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CHART NO. 1

The Map Showing the Number of Branches of Commercial Banks in the Districts of Assam as on June 30, 1979.
The State of Assam is located in the North-Eastern Region of the Indian Union between latitudes 24° North and 28° North, and longitudes 90° 46' E and 95° 55' E. Under the present structure, Assam is bounded by Bhutan and Arunachal Pradesh in the north, and Arunachal Pradesh, Nagaland and Manipur in the east and South-East and Mizoram in the South, Bangladesh, Tripura, Meghalaya and West Bengal in the south-west and west respectively. The State comprises eight plains districts, namely Dibrugarh, Lakhimpur, Sibsagar, Darrang, Nowgong, Kamrup, Goalpara and Cachar and two hills districts, such as, Karbi-Anglong and North Cachar Hills. Occupies a strategic position in the political-economic map of India by virtue of its geographical location and abundant natural resources.

The State forms the core of the whole North Eastern Region of India and provides the focal points of transport and communication lines serving its neighbouring states and Union territories viz., Meghalaya, Manipur, Tripura, Nagaland, Mizoram and Arunachal Pradesh. With an area of 78, 528 Sq. Kms, Assam represents 2.39 per cent of the total land-area of

* At present there are fourteen plains districts and two hills districts, but during the period of investigation there were ten districts in the State.
the country. The plains districts and hill districts of Assam comprise 63,306 Sq. Kms. and 15,222 Sq. Kms. respectively.¹

**B. NATURAL DIVISIONS**

Assam is more or less a hilly country in between parallel ranges of hills. Due to the presence of hills, plains and river valleys the general appearance of the State is very picturesque and this is a special appeal to the visitors from outside.

Assam can be divided into following physical divisions: (a) The Brahmaputra Valley, (b) Hills Districts and (c) the Barak Valley.

(a) The Brahmaputra Valley - This valley can be divided into two parts: - The lower Assam Valley, where the plains are broken by isolated groups of hills and the Upper Assam Valley. The surrounding places covering Goalpara, Kamrup, Nowgong and Darrang, Districts have been formed by the alluvial materials carried down by the mighty Brahmaputra and its numerous tributaries. The Upper Brahmaputra Valley lies north-east and south-west between two fairly parallel ranges and it covers the districts of Sibsagar, Dibrugarh and Lakhimpur.

(b) Hills Districts - With the reorganisation of North Eastern India and the consequent separation of Meghalaya and Mizoram to form respectively a separate State and Union territory Assam has now been left with only two hills districts such as, Karbi-Anglong and North Cacher Hills.

(e) The Barak Valley - It is the popular name of Cachar District which is the southernmost district of Assam. The district is spread over the entire Barak Valley region and is bounded on the north by the lofty hills of the N.C. Hills district of Assam and Jaintia Hills district of Meghalaya, the hills districts separating it from the Brahmaputra Valley.

C. RIVER SYSTEM.

Assam is watered by two principal rivers—The Brahmaputra and Barak.

The river Brahmaputra which originates from the Chemayung-dung glacier, approximately at 31° 30' N; 82°E at a height of 16,000 feet in Tibet enters Assam through the plains near Sadiya (now eroded) from where it assumes the present name and runs directly westward for nearly 720 Kms traversing every district of the Brahmaputra Valley until it enters Bangladesh.²

A number of tributaries meet the river Brahmaputra flowing from the south as well as from north. To name a few, the Subansiri, the Bharali, the north-Dhansiri and the Menas river in the north bank and the Buridi-thing and Dihing and the South Dhansiri river on the south bank. The other river of the State that deserves mention is Barak which rises on the escarpment of the Barail range from the south of JAPVO PEAK (3050 metres) flows through the plain district of Cachar. This river covering length of 192 Kms. and taking an east-west course in the district finally empties itself into the old bed of the Brahmaputra near Bhairab bazar in Bangladesh after a course of 901.23 Km. The Barak receives numerous small tributaries from the hills through which it makes its way. The important of them are, Chiri, Madhura, Jathinga, Senai and Daleswari.

