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Early Twentieth Century Agrarian Assam: A Brief and Preliminary Overview

DEBARSHI DAS, ARUPJYOTI SAIKIA

Unlike the rest of the subcontinent, Assam retained many elements of its tribal economy well into the 19th century. With the British invasion the picture began to change gradually. Opening up of the Brahmaputra Valley in 1826 brought about two major changes in the mode of surplus extraction. One, colonial capital flowed into tea plantations, along with indentured labourers from mainland India. Though immensely profitable for the planters, this had a limited impact on the larger peasant economy of Assam. A more fundamental second change – spurred by the revenue of the colonial state, infusion of merchant capital and immigration of peasants from East Bengal – started a process of land alienation, commercialisation and indebtedness. In time, the agrarian economy of Assam started to resemble, and become firmly integrated with, the rest of the subcontinent. This essay examines a few aspects of this economic change.

Let the government set an artificial price on the virgin soil, a price independent of supply and demand, a price that compels the immigrant to work a long time for wages before he can earn enough money to buy land and turn himself into an independent farmer. The fund resulting from the sale of land...is to be applied by the government...to the importation of the paupers from Europe into the colonies, so as to keep the wage-labour market full for the capitalists.

– Marx 1976: 938-39

Introduction

The above comment by Karl Marx on capitalist strategy in the New World sums up the colonial land revenue policy practised in Assam during the initial years, from 1826 till the 1860s.¹ There were of course some differences between Assam and America. While the latter taxed its land heavily so that labourers could not acquire it, indigenous peasants in Assam had to be separated from the land. A principal aim in mid-19th century Assam was to flush out native peasants from the land, as documented in government reports and arbitrary land revenue increments. They were to be coerced into surrendering what Marx called “conditions of labour” to the tea planters; an achievement that was to ensure a ready reserve army of labour.

In contrast to America, a politically sovereign country, although “economically speaking, still a colony of Europe” (Marx 1976: 931), political control was more complete in India. Instead of “importation of the paupers from Europe”, financed by the land revenue fund, a cheaper system of indentured labourers was put in place to resolve the labour question. This bordered on another New World simile, namely, slave trade. The indentured labour system was necessary also because the strategy of flushing out indigenous peasants had not yielded the desirable results. From the 1860s onwards, inflow of labourers from other Indian provinces, mainly the Chhotanagpur plateau region, started in a significant way. Abductions, criminal negligence of living conditions, and forced confinements were assisted and abetted by the empire (Guha 1977: 45).

These developments pertaining to the interaction of the empire with the agrarian economy of Assam are well documented. Contributions by Amalendu Guha (1977, 1991) and Rajen Saikia (2000) *inter alia* contain rare insights regarding late 19th century economy in Assam. However, the scholarship dwindles on entering the 20th century.² Dearth of research on this period is curiously matched by the salience it casts over the balance of the century, and even to the present day. This essay attempts to build a structure to help understand the evolving agrarian political economy of this period using tools of Marxist political economy.

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Secondary data, archival material and existing literature have been the principal raw materials. The essay consolidates the existing disparate research and adds hitherto unexplored elements to present a coherent, but by no means exhaustive, account of early 20th century Assam.

History-making adventures of capital, like those of men it seems, are circumscribed by the existing conditions, transmitted from the past. In spite of the extensive support received by the colonial plantations, by the turn of the century, the tea industry in Assam was faced with an overproduction slump and slowdown in growth of tea acreage. In addition, the administration's efforts to popularise jute cultivation among the indigenous peasants in the riverine plains of the Brahmaputra were unsuccessful. The colonial state therefore was in search of new means of revenue collection. During this period, merchant capital, mostly comprador in nature, had penetrated the peasant economy of the province. The interest of the merchants converged with that of the state in this enterprise, and together with the local landlords and migrant peasants from East Bengal a novel complex of surplus exaction was born. More market-driven than the Assam peasantry had ever been, this system was characterised by high indebtedness, rising incidence of landlessness and tenancy. Thus the vestiges of tribalism were wearing off. The older mode was getting inexorably transformed into a semi-feudal mode of surplus production, which was common in the rest of the subcontinent.³ Assam was becoming a part of India in more ways than one.

