The financial stringency handicapped the development of Assam before and during the Reform period. The provincial receipts during the decade from 1921-22 to 1930-31 averaged about Rs. 244 lakhs per year. Out of these meagre revenues the province had to pay during the above period about Rs. 80 lakhs to the centre under the Meston award. Besides paying the Meston tribute, Assam was also contributing nearly 30 lakhs annually to central revenues in the shape of export duty on tea. In addition Assam had been contributing heavily in the form of the Excise duties on petroleum products. The receipt was poor, contribution to the central government was heavy and the result of this was the lowest standard of administration almost in every department and a debt of nearly 130 lakhs till the expiry of reform.

Prior to 1922 the rate of Stamp duties and Court fees were those laid down in the Indian Stamp and Court fees Acts of 1899 and 1870. In 1922 identical Bills enhancing the rates of those duties were introduced in the Bengal and Assam Legislatures in order to provide extra funds to meet the deficit arising out of the Meston settlement. The estimated financial effect of Assam Bills was to increase the

2. Ibid.
revenue by about 3 lakhs annually. The Bengal Legislature passed the amendment Bills as a permanent measure. But the Assam Legislature passed the Bill for three years only. In 1925, the Assam Legislature agreed to renew the Bill for a further period of three years, on condition that the whole of the additional revenue realised would be spent on the improvement of water supplies in rural areas. In 1928 the Local Government asked the Legislature to make the Bills permanent undertaking. If this were done the net proceeds would be placed at the disposal of the Transferred Departments. The Legislature, however, refused to do so and hence from 1928 the old rates of Stamps and Court fees duties again came into force. In 1932 and again at the May session of 1935 the Local Government presented Bills to the Legislature with the object of enhancing the Stamp and Court fees duties but on both the occasions the Legislature refused to take action in the matter. Therefore the rates of Stamps and Court fees in the province remained the same as the rates originally fixed under the Indian Stamps Act of 1899 and the Indian court fees Act of 1870 with one small exception. This exception was due to the passing in 1932 of the Assam Court fees (amendment) Act which substituted the word "twenty" for "ten" in sub-clause (a) of Clause (v) of Section 7 of the Court fees Act of 1870 and amended Clause (II) of Section 10. The object of the Act was to permit the undervaluation of land in civil suits.

The revenue accrued to the Government from Stamps for

3. ALCP, 30 March 1925.
5. Ibid.
each year since 1921-22 was as follows:

1921-22 : TRS 15,23;  1922-23 : TRS 18,08;  
1923-24 : TRS 19,84;  1924-25 : TRS 20,65;  
1925-26 : TRS 22,22;  1926-27 : TRS 23,56;  
1927-28 : TRS 23,50;  1928-29 : TRS 22,01;  
1929-30 : TRS 19,98;  1930-31 : TRS 19,49;  
1931-32 : TRS 19,16;  1932-33 : TRS 18,01;  
1933-34 : TRS 17,26;  1934-35 : TRS 17,21;  
1935-36 : TRS 17,21;

The table of fees under the India Registration Act 1908 was completely revised in October 1922 and the scales of fees was considerably increased, all round. The revision was made at the instance of the then Finance Member with the object of increasing the revenue and in view of the fact that other provinces had also increased their fees. The increased revenue in 1923-24 which was TRS 178 over 1921-22 which was TRS 125 was due to an additional revenue of TRS 50, obtained by the revision of the table. There was a gradual fall of this revenue since 1928-29 which was TRS 232 till 1935-36 which was TRS 159. This was due to the gradual economic deterioration of the province.

The land revenue provided the bulk of the revenue of the province. In 1921-22 it was TRS 86,55 and in 1922-23:
TRS 80,66;  1923-24 : TRS 90,68;  1924-25 : TRS 92,10;  1925-26 : TRS 92,54;  1926-27 : TRS 92,49;  1927-28 : TRS 97,06;  1928-29 : TRS 99,82;  1929-30 : TRS 1,02,51;  1930-31 : TRS 98,77;  1931-32 : TRS 1,03,68;  1932-33 : TRS 1,01,13;  1933-34 : TRS 95,52;  1934-35 : TRS 1,01,54;  1935-36 : TRS 98,09.