CLIMATE

The climate of Assam is quite distinct from that of the rest of India. The climate of Assam is characterised by humid, mesothermal Gangetic type having heavy rainfall and high temperature with more humidity in the summer and dry cold climate in the winter with occasional rainfall. Normal rainfall ranges from 27'6 Cms. to 98'5 Cms and about 80 percent of the rainfall occurs during the four months of monsoon beginning with the month of June. The average annual temperature of the State varies between 29°C and 19°C during summer and 22°C and 10°C in winter respectively.

FORESTS

Assam has at present 17,032 sq. km. of reserved forests and 11,576 sq. km. unclassed State forests which together constitute 36.4 per cent of the total geographical area of the State as against 23 per cent in the country as a whole. Evergreen forests cover the upper Brahmaputra Valley and two hills districts, while the

10. The percentages are compiled on the basis of data available from 'Economic Survey, Assam 1978-79' P.23 and 'Agricultural problems of India' by Dr. C.S. Memoria, P.63.
tropical deciduous forests of the lower Brahmaputra Valley contain high grade timber. It needs mention here that Assam is the biggest producer of bamboo and cane among the states of India. The State is also famous for its 'Agar Wood' from which the 'Aguru' perfume is extracted. The forests of Assam feed many industries such as plywood, saw-milling, match factory, hard board and paper industry. Besides, railway slippers, electric light posts, etc. are also made with the timber available from the forests of Assam.

FLOOD MENACE

Flood in Assam is a common and regular feature. Topographical and meteorological conditions are responsible for occasional recurrence of wide spread floods in Assam during the monsoon months beginning with the month of June. The average annual total loss during 9 years from 1970 to 1978 comes to 8.14 crores, and total population affected is 14.63, 15.49 and 9.17 lakhs in the years 1976, 1977 and 1978 respectively.

Flood control measures are undertaken by the Brahmaputra Flood Control Commission, which was set up in the Brahmaputra Valley by the Central Government in 1970 for various flood control measures. It is a joint

   New Delhi, PP. 665-66.
collaboration of State and Central Government. In 1978-79, the total expenditure was to the tune of Rs.10.38 crores in the Central sector scheme and Rs.55.02 lakhs in State plan. The process of economic development in Assam has been fraught with various constraints, of which recurring flood menace reigns supreme. Therefore, some measures of permanent nature through the Brahmaputra Flood control Commis-sion to combat this menace brook no delay.

G. DEMOGRAPHIC FEATURE

Assam's land area constitutes 2.4 per cent of the total land area of the country where it shelters 2.7 per cent of the country's population. Population of the State consists of 1.46 crore souls as censused in 1971, and in respect of population Assam ranks thirteenth among the States of India. During the decade 1961-71 the growth of population was 35% as against the all-India average decadal growth of 24.8%. The density of population in Assam comes to 186 persons per square Km. as against the national figure of 146 persons as per census 1971. Of the total population of Assam 91.1 per cent are rural and 8.9 per cent are urban against national percentage of 80.1 and 19.9 respectively.

17. Ibid, P.5.
State is overwhelmingly rural.

The sex ration has been worked out at 596 females per thousand males as against 930 females per thousand males of the country as a whole.

The Scheduled Caste and Scheduled Tribe population in Assam account for 6.2 per cent and 11 per cent respectively of the total population as against 14.6 per cent and 6.9 per cent respectively for all-India.

The literacy level of the State is not at all satisfactory. Only 28.1 per cent of the total population of the State are literate as against 29.5 per cent for all-India.\footnote{18. Ibid, P.-4}

According to 1971 census, only 28 per cent of the total population constitute working force in the State, out of which 66.5 per cent are dependent on agriculture. The break-up of the working force in terms of percentage are 55.7 per cent as cultivators, 9.9 per cent as agricultural labourers, 10.9 per cent engaged in livestock, forestry, hunting and plantation
orchards and allied activities; 0.4 per cent in mining and quarrying; 4.1 per cent in manufacturing processing, servicing and repairing; one per cent in construction; 5.7 per cent in trade and commerce, 2.5 per cent in communication and 9.7 per cent in other services. This picture by and large corresponds with the national scene.

Assam records a State income of ₹1,464.1 crores at current prices during 1976-77 which comes to only 2.19 per cent of national income of ₹66,885 crores during the same period. The economic backwardness of the State is well reflected in its per capita income of ₹850.8 (at current prices) as against the national figure of ₹1,685.6 during the year 1976-77. The relative figures speak for itself.