From Precolonial to Colonial

Historically, Assam has been a rural, agrarian society.⁴ The mode of production of precolonial Assam is described as semi-tribal, semi-feudal (Guha 1991: 221). Reflecting the relative dearth of men and abundance of land, revenue was assessed using the number of people residing in a circle as the yardstick (ibid: 219). Resembling European feudalism, labour service extraction by lords (direct surplus labour) was common. One man out of four belonging to the feudal hierarchy of *kanri paik* families had to render unpaid service for a year (ibid: 86). Practices of community labour service and *jhum* (slash and burn) cultivation were possibly vestiges of tribalism. The slave trade also flourished. Besides the feudal lords, temples, Vaishnavite *satras*, mosques and other religious institutions also benefited from the surplus value. The Ahom kingdom was significantly insulated from mainland India. Although business with the hill tribes, Bhutan and Tibet was brisk, not much effort was made to develop trade with the lower Ganga plain (Ahmad 1990: 171). Trading parties seeking to travel to Guwahati were required to seek permission from none other than the king, Rudra Simha (1669-1714). Indeed, one reason behind the Mughal-Ahom series of battles of the 17th century had been the trade barriers the Bengal traders encountered (ibid: 178).⁵ Commercial agriculture was a rarity except for mustard cultivation in Kamrup and the north bank of eastern Assam. The contrast of the insulated precolonial Assam with the rapid transformations of the colonial period appears

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remarkably stark. Such sudden changes inflicted on an insulated population continue to find expression in myriad shades of identity politics.⁶

The British annexed Assam in 1826, after driving out the Burmese. In a 1835 report, the commissioner of Assam, Francis Jenkins, advocated a policy of European colonisation of native land at a concessional rate. The natives were poor, demoralised and ignorant; they needed the guiding hand and capital of the Europeans. They were to be intentionally taxed at a steep rate so that cultivation on their own land would become unviable for them. The crops Jenkins had in mind were sugar cane and indigo – both of which had been attempted in Bengal in the late 18th century. A successful experiment with Assam tea in 1837 put a definite name to the crop which the empire would foist on the valley. The first joint stock company of India, the Assam Company was founded in 1839 (Guha 1977: 9).

The policy of promoting British capital was manifest *inter alia* in the Wasteland Settlement Rules of 1854. Planters were awarded revenue-free land or were charged a rate which was a small fraction of what local peasants paid.⁷ Land revenue rates were raised by 100% in 1867-68, to be further enhanced by another 53% in 1892-93. Just as riots erupted in the Deccan region (another ryotwari settlement area) around 1875, continual revenue enhancements sparked off a series of *raij mels* (people's assembly) and riots in Assam (*ibid*: 13-14, 50-54).

Although the peasants were paying higher revenue than the planters, the profitability of peasants' lands was meagre. This was because the peasantry was beset with a host of troubles. First, with the onset of the raj, monetary payment of land revenue had been made rigid and mandatory. In a semi-tribal economy this meant severe hardship. Money was in short circulation.⁸ Second, a ready network of markets for smooth exchange of produce for cash did not exist. Peasants would travel for days to reach the nearest market to dispose the harvest in exchange for cash.⁹ This necessitated the entry of the moneylenders (discussed ahead). Third, the late 19th century saw a rise in the price of rice: the price index rose from 96.71 (1861-64) to 153.45 (1898-1901) (Guha 1991: 201). But with limited market access, deficient labour supply and low marketable surplus, ordinary peasants could not reap the benefits of the high price.

In contrast, the tea plantations were turning out to be hugely profitable. The Assam Company did not raise any additional capital from 1854 to 1901, but managed to more than treble its acreage, while paying out Rs 9 million in dividends. Between 1839 and 1897-98, the percentage of cultivable areas of Assam under tea plantations grew from zero to 27.2%. Acreage under rice, on the other hand, kept pace with the tardy population growth. Besides a benevolent land revenue policy, rampant labour exploitation contributed to a handsome profit.¹⁰ In 1864, a labourer working with the public works department (PWD) earned a monthly wage of Rs 7, whereas the Assam Company paid a monthly wage of Rs 4 to Rs 5. The average in many gardens was even lower (*ibid*: 191).

