CHAPTER IV

Economic Development and Demographic Growth

When the British took over the province of Assam, they not only introduced a new administrative system but also a developed economy. The change was far-reaching mainly in the agricultural and industrial sectors.

The growth in the economy though initially slow but later the changes introduced in land-revenue and land-settlement policy reaped benefit. This they could do by not only increasing the land revenue of the province but also by increasing the utilization of land.

The Waste Land Grants Rules of 6th March, 1838 also known as 45 years lease rules, was a scheme whereby, Wastelands measuring less than 100 acres or which was more than 10,000 acres were to be brought under cultivation. One fourth was revenue-free and the remaining part for 5 to 20 years depending on the nature of the wasteland, i.e. 5 years if land was under high grass and 20 years if under forest. After the term expires the revenue was assessed at 9 annas* per acre for three years and thereafter for next twenty-two years it was

* 9 annas which is approx. Re. 0.56p.; 6 annas approx Re. 0.38p.
accounted to Rs. 1-2 annas per acre\(^1\). As these terms were not suitable to the European planters it was revised in 1854 to 99 years' lease, revenue at the rate of 6 annas*. The lands were transferable and as there was abundant housing materials, it could be sold with an unearned profit. Also plantations that had surplus lands could settle labourers as tenants\(^2\). In 1927, the land-revenue increased in the settled area of the Brahmaputra valley but at the cost of the peasants\(^3\). This benefited the Government and British planters whereas in Ahom times, the paiks not only got their share of 2 puras of arable land but also as much lands not needed by the State.

Agriculture, like rest of India has been the main income earner for people of the province. But in A.J. Moffatt Mills words, 'The agriculture in Assam is in a very primitive state'\(^4\). Whatever tools were used of archaic type\(^5\). The soil was fertile but Assam failed to be self-sufficient in the production of foodgrains. Sir Charles Elliot, Chief Commissioner of Assam (1881-3) deplored this, and was convinced that with practical steps taken this was possible in turning Assam to an exporting province rather than an importing one\(^6\).

\(^6\) Ibid., p. 64.
As the British were keen on accelerating economic growth they encouraged the cultivation of commercial or cash crops. Silk was the most important crop and so in the year 1830 David Scott set up a mulberry farm with Rangpur rulers, reels and plants. Commodities like cotton, jute, lac, mustard, rubber, potatoes and oranges were long grown. Potatoes which was introduced by David Scott in 1830 and oranges was exported to Calcutta. Exports of oranges alone exceeded to 74,000 maunds in 1901-2.

Assam is prolific in minerals. Coal, limestone, iron, gold dust are found in different parts of the province. Brine springs existed but the production was higher than Bengal salt. The iron ore deposit was found in Khasi and Jaintia hills and also in Naga hills. But the local product was more expensive compared to the imported variety. Limestones were found in Garo and Khasi–Jaintia Hills. Revenues of limestone rose from 13,580 in 1889–90 to 17,686 in 1890–91.

Coal is one of the new industries of Assam. It was first noticed by Lieutenant Wilcox in April of 1825 up the river Disang, near Borhat, also at Supkong and

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8 *Calcutta now Kolkata.
11 AR, 1892 – 93, 26, para 63; Rita Dkhar Dorothy, Management of Limestone quarries in the Khasi Hills, NEIHA, 1983, 15f.
South-West of Dimapur. It was found on parts of Dhansiri and at Jaypur and thousand maunds was sent to Calcutta\textsuperscript{12}.

With the growth of tea cultivation and introduction of commercial navigation on Brahmaputra raised the demand for coal. Assam Railways and Trading Company was granted a lease of thirty square miles south of the river Buridihing of Makum and Jaypur coal fields for twenty years and this also facilitated the extension of the railways from Dibrugarh to Makum\textsuperscript{13}, thereby increasing economic activity in Upper Assam. The Ledo Colliery was commissioned in 1882 and other coal mines came up in other parts of the province.

Mineral oil is another important new industry. It was first discovered by Wilcox in 1825. Government was interested in this find and H.B. Medlicott Deputy Superintendent of Geological Survey of India suggested experimental borings to test value of oil accumulated\textsuperscript{14}. Soon when oil was commercially produced companies were formed to exploit and market the product. Assam Oil Company (AOC) was formed in London. The Company based its headquarters at Digboi and the Chairman based its headquarters at Digboi and the Chairman

\textsuperscript{12} F. Jenkins, Further discovery of coal-beds in Assam, JASB, vii 2, 1838; S.K. Barpujari, Working of the coal-beds in Upper Assam, etc. IHC, 1974.
\textsuperscript{14} GSI. iv, 387.
of ARTC Lord Ribblesdale took over the Chairmanship of AOC. There a huge refinery was constructed and started production of lubricants, illuminating oils, candles and wax. By 1911 the outturn of petroleum was 3,565,163 gallons. Then in January 1921 ARTC sold its share to Burmah Oil Company, whereby it took over the control of the technical side of the Digboi oil fields. The production increased in 14 years from 2,000 tonnes to over 2,50,000 tonnes per annum.

The tea industry, another new industry, added a new dimension to the growth of British commercial activities. It has been termed by E.A. Gaits as, 'by far the most important factor in the growing prosperity and commercial importance of the province'.

Realising the importance, the Government appointed the Tea Committee in the year 1834. The purpose of the Committee was to prepare a plan for the cultivation of the tea plant. Mr. Gordon was sent to China procure samples of tea plants and seeds. Years later, Assam planters found that the hybrid variety of local Assam tea plant and one from China was more profitable.

