# UNIT 12: SOCIO-ECONOMIC DEVELOPMENT

## UNIT STRUCTURE

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## 12.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- know about the industrial developments made in colonial Assam,
- describe the development of transport and communication system in colonial Assam,
- discuss the trade relationshipin colonial Assam,
- examine the development of market and business transacted there in colonial Assam.

## 12.2 INTRODUCTION

The colonial rule in Assam brought about striking changes in the socio-economic life of the Assamese people. The local economy developing in isolation under the Ahom monarchy got linked up with the colonial economy and thereby with the global economy. The colonial government established major industries in the province along with few minor ones. Transport and communication sector witnessed a rapid development to boost up the colonial economic interest. Trade relationship widened up with

raw materials going out and finished products coming in. Markets emerged in different places for business transactions amongst the local traders and even traders from outside like the Marwaris and the Bengalis. The entry of the business class from outside along with workers to work in the major industries changed the population structure or demography of Assam thereby affecting its social fabric as well. In this unit, we are going to study aboutall these socio-economic changes in detail.

## 12.3 DEVELOPMENT OF INDUSTRIES

**In the unit 7, we have already discussed in detail how tea, coal and oil industry developed in colonial Assam.** These three industries were all major one established with foreign capital investment, imported machinery and outside labour. Tea, coal and oil were there in Assam naturally and the colonial government discovered it and turned them into industrial ventures solely for their commercial profit.

These major industries did help in establishing few ancillary industries. But otherwise, these industries never helped in boosting up the local economy of Assam. Even few traditional industries successfully maintained its existence in colonial Assam though a policy of discouragement was followed by the colonial government towards these industries. Some of the ancillary industries were:

- **Saw Mill**

The first saw mill was set up on the banks of the Dihing River just above itsconnection with the Brahmaputra. This saw mill ran with steam power andit supplied tea chests and timber to the tea planters andothers. A saw mill named as *Planter's Stores Company* was established atDoomdooma. The introduction of railways created a large demand for railway sleepers and it led to the establishment of more saw mills. In the year 1889-90 there were 11 sawmills in Assam and the number increased to 14 by the year 1901.DinanathBezbaruah, BholanathBarooah, Manik Chandra Barooah and Chandra Kumar Agarwala were amongst theprominent timber merchants of Assam.

- **Plywood**

The setting up of saw mills for cutting of timbers led to the establishment of plywood industry in Assam. For manufacturing plywood, several piles of wood are combined with glue in order to prevent shrinkage. This forest based industry developed mainly due to the tea industry asbecause from the plywood, the tea chests and boxes were made along with other items. After the year 1918, when the *Assam Saw Mill and Timber Company* floated, the development of plywood industry received a great momentum.

- **Iron and Steel**

The existence of iron in Assam was known to the British from early times. With the establishment of tea, coal and oil industries, the importance of the local iron naturally grew. The specimens of iron ore sent to Calcutta (present day Kolkata) for testing were found to be of good quality. It was hoped that with proper extracting and smelting techniques, the eastern region could be completely independent of imported iron.

There was a great local demand of iron for making the machineries of the tea factories, rails, agricultural tools, etc. A possibility was also therefor establishing steel industry in the province. But no initiative was taken from the side of the government as well as private companies for developing Assam as a leading iron and steel producer of India.

There was only a railway workshop at Jorhat established with European capital and under European management. In this workshop iron railings, light posts, gates, etc were only produced. The big tea gardens too had their own workshops. Other than these,the iron works remained confined only to blacksmithy in almost every village of Assam. There was a large importation of raw iron and steel into the province.

- **Traditional Industries**

The traditional industries of Assam like silk, brass metal smithy, bell metal smithy, pottery, bamboo and cane works, etc existed from ancient times. These industries were like a subsidiary occupation for the Assamese people who were primarily farmers. The products of these industries used

to fulfill the daily requirements of the people. On occassions, the surplus was sold out as was the case for agricultural produce.

As such the colonial government in order to enter its machine made products in the markets of Assam followed a policy of disencourangement towards the traditional industries instead of providing impetus for the growth of these industries. Besides, the traditional products were often made on the basis of demand other than the surplus one. As such there were not much readymade products available for sale in the market as was the case for machine made products.