Although the tea plantations were appropriating vast tracts of land, an abundance of land made major conflicts with the local peasantry rare.¹¹ Instead, the impact of colonial rule on the

peasantry was more indirect. First, a sustained rise in land revenue – the collection rose by 300% from 1865-66 to 1897-98 – led to repeated peasant unrests. The process of politicisation and protests took the form of *raij mels*. Ryot sabhas and associations cropped up in the last decades of the century.

The Opium Mint

The second impact of colonial rule was the government monopoly over opium trade. Cultivation of poppy was banned in 1860, and a monopoly in opium trade opened an enormously lucrative source of revenue for the government. Revenue on opium sales was the second largest contributor to government coffers after land revenue. The selling price and buying price were often in the proportion of 4:1. Understandably, the administration was loathe to relinquish this mint, notwithstanding the alarmingly high consumption rate of opium. The government was for reducing opium consumption ostensibly. Fearing that a blanket prohibition of opium would drive addicts to cheaper forms of addiction, the government decided to raise the price of opium gradually thereby discouraging its consumption. Being an addictive substance, and with a low price elasticity of demand, this policy delivered nothing. The high level of opium consumption turned out to be a reason for peasant indebtedness.

The middle class, though agitated over opium addiction, had a conflict of interest. In a memorial to the Royal Commission on Opium in 1893, the Jorhat Sorbojanik Sabha opposed the immediate prohibition of opium; for, *inter alia*, "[t]he people of this province are not able and would not be willing to make up by the contribution of other taxes, any deficit in the revenues of the province caused by such measure" (Guha 1977: 349). It would take legislative reforms and several anti-colonial movements to eradicate the addiction by the middle of the following century.

We now turn to the land revenue structure in Assam. The abundant availability of land has been noted. It is well known that socio-economic institutions often do not evolve in harmony with the laws of demand and supply of land vis-à-vis man (Brenner 1978). The existing balance of class power may acquire a degree of autonomy of its own in deciding production relations. A high land-man ratio of Assam did not guarantee low feudal exploitation, contrary to what Postan and Hatcher (1978) would have predicted. Scarcity of labour power rendered it so precious that a sufficiently stronghold of feudalism turned many peasants into slaves. Also, besides slavery, tenancy was being practised. A major reason for this was that religious institutions and lords were granted revenue-free (*la-khiraj*) or half-revenue paying (*nisf-khiraj*) land, and they would, in turn, lease the land to the tenants. Although tenancy and slavery were present, small-scale peasant cultivation dominated agrarian practise. Cultivators paid full revenue for their land (*khiraj* land). The British rule did not effect major change to this property structure: in 1897-98 around 11.6% of the aggregate settled acreage was held as *la-khiraj* or *nisf-khiraj* land (Guha 1991: 237).

The abolition of slavery in 1843 did not significantly affect the material conditions of the slaves and serfs. Traditional slaves continued to work on the land of the lords as tenants. A chief reason behind the servitude was debt. Taking a loan by mortgaging

one's labour was common in precolonial times (Guha 1977: 11). The Dufferin Inquiry (1888) found that 10 peasants out of a sample of 32 worked as bonded labourers, or as *marakiya* (payment of debt in the form of labour service). All of them were indebted in different degrees. Half of them had to bear significant monetary expenses for opium addiction. The Inquiry records the influence of the Marwari traders thus:

The trading community chiefly consists of European, Bengali shopkeepers chiefly from Dacca and Marwari merchants. The last-mentioned is the most numerous and influential class, with the exception, of course, of the tea planters...The Marwari traders ... are to be found in almost every important village. They keep supplies of salt, cotton twist and piece-goods, brass vessels, undrained sugar, etc, and exchange these commodities for money, but more generally for paddy, rice, mustard, silk cocoons, silk thread and silk cloth. When required they make advances to the cultivators, and the rate of interest charged is usually one anna per rupee per month or 75 (Guha 1991: 265).