6. Ibid.
7. Ibid.
The districts of Sylhet and Goalpara were included in the permanent settlement of 1793 and the land revenue had been fixed for all time at a figure relating to the conditions which obtained these nearly 150 years ago. In Sylhet the revenue on 49,764 permanently settled estates consisting of 2,406,452 acres amounted to Rs.3,61,638 in 1933-34, while in Goalpara the corresponding figures were Rs.11,423 on twenty estates comprising 1,519,410 acres. A considerable part known as the Jaintia pargana was, added to the Sylhet district in 1835 and this together with some scattered blocks were temporarily settled on the same lines as the rest of the province. The demand on this in the year 1933-34 amounted to Rs.5,33,553/- on 464,612 acres. The eastern portion of Goalpara district consisting of five "duars" or passes into Bhutan had also been added to British India since the date of permanent settlement and the rates of revenue of these areas were liable to periodical reassessment. In 1933-34 the demand on 177,891 acres of temporarily settled land in this area amounted to Rs.3,04,748/-.\(^8\)

In the five plain districts of the Assam valley and in the Cachar district of the Surma valley, the land in most part was temporarily settled. A periodic lease was issued to the royat for land which was in permanent occupation. This conferred on him the power of transfer and a right of renewal but reserved to the state the right to reassess the rate of land revenue when the period of settlement expired. The period of settlement varied from time to time but was

\(^8\) Ibid.
normally fixed at 30 years. In areas of shifting cultivation an annual lease was issued.

In the hill districts a poll tax or house tax or hoe tax was normally levied in the place of land revenue.

In addition to the difference between the temporarily settled and permanently settled areas there was a great difference in the character of the two valleys. The Surma Valley was thickly populated and there was little room for expansion. The settled area in that valley had risen in the period from 1921 to 1934 from 3,657,332 acres to 3,677,313 acres only.

The Assam Valley on the other hand, had still room for expansion in many places. The settled area had risen from 5,587,039 acres in 1921 to 6,458,905 acres in 1934.9

The following were the principal development during the past 15 years.

The 5 plain districts of the Assam Valley had been resettled with the following results:

<table>
<thead>
<tr>
<th>Period of resettlement</th>
<th>Revenue immediately preceding resettlement</th>
<th>Revenue after resettlement</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kamrup 1923-28</td>
<td>16.75 T.RS</td>
<td>2062 T.RS</td>
<td>+3.87 T.RS</td>
</tr>
<tr>
<td>Sibsagar 1923-29</td>
<td>18.74 T.RS</td>
<td>22.41 T.RS</td>
<td>+3.67 T.RS</td>
</tr>
<tr>
<td>Nowgong 1926-32</td>
<td>8.87 T.RS</td>
<td>11.45 T.RS</td>
<td>+2.58 T.RS</td>
</tr>
<tr>
<td>Lakhimpur 1929-34</td>
<td>12.98 T.RS</td>
<td>15.58 T.RS</td>
<td>+2.60 T.RS</td>
</tr>
<tr>
<td>Total</td>
<td>x</td>
<td>x</td>
<td>+14,956</td>
</tr>
</tbody>
</table>

The five plain districts of the Assam Valley namely Kamrup, Sibsagar, Nowgong, Darrang and Lakhimpur had been

9. Ibid.
 resettled during the Reform period and revenue accrual showed an increase over the pre-reformed settlement. The increase was TRs (3.87; 3.67; 2.58; 2.14; and 2.60;) respectively. In addition to these districts resettlement operations on a small scale were carried out in those portions of the Goalpara and Sylhet districts which were temporarily settled and in the plain mauzas of the Garo Hill district. These resettlements resulted in an increased revenue demand of approximately 3 lakhs per year.10

The assessment of land revenue in towns materially increased. The demand in 1921-22 was Rs.61,548/- on 6,346 acres and rose in 1933-34 to Rs.1,63,918/- on 15,574 acres. This was brought about partly by a stricter interpretation of the somewhat elastic rules regarding the principle on which land should be assessed in towns (Rule 73, page 83 of the Land Revenue Manual) and partly by extending the town land rules to the principal trade centres in each district. In the assessment of the Jorhat town, which was made in 1928 the land revenue demand was increased from Rs.3,927/- to Rs.23,967/-.