The entry of cheap machine made products declined the demand traditionally enjoyed by the traditional products.These industries declined in many places, but did not completely ruin out. Actually, the products of these industries were part and parcel of Assamese life and their complete replacement was not possible. Hence, these traditional industries maintained its existence without much infrastructural development. An exception to this was the introduction of fly-shuttle looms, jacquard machines, etc in the silk industry.

## 12.4 DEVELOPMENT OF TRANSPORT AND COMMUNICATION

The transport and communication system in Assam witnessed a remarkable change during the colonial period. The condition of the roadways and waterways improvedandthe railways was introduced in the province. Although these efforts were directed towards their administrative and commercial benefits, yet it linked up the province with the rest of India on a sound basis thereby helping the inhabitants of the province as well.

- **Roadways**

The Ahoms maintained a good communication system with network of roads connecting the towns and the villages. But towards the end of the Ahom rule, due to internal disturbances and Burmese aggressions, the Ahom administrative machinery failed to maintain the communication

system. Most of the roads got covered with jungles making them useless and impassable.

As such, the colonial government had to repair, reconstruct and open these roads. Initially local revenue officials were asked by David Scott to repair and maintain the roads under their respective jurisdiction. But the earlier free labour force under the *paik* system was no longer available. The local people now pay taxes in lieu of labour and hence they too have to be paid for the laborious works. Still, in 1836 and 1838, the people of the Darrang district helped colonial officials Lieutenant Matthie and Rutherford respectively in construction works.

In 1828, Mr. Jones surveyed the Sylhet-Gauhati (presently Guwahati) road via Cherrapunjee and constructed stone bridges over the rivers Borpani and Bogapani for passage of military forces. The very next year in 1829, the road from Jayantiapur to Roha was explored and repaired. The construction of the Cachar-Manipur road was completed by 1842. But other than these, nothing much was done by the Bengal government on the pretext of lack of funds.

A.J. Moffatt Mills in 1853 recommended the construction of two Trunk Roads, one along the south bank and other on the north bank of the river Brahmaputra. He further suggested construction of stone bridges as temporary bridges needs constant repair. But he was against the construction of broad and expensive roads as wheeled carriage was very rare in Assam.

However, nothing was done till the 1860s when the Jayantia Rebellion forced the government to develop the roadways atleast for military movement. In 1864, the construction of the Assam Trunk Road started. Four years later in 1868, the Public Works Department(PWD) was created with the responsibility of maintenance and construction of communication network in Assam.

The PWD maintained roads like Assam-Khasi and Jayantia Hill road, Sylhet-Cachar road, Dibrugarh-Jaypur road, Dibrugarh-Dibrumukh road, Nagaon-Laokhowaghat road, etc. After transfer of capital to Shillong, the PWD completed the construction of Gauhati-Shillong cart road. For

strengthening imperial hold over the hill areas, roads and bridle paths were constructed by the PWD like Shillong-Maflong road, Tura to Singimari road, Golaghat-Dimapur road, Kohima-Nichuguard road, Kohima-Imphal road, etc.

In the 1880s District Committees were constituted in Assam for the management of the roads in the district which were mostly feeder roads. For this funds were provided to theDistrict Committees from taxes imposed on local roads and other sources which were quite inadequate. With the gradual development of tea plantations in Upper Assam, the tea planters cleared the old roads and repaired the bridges of their own or with the support of local authorities.

By 1903-04, all total 3173 miles of road was constructed of which only 42 miles were metalled.This statistics increased to total of 3,559 miles of road with 375 miles being metalled in 1911-12. In 1926-27, the Road Board was constituted after which construction of roadways made progress in the province.

Majority of the roads in colonial Assam could be used for few months in a year until the rainy season starts. Only cart traffic was there in the roads. In 1904, first motor car made its appearance in Assam. Waterways and railways continued to be the more dominant mode of communication.

- **Waterways**

Assam is a land of rivers with the Brahmaputra being the prominent one which connects the province with rest of India. There were country boats plying in the rivers as means ofcommunication at the commencement of the colonial rule. But it was very hazardous and unsafe to ply in the rivers of Assam in country boats with high currents more particularly during the rainy season.