In the period that followed, merchant capital played a significant role in Assam's agrarian economy. Although merchant capital of alien origin – mainly Marwari – had monopolised internal trade, it would be wrong to conclude that it monopolised the credit market as well. Landlords, well-off peasants, even the nascent service class – tea garden white-collar employees, for instance – acted as creditors. Accumulation of surplus through usury, like accumulation through tax by the colonial state, did not however create productive capital. The merchants found the sphere of circulation more lucrative to invest their funds in.¹² This is in line with what had happened in Bengal. The zamindari system in Bengal had sprouted multiple layers of intermediaries and siphoning of surplus to unproductive routes (Bhaduri 1976: 246).¹³ In Assam, as the source of credit shifted towards commercial capital, agreements to sell the standing crop to the creditor at a pre-specified price became common. The peasantry was entering into never-ending cycles of credit to meet land revenue demands. When the revenue rates were enhanced it became all the more difficult for them to get out of the debt trap. A part of the peasant anger therefore was directed at the creditors. In the peasant agitation of 1892-93, Marwari business establishments were targeted (Guha 1977: 52).

Although merchant capital was gaining strength, it had yet to enter the sphere of production in a substantial way. It would take another half century before one would get to read the following:

[T]he village moneylenders is [sic] usually a Marwari combining money lending with trade he fills up [a] blank in the rural economic system and cannot be easily challenged. But he has too much of a say as to what crop the cultivator would grow. As he is the channel for marketing, he can retard the flow to suit his benefit rather than that of the cultivators (Government of India 1943, Appendix III).

Rise of the Jute Economy

In terms of usage, peasant lands were divided into three categories: *rupit* (wet land, under the plough), *basti/bari* (homestead, garden land), and *faringati* (land settled temporarily). *Faringati* was a vestige of jhum farming. By the 1880s, revenue settlement was more stable – from annual settlement to decennial. Since *faringati* lands were settled intermittently, revenue settlement there remained annual. Due to the impermanent nature of farming practise¹⁴ and paucity of investment, productivity of peasant

economy remained low. The rent collecting motive of the colonial administration therefore was looking for alternative avenues of extraction by extending the farming frontier.¹⁵

However, three interrelated issues remained unaddressed: (a) Would the proposed reclamation apply to food crops or cash crops? (b) Who would the cultivators be? (c) Which land tenure system would be adopted? As for the last question, there was strong sentiment against the ryotwari system. It was argued that with ryotwari it would be difficult to convert Assam's wastelands into rich crop-producing areas. One reason for the opposition could be that ryotwari foreclosed the possibility of earning zamindari rent. In a memorandum submitted to the Assam government against any move to eliminate the middlemen between the state and peasant, the Jorhat Sorbojanik Sabha argued that the "middleman is not only politically important, but also necessary for the extension of cultivation". But this did not find favour with the government. Although petitioning by the local elite proved to be of no avail, it became clear that the interests of the Assamese landed class and colonial state converged on the reclamation endeavour, for each stood to partake the resultant surplus.

The first aforementioned question was resolved by the jute factor. Jute cultivation and factory production of jute products were by this time well-entrenched in Bengal.¹⁶ From 1903-04 to 1919-20, the export of raw jute grew more than three times.¹⁷ Jute was the highest export earner for India in the early 20th century, helping the metropolis square much of the trade deficit it faced vis-à-vis the United States or Germany (Sethia 1996: 96). It was but natural for British capital to look for more land to grow the golden fibre as land in Bengal was saturating by this time (Boruah 1980: 51). There was plenty of land in Naogaon, Lakhimpur, eastern part of Darrang, eastern Duars region of Goalpara, and Barpeta subdivision of Kamrup that was found to be ideal for jute cultivation.

Although the availability of land posed no great difficulty, labour remained a tricky issue. The deputy commissioner of Nowgong district, Sheer, had noted the apathy Assamese peasants shared for jute cultivation. The little jute that was grown would supplement paddy cultivation; it was seldom the principal crop. Fortunately there were examples to emulate. In Goalpara, the zamindars had been encouraging peasants from East Bengal to settle and cultivate jute in char areas (river islands and banks formed by silt deposit). These peasants were mainly tenants. They were emigrating from a densely populated land, subjected to an oppressive tenure system which guaranteed them little security of occupation. The Bengal census report of 1901 writes approvingly of them: "[H]ardy and prolific cultivators...gradually working their way northwards. These people are accustomed to the risk arising from diluvion and devastating floods, which other cultivators are unwilling to face" (Dass 1980: 851). By 1911, around 1,18,000 migrants had settled in Goalpara constituting 20% of the district population (Weiner 1983: 283).¹⁸ The answer to the second question was thus found.