The cost of living in Assam is very high indeed as is reflected from the cost of living index for working class of the State at the end of March 1979 which comes to 422$^{20}$ as against all-India index of 398$^{21}$ in the same period.

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The State of Assam based on agrarian economy. More than 50 per cent of her income is accruing from agriculture and allied activities. For the year ending March 1979 the contribution of primary, secondary, transport, communication & trade, finance and real estate, community and personal services sectors were Rs.1,008.7 crores (57.6 per cent), Rs.265.2 crores (15.1 per cent), Rs.302.0 crores (17.2 per cent), Rs.41.8 crores (2.4 per cent), and Rs.135.8 crores (7.7 per cent) respectively at current price. The total State domestic product was Rs.1,753.5 crores. And the per capita income was Rs.960.5 at current price.

This reflects an increase of 3.10% per cent over the figure of Rs.931.6 of 1977-78 which was also at current price. The per capita income of Rs.960.5 of the State of Assam for 1978-79 is far below the national per capita income of Rs.1,189.1.

The study of per capita national income and per capita State income reveals a gap which proves the underdeveloped character of the economy of the State of Assam.

23. Ibid P-334.
Though the economy is dependent on agriculture, Assam is far away from the optimal utilisation of both natural and human resources which explains well the very backward character of the State where agriculture could not make any significant headway, industrial development in its formative stage and unemployment problems at its maximum. This will be evident from a brief discussion embodied in the subsequent paragraphs.

The economy of the State of Assam remains predominantly agrarian, where 70 per cent of the population derive their livelihood from agriculture and nearly 50 per cent of the State domestic product is derived therefrom. Due to recurrence of floods and droughts and due to the traditional mode of cultivation, the agriculture in the State could not make any remarkable progress and in 1977-78 the index of agricultural production in Assam, taking both food and non-food items together, is only 120 against the all-India figure of 132.7.

According to land utilisation, the net cropped area of Assam is paltry. 

area of the State during the year 1976-77 comprises
36.26 per cent of the geographical area of the State
as against 46.08 per cent for all-India. This shows
that there is vast scope for land reclamation in the
State. Only 19.08 per cent of the total cropped area
has so far been utilised for multiple cropping. So,
reclamation of land and increase in the area under mul-
tiple crop are of urgent necessity for increasing agricul-
tural production in the State.

Assam is, by and large, a monocrop State,
where the production of rice predominates, covering
more than 2/3 of the total cropped area. Apart from
rice, the position of other food crops which include
wheat, potato, sugarcane, maize and pulses is rather
insignificant so far as both area & production are
concerned. The average yield of some of the important
food crops of the State is also not at all encouraging
when compared with the national average. Among the
the non-food crops, tea and jute occupy a pivotal position
not only in the State's economy but also contribute consi-
derably to the foreign exchange earnings of the country.
The other three important non-food crops grown in the
State are mesta, tobacco and rape and mustard.

27. NEC-Secretariat, Shillong: NER Basic
The agricultural census 1970-71 reveals that the average size of land holdings in Assam is 1.47 hectares as against 2.30 hectares for all-India. This shows that Assam is faced with the problem of marginal and sub-marginal farms which are detrimental to agricultural productivity.

Irrigation in the State is in a bad shape, covering only 21.4% of the net cropped area which is even less than the unimpressive all-India figure of 24.6%. Thus, unless adequate measures are taken for the assured supply of water to the agricultural fields, any endeavour for the increase in area under multiple crop and over-all improvement of agriculture in the State will not meet with success.

J. INDUSTRIES.

Though rich in potentialities, from the point of view of natural vegetation, mineral, and water resources, Assam could not, till today, make any headway in the sphere of industrialisation and as such it has been declared as the industrially backward State by the Government of India. The important reasons are geographical isolation and strategic location, poor transport system, a very small local market, lack of any organised market, shy entrepreneurship and lack of capital and labour. As a result, Assam has a very few industries of significance, other than the production of tea and refining of oil.