Hence, David Scott in 1831secured permission to introduce steamer communication with Assam on an experimental basis. But nothing happened in practice. Thereafter, the 'Assam Company', the then prominent tea company of Assam urged the 'Board of Control' in London to ply a steamer in the Brahmaputra. Subsequently, the company started to ply its commercial

steamer 'Assam' in between Gauhati-Calcutta.Then in 1847 the colonial government too started to ply a steamer in between Calcutta and Gauhati.

The colonial period witnessed the increase in volume of trade and development of industries. There was the need to develop the waterway communication system through the introduction of steamer services. The steamers which were introduced were very small in size to carry the cargoes. They were further ill-equipped to ply against the currents of the Brahmaputra. The steamers did not use to ply beyond Gauhati.As such the steamer service was inconvenient and needed improvement.



**LET US KNOW**

The tea planters needed adequate transport facilities through river mainly for the transport of labour. For bringing the tea machineries as well as for the export of manufactured tea, good river navigation was necessary. There was also the need of river navigation for the supply of essential provisions like agricultural implements, medicine, rice and other food stuffs.

Around 1850, Commissioner Jenkins proposed that at least three to four times in a year, steamers should be allowed to go to Dibrugarh which was rejected by the Marine Department as extension of voyage would incur financial loss. This same opinion was again put forward by A. J. Moffatt Mills in 1853 on the ground that it would increase the efficiency of the government departments, help in the transportation of troops, etc with coal being locally available as fuel. Even the 'Assam Company' submitted a memorandum to Lord Dalhousie, the then Governor General to look into this matter.

Mills recommendation and representations made by industrial section forced the Bengal government to ply three steamers in Brahmaputra from Calcutta to Dibrugarh despite of paucity of steamers. From March, 1856, the three steamers, namely,*Meghna*, *Jamuna* and *Thames* were withdrawn from the Ganges and were placed on the Assam line. These

steamers ply till Dibrugarh, but with limited space could not carry all the cargoes. During emergency, these steamers were even withdrawn from the Assam line. As such, the steamer service was irregular in nature.

In 1858, a joint stock company, the *Indian General Steam Navigation Company* (IGSNC) was formed in order to establish regular steamer service in between Calcutta and Upper Assam. The company from July, 1860 started to run two vessels every six weeks in association with the *River Steam Navigation Company* (RSNC). These vessels were allowed to take coal from the government miners on the same rate as was supplied to the government steamers.

The introduction of regular steamer service led to considerable increase in the traffic of goods and passengers. But cost of journey was high. A ticket from Calcutta to Gauhati cost Rs. 150/- and freight rate was Rs. 1/- per cubic foot. The steamers scarcely ran at the scheduled time and made delay at the ports. Besides, problem of space in the steamers for the carriage of cargoes continued. A great part of the trade of the province therefore continued to be carried on by the country boats.

To improve this situation, George Campbell, the then Lieutenant Governor of Bengal in 1873 urged the government of India to start steamer service between Goalundo and Assam and to provide subsidy from their side to the steam navigation companies in order to establish a regular communication. The then Commissioner of Assam, Hopkinson too supported it as this was essential for the progress of Assam. However,Hopkinson while advocating for the running of a steamer every week from Goalundo to Dibrugarh stressed that government should be involved in it than the private companies.

In 1874, the newly appointed Chief Commissioner of Assam, R. H. Keatinge also provided importance on starting a speedy passenger service from Calcutta to Upper Assam with government initiative as it would make the journey cheap and effective. Under such a situation the government of India appointed a committee to suggest best means for improving steamer services in Assam. The committee suggested that a weekly express service

by single handed steamer should be started by providing subsidy to anyone of the steam navigation companies.

Still, nothing happened as government of India had no funds to implement the suggestion of the committee. In May, 1877 Keatinge proposed the complete separation of the passenger and goods traffic, but with no positive result. Then in 1883 the Assam government entered into an agreement with the *Indian General Steam Navigation Company* (IGSNC) and *River Steam Navigation Company* (RSNC) to start a daily mail service between Dibrugarh and Dhubri with government subsidy. Thereafter in 1886, despatch service was introduced which facilitated traffic of goods from Goalundo to Upper Assam. Meanwhile, railway lines were also developed connecting the steamer ghatsat Dhubri and Goalundo.