In 1898, the assistant director of Assam Land Records and Agriculture Department, F J Monahan, prepared a detailed report on the prospect of jute cultivation in the Valley. It recommended immigration and settlement of peasants from East Bengal. In the next two decades, large swathes of wasteland including grazing

reserves and other common lands of villages were made available to migrant settlements. The pressure was felt on the forest land as well. During 1870-1950 an estimated 7,00,000 hectares of dense forest and woodland were reallocated to agricultural use. Jute acreage saw rapid growth. From 1903-04 to 1919-20 it grew 3.6 times. During the same period, growth of paddy acreage was only 12%.¹⁹ By the second world war Assam was the third largest jute producer of the country.

Soon, immigration began to effect the existing population composition. In 1874, the percentage of Muslims in the Brahmaputra Valley was 5.9%; by 1941 it had risen to 23% (Guha 1977: 258; Kar 1980: 69-70).²⁰ Compared to the all-India population growth rates of 0.3%-5.7%, 11% in the first three decades of the 20th century, Assam's population grew at much higher rates of 16.8%, 20.2% and 20.1% (Weiner 1983: 283). Much of this could be attributed to immigration (it is true however that there was a simultaneous inflow of tea garden workers, Nepali dairy farmers and graziers). The following remark by a civil servant, Mullan, reflects the public opinion at the time:²¹

[T]he Barpeta subdivision of Kamrup has also fallen to their [immigrant army] attack and Darrang is being invaded. Sibsagar has so far escaped completely, but the few thousand Mymensinghians²² in North Lakhimpur are an outpost which may, during the next decade, prove to be a valuable basis of major operations (Guha 1977: 212).

At the grass-root level, stirrings against migration had started much earlier. Petitions were submitted from local peasants and graziers whose lands were being occupied by the settlers. A high demand for forest produce in the wake of the first world war had aroused the forest department's concern over encroachment. The third and the most vital phalanx against the settlers were the tea planters. Their apprehension was that good quality tea land would be occupied by the settlers. Mainly because of this pressure migration to the eastern end of the valley, where plantations were concentrated, was insignificant (Saikia forthcoming).

The administration therefore had the tough task of balancing the demand from these quarters with their goal of revenue maximisation. After much deliberation, in 1920, a curious method of segregation of immigrant settlement land from the land of the local people was devised. Revenue officials would draw lines on the map within which immigrants would have to restrict their economic activities. These areas would typically be faraway from the villages. The locals were forbidden to sublet their land to the immigrants; neither could the latter be employed in local peasants' lands. Each immigrant family would be granted a maximum of 16 bighas or 5.33 acres. The segregation policy was christened the Line System. Though subject to rampant corruption, the Line System became a bone

of contention in provincial politics. Groups representing the Muslim electorate sought its abolition, while the Congress Party kept on defending the system, albeit it had become clear that the rising migration pressure had rendered the Lines ineffective (Guha 1977: 207).

Migration and the Assamese Middle Class

The Assamese intelligentsia was divided over the rapid reclamation of wastelands. In the late 19th century, many of the Assamese middle class, Gunabhiram Barua (1837-94) for instance, welcomed immigration (Guha 1977: 68). Jnananath Bora (1890-1968) wrote an influential piece on the question of presence of foreigners in Assam but was silent on land reclamation by the East Bengal peasants (Bora 1996). He was, however, critical of the ubiquitous penetration of non-Assamese merchant capital in the rural areas. This would be against the interests of the Assamese bourgeoisie, he averred, as they could hardly compete with alien merchant capital. In contrast to Bora's silence on peasant migration, Kamala Kanta Bhattacharya (1855-1936), an Assamese nationalist, saw no reason why the question of Assam's underdevelopment should not be seen in the context of land reclamation by the East Bengal peasants.²³ Rapid land reclamation, he argued, would bring peril to the future generation of Assamese peasant society. Bhattacharya was not the lone voice – such concerns were widely represented before the Line Enquiry Committee.²⁴ Three leading members of the committee wrote a note of dissent:

We look upon the Assam Valley as the home of the Assamese people... If they had the sovereign power today they would have still resisted occupation of the lands here by outsiders against their will by armed force if necessary... Development of the province should not be the only consideration – nay not even the main consideration. The settlement of wastelands in the province is a very important duty of the Government no doubt... But in this matter too the interest and well-being of the children of the soil should be the primary concern of the state.²⁵

In addition, the East Bengal peasants faced the wrath of the Assamese press. Be it a literary journal or a newspaper, suspicion and distrust were articulated. The lead was taken by *Assamiya*, a popular Assamese weekly. *Bilasoni*, a literary journal published from Majuli, the stronghold of Assamese Vaishnavism, claimed that the Mymensinghia jati were like the dacoits, they did not heed anybody; the *mauzadars*,²⁶ as a result, were unable to collect revenue. The English rulers had done a great injustice by giving a place to this jati in the middle of the peaceful Assamese.²⁷ *Chetana*, another literary journal and mouthpiece of the ultra-nationalist Assamiya Sanraksani Sabha, supported the *Assamiya* and complained that peasants from East Bengal were usurping the immovable property of the local peasants, and had even tried to elope with the local women. "It is becoming impossible to move around", the journal reported.²⁸

In a similar vein official reports identified the East Bengal peasant as "a troublesome neighbour". In a note to the Line System Committee, the inspector general of police, Assam, mentioned that no less than 11 police stations had been opened between 1923 and 1937 to control them,²⁹ and that since the time of the Depression incidences of petty crimes committed by them had increased manifold.³⁰

Table 1: Amount of Land Held by the Marwari Traders in Full Revenue Area (in acres)

District	1920-21	1925-26	1930-31	1935-36	1939-40	1942-43	1945-46
Kamrup	3,157	3,348	3,908	5,698	6,398	6,049	5,773
Darrang	3,618	4,982	4,360	6,492	8,791	10,909	13,544
Nowgaon	1,514	1,252	2,254	3,050	3,015	2,739	2,533
Sibsagar	4,392	4,738	6,290	7,740	8,043	9,446	8,479
Lakhimpur	3,700	3,434	5,304	7,859	9,269	9,348	9,290

Annual Report on Assam Land Revenue Administration, prepared from individual years.

Entanglements with Credit, Lease and Product Markets

There was increasing influence of Marwari merchants on the agrarian economy of Assam during the last decades of the 19th century. One way was through the sale of yarn. Traditionally, Assamese women, irrespective of caste, would do some household spinning and weaving. Yarns would be purchased on credit with the agreement that the loan would be repaid after the next harvest. Subsequently, merchants began to keep stock of other articles not traditionally available in the villages. Thus, by the early 20th century, a network of shops spread deep and wide. During the time of land resettlement in 1905-06 it was reported that at least two Marwari shops could be found in every mauza of Nowgong district (Edwards 1909).

Jute cultivation exacerbated the hold of commercial capital. As it was not a food crop, the market was the only medium through which peasants could obtain means of subsistence. Thus extraction of surplus value was increasingly mediated through exchange relations. The peasants needed an initial investment to set up establishment in the alien land and the credit market therefore expanded. Among the creditors the Marwari merchants were often more adventurous than the rest.³¹ It would be incorrect however to infer that the Marwaris were the only source of credit. In Barpeta, local cooperative credit societies or *hati* existed.³² There were other local credit channels too. APBECR mentions the following sources: village moneylenders (occasional Assamese moneylenders, village Marwaris and Telis), buyers of the produce, cooperative societies and other creditors. Thus rich Assamese farmers, Assamese mahajans, petty traders such as the Bengali Hindu Saha traders, and *farias*, all appear in various accounts.