The number of factories in 1976-77 in the State were 1569 accounting for only 1.9 per cent of the total registered factories of India. The relative backwardness of the State is also evident from the fact that while in India industrial sector accounts for 21.5 per cent of the net national product, it is only 12.75 per cent in Assam. This proves, without any pretension, the sorry plight of the industrial sector of the State.

Tea industry is in special position in the economy of Assam. The rise of the tea industry in India, owes its origin to the momentous discovery of the indigenous tea plant in Assam. In 1838 the first commercial sample of Assam Tea of eight chests weighing 488 lbs. was sent to London. On January, 1839 it was sold at fancy price. This industry provides employment to 4.5 lakh persons and shares 54 per cent of country's total production. Total area under tea plantation in 1976 was 109.3 thousand hectares as against the corresponding all-India figure of 364.3 thousand hectares and Assam alone provides 51.96 per cent of the land under tea in India. But the profit of tea industry is

not reinvested for the upliftment of Assam's economy. This is mainly because the head office of most of the Tea Companies are situated outside Assam. Now the industry itself is in a decaying condition and some of gardens are taken over by the State Government.

The total number of small industries registered with the Directorate of Industries of the State Government stood at 7,562 units at the end of March 1978. 36

Under the village industries programme, industries like oil pressing, bee-keeping, cottage match factories, manufacturing of hand made paper, footwear making etc., are currently functioning in seven centres of different parts of the State as demonstration model or training-cum-production centres which are owned by the Assam Khadi and Village Industries Board. At present the number of such centres is 20 in the State. 37

The contribution of the regional small scale industries was 15% of the Indian total in 1975-56. Small scale industries accounted for 10 per cent of the total

37. Ibid-P.43.
employment in Assam in all manufacturing industries taken together in all-India level in 1975-76. 38

There is ample scope for the development of small industries in the State which will not only provide utilisation of local resources but will also generate income and employment opportunities.

K. INFRASTRUCTURAL FACILITIES

Economic development involves an optimal utilisation of natural and human resources in the country for maximisation of social welfare on a continuing basis for all its population. 39 This optimal utilisation of natural and human resources could not be made in Assam primarily due to the fact that inadequate infrastructural facilities has been the stumbling block towards overall economic development in Assam, as will be evident from the discussions in the following paragraphs.

1. TRANSPORT & COMMUNICATION

Difficulties of transport have been major hindrance to rapid economic development of Assam. The State had to face serious dislocation in her communication system

38. Ibid. P-43.
as a result of the partition of India in 1947. Having deprived of her direct contact with the rest of India faced a serious problem in exporting her raw materials.

The remoteness of the State from the Centre and her geographical location are among the reasons why its economic development has failed to keep pace with the tempo of progress in the rest of India. Recently, two reasons, one, the prospect of rapid-industrialisation and two, her strategic location demand a more accelerated rate of development in the transport system of Assam.

The railway system serves as the main transport media between Assam and rest of India. Assam with a route kilometrage of 2193 accounts for 3 per cent of total route kilometrage of India. A negligible length of 105 km. route is under broadgauge and rest of the route is under metregauge System.

The present road system in Assam, besides playing a vital role in the intra-states and Union territories with rest of the country. The total P.W.D. road length in Assam represents 73 km of road per 100 Sq. km. (March 31, 1979), and the length of national highway in Km. per 1000 Sq. Km. of area (March, 31, 1979) is 19.1 Km.  

The navigable inland waterways of Assam is 4098 Km which represents 22 per cent of all-India figure of 18277 Km.\textsuperscript{42} At present two public sector organisations, Viz., (i) The State Directorate of Inland Water Transport, and (ii) The Central Water Transport Corporation are operating on commercial basis.

The places served by Indian Air Lines in Assam are Guwahati, Tezpur, Jorhat, Dibrugarh, North-Lakhimpur and Silchar. The services rendered by the Indian Air Lines leave much to be desired.

At present there are 2904 post offices, 132 telephone exchanges in Assam. There are 18732 working telephone connections representing 1.1 telephone per 1000 population.\textsuperscript{43} There are two telelex exchanges in Assam, one at Guwahati and the other at Dibrugarh.