The land revenue assessed on the tea land in the Assam valley in 1920-21, on 932,594 acres was Rs.6,36,514 and in 1933-34 the assessment had risen to Rs.11,20,652/- on 1,006,362 acres. In addition to this a premium was charged in 1928 on fresh land taken up for tea by any capitalist e.g. a person holding on estate of over 400 acres. The small holder was exempted. Owing to the slump which began in 1929 little money had been collected on this account.11

10. Ibid.
11. Ibid.
The effect of depression on the collection of revenue was serious. In 1932 government granted a general reduction of 3 annas in the Rupee in the districts which were settled recently and 1 anna or two annas elsewhere in the temporarily settled areas. The total cost to the province, as a result of this reduction, was calculated at about 15 lakhs of rupees annually. The remission was withdrawn in 1934-35 from a majority of the tea estates and as a result there was an increase of about one and a half lakhs in the land revenue demand.

The question of putting the land revenue assessment system on a statutory basis as recommended by the Joint Parliamentary Committee of 1919 was under discussion during the Reform period and a land revenue assessment Bill was placed before the council in 1925. After long discussion the differences between government and the Council were reduced to a single point viz the share of the gross produce which government was entitled to take. But as agreement on this point was impossible, the Government's resolution was defeated in the Legislative Council by President's casting vote. Therefore it was decided to drop the Bill.

The receipts from mineral oil petroleum increased during the Reform period. In 1921-22 the receipt was TRs 54 and in 1934-35 it was TRs 559. The increased receipts were due to the expansion of the Assam oil Company. In 1921 its output of crude oil was only a little over 5 million gallons. Whereas in 1931 it amounted to 53.4 million gallons.
Receipts from fees for grazing and fodder grass for each year since 1921-22 to 1935-36 was TRs 279, 329, 309, 310, 372, 356, 340, 328, 329, 325, 363, 261, 267, 270 and TRs 270 respectively. Professional graziers i.e. persons who keep cattle either for breeding or for a dairy business were charged fees at the rate of Rs.3/- per buffalo and 6 annas per cow per year. They were mostly Nepalis. No charge was made in respect of cattle kept for cultivation.

The levy of these fees had been bitterly opposed in Council from time to time and the question of cancelling the large areas reserved for grazing by such cattle was seriously considered. It was calculated that the yield to provincial revenues both immediate and potential would be far greater if the land was brought under plough, than if it was kept reserved for cattle grazing.

Excise was another big source of revenue to the Government. The main heads of revenue under excise were country spirit, opium, Hemp and other drugs. The receipts for each year since 1921-22 was to 1935-36 was TRs 59,58; 54,13; 60,50; 65,96; 73,82; 71,93; 70,94; 66,38; 66,23; 58,37; 52,34; 40,42; 34,60; 32,01; 31,57; respectively.

The revenue derived from country spirit for each year since 1921-22 to 1935-36 was TRs 1423, 1410, 1635, 1881, 1993, 2193, 2139, 2204, 2430, 2202, 1720, 1435, 1211, 1167, and 1175 respectively. The revenue fell from 1930-31 due to reduction of price of licit country spirit to check illicit consumption particularly among tea garden collies who
form about two thirds of the total number of consumers in the province and who owing to the continued depression in the tea industry could not afford to purchase government liquor in the quantities necessary for them. Another factor was that there was picketing in liquor shops due to the Civil Disobedience movement.

The only legislative events of importance since 1921-22 was the amendment in 1932-33 the East Bengal and Assam Excise Act with a view to increasing penalties for repeated offenders and the passing in 1926 of a local option measure known as the Assam Temperance Act. Under this Act one Municipality had to be closed. Since then it had been the policy of local Government to remove all liquor shops from Municipal area. A new development since 1921, was the opening of liquor canteens in gardens under the control of the tea garden authorities to supply liquor to coolies.