The interest rates were exorbitant and varied depending on the value of the collateral, ranging from 12% to 37% per month. Migrant and Assamese peasants were charged different rates of interest. "Assamese can generally borrow at 24 percent but immigrants are charged from 75 to 150%".³³ Crop was a common form of collateral along with family jewellery and land. As it often happens in interlinked markets, the price the creditor would pay to the debtor for the pledged crop would be lower so as to subsume a part of the usurious interest rate.³⁴ Debt bondage was often a reason for loss of land to absentee landlords. In 1919, the government passed a notification prohibiting transfer or sale of annual leased and *patta* land to absentee landlords without the approval of the district commissioner. These efforts mostly proved ineffective. The APBECR remarks: "the land in the Assam valley was passing to hands of Marwari [sic]".³⁵ The rates of interest on loans were usually so high that the land would eventually pass from the peasant to the creditor.³⁶ The creditor sometimes would not insist on a legal transfer. He would continue paying land revenue on behalf of the debtor but would take possession of the land. In many cases land thus acquired would be leased out to ex-tea garden labourers on a tenancy contract.³⁷ At times, the previous owner of the land turned into a tenant on his own land after losing it to the moneylender.³⁸ Table 1 (p 77) illustrates the rising land acquisition by the Marwari traders.

Apart from the above-mentioned symbiosis between the credit market and the land lease market there were other changes.

These operated through the patron-client relations of the immigrants. Many of the early immigrants had accumulated sizeable pieces of land through purchase from local villagers after years of successful harvest.³⁹ These were cultivated by seasonal migrant labourers from East Bengal. Seasonal migrants or *kamlas* would arrive during sowing or harvest season to work on the land of the patron or *matbar*. Understandably, the migrants would not own land, not even of the homestead nature. But with time a number of seasonal migrants started to stay back, many settling on the land of the *matbar* as tenant cultivators or agricultural labourers. A rough estimate of 1931 suggests that one-third of the immigrants were landless.

Incidence of landlessness was buttressed by the practice of leasing out of land by local landowners as well. The local populace did harbour a sense of insecurity towards the settlers. However, the economic benefits the landowners exacted overrode cultural apprehensions. In 1915, the Assam government proposed a set of settlement rules restricting transfer of land to newcomers. The proposal was protested by the local political lobby which complained that such rules would damage the heritable and transferable nature of land tenure (Kar 1980: 73).

High migration flow and the consequent increase in demand for land fuelled land speculation. Local landowners and corrupt government officials shared an ample portion of this quick money. The Line Enquiry Committee reports:

[I]t is not only the landholders and leading men among the immigrants who have been convicted of making money out of newcomers, but we heard of many instances of Assamese speculators also, especially in the earlier days in Nowgong, who made large sums of money by selling lands that they had either taken up specially for that purpose or had not taken up at all...the Deputy Commissioner, Nowgong, was able to give us many instances of corruption among the Land Record Staff in their dealing with the settling of land... and giving *pattas*.⁴⁰

There was a major concentration of immigrants in Nowgong. Barpeta also saw high land speculation. "Immigration has led to all-around prosperity in Barpeta area. Many Assamese farmers had turned into land speculators. They sold off their lands to immigrants at a good price, then they cleared new plots (*pam*) on waste-lands and sold them again" (Guha 1977: 206). As share-croppers the migrants paid higher rent than the local *adhias*. Employment of migrant tenants and farm servants on Assamese landholders' plots was becoming common practice. Accommodation did not however preclude exclusion. The Line Inquiry Committee testifies that the immigrants were "welcome as serfs to [the] Assamese middle class but was [sic] to be debarred from acquiring independent status".⁴¹

By the first half of the 20th century, the principal features of India's agrarian structure could be discerned in Assam. Production for market was on the rise. Surplus accumulation relied more on indirect, market-mediated extraction. Immigration and increasing pressure on land gave birth to an army of landless labourers. By 1951, 43.35% of agricultural labourer households were landless, comparable to the Indian figure of 50.07%. By 1956-57 this figure had surpassed the Indian average (Bhadra 1979: 166). Tenancy was on the rise.⁴² On the whole, productivity of land remained low. Rise in output was achieved through extension of acreage rather than increase in fertility.⁴³ In other

words, as was common in the rest of the subcontinent, higher surplus was not translating into capital accumulation. Compounding the problem was the fact that a substantial part of the surplus was being remitted outside the state.⁴⁴ As a result of the heavy dependence on the market the peasant economy suffered substantial hardship during the Depression. Jute price more than halved in ten years, from the mid-1920s to the mid-1930s (from about Rs 54 to Rs 23; Blyn 1966). Meanwhile, the price of rice rose sharply, trapping jute peasants from either side.⁴⁵