- **Railways**

With roadways and waterways failing to cater to the growing demand for smooth and fast transportation of passengers and goods from Assam, the introduction of railways was very much essential as it was only mode of communication left to resolve the problem. The 1860s witnessed the beginning of railways towards Assam. In 1862, a railway line was laid down from Calcutta to Paradaha which was further extended to Goalundo in 1864. However, in the 1870s, the then Commissioner of Assam, Hopkinson was against the extension of railways in the province. But the extension of tea cultivation as well as the exploration of coal and oil made the introduction of railways essential in Upper Assam. The initiative in this direction was taken by Dr. John Berry White, the Director of the *Assam Railways and Trading Company*.

Dr. Berry White in 1878 requested the then Chief Commissioner of Assam, Steuart Bayley to improve the state of communication to the steamer port of Dibrugarh as the condition of the roads were deplorable. Bayley himself visited Dibrugarh and proposed the construction of a meter-gauge railway from Dibrugarh along the Sadiya road under the guarantee of providing subsidy. This proposal was accepted by the government of India and a subsidy of rupees one lakh was granted.

In 1880the survey was conducted for constructing the railways and in 1882 the first consignment of rails, locomotives, etc were shipped from England which arrived at Dibrugarh. Thereafter on 1st May, 1882 first meter gauge railway line was laid down from Dibrugarh steamer port to Jaipur which was extended by the end of that year to Chabua.By the year 1884, the coal fields of Upper Assam were connected by railway lines.

In 1885, the Jorhat Provincial railway connected the tea gardens at Mariani and Titabar with the river port of Kakilamukh. The same year, the Tezpur-Balipara railway connected tea gardens of the Darrang district with the port of Tezpur. All these railway lines were constructed by the *Assam Railways Company* which was formed on 30th July, 1881 and was an off-shoot of the *Assam Railways and Trading Company*.

In 1892, the *Assam-Bengal Railway Company*was formed to develop the commercial mobility between East Bengal and Assam. For this steps were taken to connect Assam with the rest of India through the Barak or Surma Valley. By 1896, Assam-Bengal Railway line was opened from Chittagong to Badarpur. The Badarpur-Lumding section of this line as was hilly took time for construction and was completed in 1903. TheBadarpur-Lumding railway line connected Assam with the Chittagong port. The Gauhati-Jamunamukh section of the Assam-Bengal Railway line was opened in 1897 and its construction was completed in 1903.

The East Bengal Railway Company was formed long way back in 1857 in order to serve the Rajshahi and Khulna divisions of East Bengal. In 1902, the company constructed a meter-gauge line from Parbatipur to Dhubri. A portion of this line from Golakganj to Dhubri was the earliest meter-gauge network on the north bank of the Brahmaputra River. This line was extended to Amingaon in 1909 and to Balipara in 1932 all through the north bank. During, 1918-19, the East Bengal Railway Company conducted survey to set up a meter-gauge line from Pandu to Shillong, which was however not materialised as it was not economically viable.

The Silghat-Chaparmukh railway line was constructed in the year 1920. Its branch line from Senchoa to Moirabari was opened in 1930. In January, 1942 the Assam-Bengal Railway Company got amalgamated with

the East Bengal Railway Company to formthe Bengal-Assam Railway Company. This new companyextended the Parbatipur-Dhubriline to Tinsukia. Thus, it can be said that the railways made a considerable progress in Assam during the colonial period.



**CHECK YOUR PROGRESS**

Answer the following questions:

Q1: Name two traditional industries of Assam.

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Q2: In which year the Public Works Department (PWD) was created in colonial Assam?

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Q3: In which year the Indian General Steam Navigation Company (IGSNC) was formed?

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Q4: Which Commissioner of Assam was against the extension of railways in the province?

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## 12.5 TRADE

Prior to the coming of the British, the trade of the province was confined to the barter of locally produced items in exchange mostly of foreign salt. The Ahoms regulated the trade and commerce, particularly the external and frontier trade. The English East India Company being a commercial concern tried to expand the volume and periphery oftrade in Assam after itsoccupation. Attempts were made to develop the internal, external and frontier trade.