2. **POWER**

Power is the basic infrastructure of modern society. Human existence without power is inconceivable today.\textsuperscript{44} Assam lags behind most of the other States of India in respect of installed capacity as well as per capita consumption of power. Assam has an installed

\begin{itemize}
  \item \textsuperscript{42} Commerce Annual, 1980, P.359.
  \item \textsuperscript{43} Commerce Annual 1989, P-364.
  \item \textsuperscript{44} Economic Survey, Assam 1978–79, P.39.
\end{itemize}
capacity of 142 MW being only 0.5 per cent of the all-India total and it could generate only 511 million KWh being 0.5 per cent of the all-India total of 105525 million KWh during the year 1979-80.  

Per Capita consumption of power for house hold and industrial purposes comes to 4 Kwh and 29 Kwh as against all-India figure of 14 Kwh and 87 Kwh respectively during the year 1978-79, and the aggregate for Assam and all-India were 34 KW and 134 KW respectively in the year 1979-80.  

The percentage of villages electrified in Assam is one of the lowest in the country, being only 20.4 per cent as against 100 per cent in Punjab, Haryana, Kerala and Tamil Nadu as well as 44.5 per cent for the country as a whole as on August 31, 1980.  

Assam has 11,598 million KW i.e. 38.2 per cent of all-India total as Hydro-power potential, but no attention is given to this side of the picture.

3. MINERAL RESOURCES.

Assam has rich mineral resources. The known minerals of the State are petroleum, natural gas, coal and

45. Commerce Annual 1980. P.337
46. Ibid. P.339.
47. Ibid. P.340.
Assam accounts for 51.4 per cent of the country's total petroleum output, and natural gas to the extent of 53.4 per cent of the Indian total of the year 1977.\textsuperscript{49} Coal production in Assam represents only .6 per cent of the all-India figure of the year 1977.\textsuperscript{50} Deposits of high grade lime-stone is available in the two hills districts of Assam viz., in N.C. Hills District and Karbi-Anglong, the estimated quantity being 154 million tonnes.\textsuperscript{51}

4. \textbf{EMPLOYMENT SCENE}

According to census 1971, agricultural labourers in Assam accounted for 4.05 lakhs as against the all-India figure of 474.4 lakhs.\textsuperscript{52}

Total employment in both public and private sectors were 322.00 and 478.00 thousand persons respectively as on March 1979.\textsuperscript{53}

The number of persons in the live register of employment exchanges upto December 1978 were 286.7 thousand and (2.26 per cent of all-India total) as against the all-India total of 12677.8 thousand.\textsuperscript{54}

50. Ibid. P.-45.
The problem of unemployment in Assam is made complicated by the backwardness and stagnation of the economy. This is further complicated by the faster growth of labour force as compared to the employment opportunities generated by development schemes and increased output of educational institutions during the past few years.

The number of educated unemployed in the State has continued to rise. The total number of educated unemployed shot up to 1,18,369 in 1978 (4.16 per cent of Assam as a whole). 35

5. CREDIT & FINANCE

The ability of a State to mobilise financial resources depends basically on its level of economic development. Because of the backward character of the economy, finance mobilisation other than Govt. finance is very poor. The participation of private finance is negligible and as such it is devolved primarily on the Government to mobilise the necessary finance. Credit is available from L.I.C., R.D.I., Commercial banks, Cooperative banks etc., but the major portion of the rural finance is still in the control of the village moneylenders. The percentage of bank credit of commercial banks in Assam in June 30, 1979 was only 0.6 per cent of the total bank credit. 35. Economic Survey, Assam 1978-79. P.34.
credit in the whole country. Needless to say such poor participation of banks towards economic development can not contribute to the overall economic development of the State of Assam.

L. CONCLUSION

From the discussions made in the above paragraphs it is evident that the overall economic conditions of the State of Assam is not favourably comparable with any other State of India. The State has ample scope of industrialisation but the absence of grass-root level planning, poor transport, geographical isolation, low capital formation have kept the State economy sluggish. The State has enough hydropotentials, if utilised, whole of North-Eastern Region would be in surplus in power; underground resources are neither properly exploited, nor steps have been taken for proper exploitation. Those which are exploited are not properly utilised. The savings and profits are not reinvested and as a result, capital formation is anything but satisfactory. These shortcomings clearly explain the very nature of the economy of the State which continues to remain sluggish.