the hill tribes had been one of non-intervention. Even an expansionist like Lord Dalhousie had refrained from interference in these areas because he felt that the possession of these areas "could bring no profit to us, and would be as costly as it would be unproductive"[80] By the beginning of the 1860s, however, the situation in the border areas had undergone tremendous changes. The neighbouring hill tribes had started making repeated raids into the vital revenue yielding districts in the

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80 Political Letters to the Court of Directors, 21 April 1853, No. 29.

plains and were in the process of parcelling out the territories among themselves. The British commercial interest in Assam appeared to be largely at stake. Under these circumstances, the authorities at Calcutta were compelled to give up their policy of non-interference and adopt one of slow but steady penetration into the hills.[81] Assam had to be protected at all costs. She was too valuable a possession to be lost.

The importance of Assam in the colonial map of Britain is thus evident. Yet, in spite of her abundant natural resources and varied potential, the overall economic condition of the province remained stagnant and backward.

The British in India were very conscious of being a master race. The economic dimensions of racism found expression in a speech by Lord Curzon to British mine owners in Barakar in 1903. He neatly summed up the essence of the relationship between the Government and business when he said : "My work lies in administration, yours in exploitation: but both are aspects of the same question and of the same duty".[82] Racism helped to consolidate what Amiya Bagchi has termed white "collective monopoly". This was perhaps most pronounced in Assam where administration, trade, finance and

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81 For details refer to Chapter VI, The Comprehensive History of Assam, Vol. IV.

82 Quoted in Sumit Sarkar, Modern India 1885-1947, p 23.

industry were all concentrated in British hands. The tea plantations, coal mines, oil refineries and railways all undoubtedly implied significant innovations. However, it must be remembered that the industrial growth of Assam, like the rest of India, spurred the industrialisation of Britain and had very marginal positive impact on the local economy. Like all developing countries,here also the fundamental problem lay not in the creation of wealth but in the creation of the capacity to create wealth. Unfortunately, this was grossly lacking. Hence the growth of industries in Assam, like the rest of India, Spurred the industrialisation of Britain but hardly had any positive impact on her own economy.