- **Internal Trade**

There was no organised way for conducting internal trade in Assam at the commencement of the colonial rule.Often the cultivator cum artisans used to sell their surplus produce in the local markets. But these markets were in a disrupted condition as chaotic situation prevailed in Assam on the eve of colonial rule.

Hence, the colonial rulers tried to regulate the internal trade.To conductthe internal trade in a free and fair manner, they removed the obstacles. The neighbouring hill tribes like Garos, Nagas, etc were provided with specific regulations for conducting trade with the people in the plains. They revived the weekly and bi-weekly markets (*hats*) as were mostly destroyed during the internal disturbances and Burmese aggression. *Hats* were sold out to the highest bidder and proceeds were deposited in the government treasury. Besides, there were fairs (*melas*) where the people of the hills and plains met for selling their commodities. Specific markets were also there for selling of special crops like jute, rubber, etc at certain places.

Money became the popular medium of exchange in the markets replacing the erstwhile barter system. This commodity-money relationship facilitated the entry of *kayans* (Marwari Mahajans) and *byaparis* (Bengali businessman) in the markets establishing gradual control over the internal trade. The *kayans* gradually entered into almost every area of Assam and established shops in the markets called *golas* in local language. These *golas* became the prime centres of internal trade.

- **External Trade**

During the medieval period, Assam under the Ahoms maintained a separate political existence and had external trade relationship through Bengal with Indian merchants as well as Europeans which is often referred as the 'Bengal Trade'. Trade relationship also existed with the neighbouring foreign countries like Bhutan and Tibet.

➢ **Bengal Trade**

The erstwhile Kandahar or Hadirachowkey (custom gate) situated on the Brahmaputra near Goalpara to regulate the Bengal trade was brought

under the control of the government of Bengal with custom officials appointed there for collecting export and import duty. However, after the passing of the Charter Act of 1833, theKandahar or Hadirachowkey was abolished and the Bengal trade was made completely free. This was because, the Charter Act promoted the policy of free trade.

Then to make a correct estimate of the Bengal trade, system of registration was started from 1877 onwards. There were two different places for registering trade with Bengal, one at Dhubri for the Brahmaputra Valley and other one at Bhairab Bazar for the Surma Valley. The products exported from Assam through Bengal were tea, mustard seed, paddy, cotton, jute, rubber, lac,timber, etc. While, the products imported were foreign yarn, foreign textiles, cotton fabrics, opium,salt, iron and steel wares, machineries, etc.

- **Trade with Bhutan**

There were numerous routes through which the people of Bhutan called Bhutiascame to Assam. These routes were Bijni, Sidli, Ripu and Goma. The Bhutias carried on their trading activities in the districts of Goalpara, Kamrup and Darrang during the colonial period. Earlier, the trade was mainly carried on in the three fairs namely, Udalguri, Ghagrapara and Daimara as these places were near Bhutan-Assam border.

During the colonial period, two passes, namely Daranga and Subankhata in the district of Kamrup were traced out for carrying out trade relationship with Bhutan. Blankets, ponies, timber, wax, salt, rubber,stic-lac, etc were imported from Bhutan. While, paddy, rice, cotton cloth, silk cloth, bell metal products (especially cymbals), iron, etc were exported from Assam.

- **Trade with Tibet**

The trade between Assam and Tibet was mainly carried across Bhutan and Tawang through the passes of Dhansiri and Udalguri. At Udalguri, an annual fair was organised where the people of Tibet called Tibetans used to come on a regular basis for trade. The tribes of Assam acted as intermediary with Tibetans for the conduct of trade relationship. Exchange of goods was the traditional way of conducting commercial transactions.

There was a considerable demand of English cloths, printed calicos, metal, Indian indigo, tobacco, salt, tea,rice, silk goods,etc in the markets of Tibet. As such Tibetan merchants used to import these items to Tibet. In return they used to export gold, silver, other minerals, skin, fur, hair of goat, wool, etc to Assam and through her to India as well. There were also different trade centres and weekly markets located at places like Sadiya, North Lakhimpur, Tezpur, Margherita, in addition to the annual trade fairs where the Tibetans also used to come for commercial transactions.