The receipt from opium was also too big. The revenue derived from opium for each year since 1921-22 to 1925-26 was ₹Rs 3,216, 3,586, 3,810, 3,946, 4,494 respectively (previous to 1926-27 the cost price of opium was not included as a receipts, it was included with effect from 1926-27). From 1926-27 to 1935-36 it was: ₹Rs 3,992, 3,826, 3,307, 3,056, 2,664, 2,775, 2,121, 1,870, 1,613, 1,560 respectively.

The progressive decrease in revenue since 1927-28 was due to deliberate policy of restriction over consumers. Excise became a transferred subject in Assam only in 1926. The Legislative Council passed a resolution in 1927 recommending
that the opium rations of consumers below 50 years of age should be reduced gradually so as to extinguish them entirely within ten years. The local government accepted this policy and since 1928-29 the opium ration of registered consumers under 50 years of age had been reduced by 10 percent annually. In 1933 the wisdom of continuing this policy came under review and a Committee was appointed to consider the position and to advise as to the future policy to be adopted in the light of the report by the Enquiry Commission appointed by the League of Nations. The Committee toured the province and heard evidences and recommended that the present policy should be continued. The administrative measures required for the introduction of 10 percent reduction policy were introduced by rules under the Indian opium Act of 1878 and the only legislative events of importance since 1921 was the amendment of that Act by an Act of the local legislature with a view to increasing the penalties for opium offences and the passing of the Assam opium smoking Act of 1927 to prohibit opium smoking. Neither of these measures had any appreciable effect on the revenue.

In 1925 a private Bill for the total prohibition of opium eating was introduced, but was not passed.

The revenue derived from Ganja for each year since 1921-22 was as follows:

1921-22: TRs 798, 664, 742, 798, 866, 977, 1074,
1069, 1088, 759, 561, 404, 377, 373 and 380 up to 1935-36.
Revenue and consumption of Ganja rose steadily until 1929-30. In March 1930 the Legislative Council of the province suggested that the local government should take steps to check the large consumption. Accordingly with effect from 1 April 1930 the retail price of ganja was raised from 12 annas per tola (which was the price fixed in 1922) to Re 1-4-0 per tola. The result of this policy was that the consumption of ganja which had been on the average 23,000 seers between 1928 and 1930 fell to 8975 seers in 1930-31 to 4907 in 1932-33.

LOCAL AUTHORITIES

Local authorities in Assam consisted of Local Boards and Municipalities having population of just over 21,000 each. Taxation on Municipalities was governed by the provisions of the Assam Municipal Act I of 1923 and in Local Boards by the provisions of the Assam Local Self-Government Act of 1915. The main income of Local Boards (excluding government grants) was derived from the local rates on land imposed by the Assam Local rates regulation of 1879 under which in addition to the land revenue a local rate was payable on land. This local rate was collected by the land revenue authorities along with the land revenue and then made over to the Local Boards concerned. The Assam Local rates regulation of 1879 was amended in 1932 by the Assam Local rates (amendment Acts) under which power was taken to increase the Local rates in the permanently settled portions of the Sylhet and Goalpara districts where the annual value of land
for the purpose of assessment of Local rate was low compared with the temporarily settled districts. The Act received Governor-General's assent on 16 June 1932. The increase of revenue from the Act was estimated to be in the nature of two lakhs. The Act was not put into force till the expiry of the Reform period due to prevailing economic distress. Meanwhile the Local Boards with the sanction of the Government enjoyed the privilege to raise the local rates to four pies in a rupee. Only two out of the thirteen Boards raised the rate by three pies in a rupee.

The Local self Government Act was amended in 1926 to allow Local Boards to impose license fees on carriages and carts. The increase in local taxation on vehicles in the year 1928-29 was about Rs.1,40,000/- on this account.

The Municipal Act was amended in 1931 to debar Boards from imposing the tax on inhabitants, the working of which was uncertain and the yield low in comparison with the general tax on the annual value of holdings. The Boards which were already imposing the tax on inhabitants were, however, by an amendment made in Select Committee, allowed to continue it. All but three Boards, abandoned the tax on inhabitants.12