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17 C. Raman and B. Bharali, 'Oil and Coal Industries in Assam', JHR, Dibrugarh University, Vol. II, no. 1, p. 49.


Prior to Assam, China had a monopoly on tea production and trade. But as China followed the 'close-door' policy, the East India Company needed an alternative and so the growth of the tea industry in Assam accelerated.

The growth in the industry also led to formation of tea companies and groups. In 1837 Assam Tea Company was formed and was granted extensive area for cultivation near the Gabharu hills\textsuperscript{20}. Other major companies that came up were Maijan Tea Company and Jorhat Tea Company. With more and more acres under cultivation the tea production in 1941 was 289 million pounds from nearly 1000 gardens, covering 4,31,000 acres of land\textsuperscript{21}. Whereas, 1878 it was 28.5 million pounds, in 1885 it was 53.5 million pounds and in 1901 was 134 million pounds\textsuperscript{22}.

Tea was the primary factor, which changed the economic scene of the province. Assam was soon exporting tea. United Kingdom, which is a tea drinking nation, bought 59 percent of its tea from India in the year 1903\textsuperscript{23}. Subsidiary industries connected with tea also developed. Communication system began to improve. Roads and railways were constructed and where necessary improved. Steamer services was also started for plying cargo and passengers.

\textsuperscript{20} BRC, 11 July, 1836, Nos. 5, 6.
\textsuperscript{21} Oxford Pamphlets on Indian Affairs, no. 37, Assam, pp. 21f.
\textsuperscript{22} E.A. Gait, \textit{A History of Assam}, 1926, p. 356.
\textsuperscript{23} Ibid., p. 357.
Though, economy of Assam showed growth but this was at the cost of indigenous people. The profits did not benefit the peasants and they were reduced to abject poverty. The present economic backwardness of Assam has been largely due to the conditions created by the British\textsuperscript{24}. The colonists were the sole beneficiary of the economic growth. And in this process the age-old cottage industries nearly came to be extinct. This shift of the economic order by British brought Assam in same uniformity with the rest of the sub-continent.

**Demographic Growth**

The economic growth in Assam triggered an influx of immigration from different parts of the country. This started primarily with the growing demands of the tea industry and the subsidiary industries, which required more cheap labour.

These labourers were also needed because after waste lands were offered the gardens and plantations lacked workforce. It had been seen that neither the Assamese nor the Kacharis were willing to work the whole year. The result was that price of rice rose due to neglect by farmers and rice had to be imported\textsuperscript{25}.

Gradual migration was also going on among the people of Himalayan region. This can be highlighted in the report of the Chief Commissioner to the Director General Statistics, which stated: "The Duflas, Miris and Abors have been and still are slowly pressing southwards and their settlements in or on the verge of the plain country of Assam are showing increasing in number and population... Again in the Lakhimpur district, recent visits paid by the Deputy Commissioner outside the Inner Line and eastward of Dihing river seem to show that the Singphos and Khamti settlements then are extending their cultivation and growing in prosperity... Another movement on a small scale is the recent migration of a few villages of the Mikirs from their native hills... to the northern side of the Brahmaputra in Darrang, where a small Mikir community is now settled"26.

As migration continued land grabbing covertly and overtly remained unabated27. The result was that they penetrated right into frontier territories. For example, in the case of Darrang they settled all along the Brahmaputra while in Kamrup search for land took them near Bhutan28. They also frequently encroached Government reserves from which they could with great difficulty be evicted. Census reports also show marked demographic growth in Assam. In 1890 – 91, number of migrants returned was 5,10,672. Then during 1911 – 21,

26 File 113R, 1888; Commissioner to Director General Statistics, 19 May, 1886.
28 Ibid., p. 52.
increase in population was 7,48,650, thus 55.6 percent has been attributed to migration\textsuperscript{29}. A study of the decadel variations of the table given below clearly shows that Assam had a much higher demographic growth than rest of India\textsuperscript{30}.

Habitations grew in the border as well as in the hill areas inspite of the Inner Line and safeguards under the Sixth Schedule. Assam, which has abundant forest products in form on timber etc, mineral resource like coal, petroleum was looked upon by Mujib-ur-Rahman, the 1\textsuperscript{st} President of East Bengal (Bangladesh) as a good area for expansion\textsuperscript{31}. So, these new migrants from East Bengal now Bangladesh have settled primarily along the foothills and the boundary areas of Assam – Nagaland, Assam – Meghalaya and Assam – Arunachal Pradesh.

Thus, this unabated influx of migrants to Assam in search of work and better economic condition led to far reaching consequences. The increase not only altered the demographic pattern both in urban and border areas, which had threatened the tribesmen and they felt that the economic, political and social

\textsuperscript{29} Census, 1891, 192; 1901, 34.
\textsuperscript{30} Decadel variations since 1951 :
\begin{tabular}{lll}
Year & Assam & India \\
1951 - 61 & +34.98 & 21.8 \\
1961 - 71 & +34.95 & 24.6 \\
1971 - 91 & +52.44 & 48.2 \\
\end{tabular}
\textsuperscript{31} B. Singh, \textit{Politics of Alienation in Assam}, 1984, p. 73.
life nay the very identity of the tribals. Also, most importantly it gave rise to powerful assimilationist and nationalist sentiments as separatist agitations.

32 L.S. Gassah, 'Social Tension in Meghalaya in J.B. Bhattacharjee, ed., Social Tensions in North-East India.
33 Myron Weiner, Sons of the Soil, Migration and Ethnic Conflicts in India, 1978, op. cit, 81.