- **Frontier Trade**

Assam had a regular traffic between the people of the hills and the plains. The inhabitants of the hills were largely dependent on the people of the neighbouring plains for foodstuff and other basic necessities. Assam had trade relationship with the tribes like Manipuris, Abors, Daflas, Mishimis, Khamtis, Nagas, etc to which we refer collectively as the 'Frontier Trade'.

Assam-Manipur trade was carried on by the routes through Cachar and Kohima. By the Cachar route, timber and bamboos were mainly imported, while through the Kohima route, bulk of the rice was carried out in carts. The principal imports to Assam were timber, bamboo, rice and cattle. While, the exports from Assam were cotton twists and yarn, piece goods, betel nut and kerosene oil.

Other than the market places, there were fairs where the people of the plains used to meet those from the hills. One such fair was the Sadiya fair held regularly in the month of February. In the fair the Abors, Mishimis, Khamtis and Nagas mainly used to come for selling rubber, wax, musk, amber, ivory, rhinoceros horn and took in return eri cloth, broad cloth, opium, iron pans, brass utensils and beads.

For establishing frontier trade on a sound basis with the hill tribes, the colonial government tried to control the traditional markets in the foothills. Then they extended in phases their sphere of control over the tribes, one by one.

## 12.6 MARKET AND BUSINESS

In the previous sub-section on trade we have discussed how commerce was carried out on three different levels, namely, internal, external and frontier where market played a crucial role. Market is a place where the business is transacted. Already it has been stated that the people from the plains and hills of Assam as well as from outside used to come to the market for buying and selling things.

Markets obviously existed in Assam from the pre-colonial times. But as already stated the chaotic situation in pre-colonial Assam had disrupted many of these old markets affecting trade and commerce. Hence, the colonial government had to reorganise the entire network of markets in the province by reviving the old ones and establishing new one wherever necessary.

In every moffusil towns or sadar stations, the colonial government established markets (*haats*) and fairs (*melas*) where people from the neighbouring villages used to come for business transactions. For instance, during 1881-82, there were 4 *haats* in the district of Sibsagar and 7 in Nagaon. From the Census of 1891 we come to know that there were 313 *haats* or market in Sylhet, 188 in Cachar and 110 in Goalpara.

But in the business transacted in the markets or *hats* and in fairs or *melas*, we see the gradual dominating influence of the outside merchant class. This merchant class comprises of the *kayans* and *byaparis*. The *kayans* used to pay advance to the farmers for cultivating cash crops as well asfood crops in certain cases. They used to collect their money invested by purchasing the crops from the farmers at a much lower price. Again with the money earned, the farmer had to pay their debts to the *kayans*.

Jute was collected by the*kayans* from the districts of Goalpara, Kamrup, Darrang and Nagaon. Cotton was collected by the *kayans* at Lumding from the growers of Mikir hills. The Mikirs (a tribe)cultivated and broughtLac to Chaparmukh from where the *kayans* used to export it to Calcutta. The *byaparis* also collected through hawkers' local produce in exchange of foreign

textiles, foodstuff and luxuries. But their business was smaller in comparison to that of the *kayans*.

In the Surma Valley, the local merchants had good knowledge of business as they had contact with their counterparts in Calcutta, Dacca and Narayangunj. There were comparatively a few numbers of *kayans* in this Valley, though *byaparis* were numerous. These *byaparis* had a good business in the Valley. Even the farmers directly used to sell their surplus in the markets as per their convenience. They also used to carry their surplus through the waterways in boats to Bengal.



**CHECK YOUR PROGRESS**

Answer the following questions:

Q5: Name the custom gate situated on the Brahmaputra near Goalpara to regulate the Bengal trade

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Q6: Name the two tribes with whom Assam had trade relationship.

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Q7: What is a Market?

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Q8: Name two cash crops collected by the kayans.

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## 12.7 LET US SUM UP

After going through this unit, you have learnt about:

- the industrial condition of Assam during the colonial period.
- how the transportation and communication system of Assam underwent changesduring the colonial period.