Conclusions

Unlike the rest of the subcontinent, Assam retained many elements of its tribal economy well into the 19th century. With the British invasion the picture gradually changed. After the turn of the 20th century, the transformation was more drastic as the

revenue extraction interest of colonial rule converged with the rent and profit motives of the local landlords and merchant capital respectively. Labour supply was facilitated through immigration. The new complex of production was however not instrumental in bringing in accumulation of productive capital. Production rose by extending the agrarian frontier. Rising pressure on land manifested in the swelling ranks of landless labourers and tenant cultivators. Other signs of subcontinental semi-feudalism such as usury, interlinked transactions and widespread reach of market became common. In short, the production mode of the province rapidly became one with the rest of British India. A nuanced understanding of the contemporary state of Assam cannot preclude examination of the tidal waves of men and money from over a century ago. This essay, modest in its aim, focuses on a few elements of the economic aspect of this change.

NOTES

- 1 By Assam we refer to the then five Brahmaputra Valley districts unless otherwise specified (Lakhimpur, Sibsagar, Darrang, Nowgong and Kamrup). The agrarian trajectory of the westernmost Goalpara district was somewhat different from the rest of the Valley.
- 2 Although the well-known *Planter-Raj to Swaraj* (Guha 1977) studies early 20th century Assam, the author has attempted a systematic account of the state's political history. Attempts to discern the political-economic changes of the period have been scant. Both Saikia (2008) and Baruah (2007) have also commented on the period, but like Guha their focus lies elsewhere.
- 3 By semi-feudal mode we refer to Patnaik's formulation (1972: 88-95). It is to be noted that though merchant capital was entering into the sphere of production in Assam, its principal priority remained surplus extraction keeping the production relations intact. It failed to evolve the "logic of unfettered accumulation".
- 4 In 1881 there were only two towns in the Valley with a population of more than 10,000 (Guwahati, Barpeta), and two in the range 5,000-10,000 (Dibrugarh, Goalpara) (Guha 1977: 338).
- 5 "Foreigners there are looked upon with a lot of suspicion. It is a fundamental maxim of this government not to allow any outsider inside the land, without an authorisation from the king. Neither presents, nor promises, nor intrigues could exempt me from this general law...The people I had brought with me from Bengal were sent back; a list was presented to me, with names of those who would be allowed to accompany me into the kingdom...The tradition in the country is that nobody can buy from a newly arrived merchant until the king had previously been provided with what he wants. Following this, the king calls the other merchants and orders them to take the surplus at the price fixed by him and his ministers." From the journal of Jean-Baptiste Chevalier (2008: 23, 198) who travelled to eastern India in 1752-65.
- 6 The Assam Agitation of 1979-85 was a turning point, the causes of which are rooted in the events we explore here. Baruah (1986: 283) writes of the agitation: "As a frontier area faced with a demographic transformation within a relatively short period of time, the issue of immigration has troubled Assam politics ever since the 1920s...Assam's predicament is an exceptional one: that of a frontier region going through a transformation under twentieth century conditions." Gohain (1980) and Misra (1980) offer two different readings of the agitation.
- 7 The ryotwari system was declared in 1867. The reason for not adopting the zamindari system could have been the bad reputation it had earned in Bengal (Guha 1991: 221). Marx had commented: "[the Permanent Settlement became] a caricature of large-scale English landed estates", one of "a string of futile and really absurd (in practice infamous) economic experiments (which the British carried out in India)" (Chatterjee 1986: 173). However, higher revenue collection in ryotwari areas could also be a reason (Kumar 1965 cited in Patnaik 1971: 40). Goalpara however followed the zamindari system after the Bengal pattern.
- 8 Money had made a rather late appearance in the Valley. First evidence of indigenous coins dates back to 1555, minted by the Koch king, Nara Narayana. First Ahom coins were struck in 1648, possibly by Jayadhva Simha (Ahmad 1990: 178-79).
- 9 *Arunoday*, 9 January 1854, quoted in Guha (1977: 8).
- 10 The indentured labour system was helpful in this matter – the garden coolie was alien to local society. In 1884-85, nearly 95% of the tea garden workers were from outside the province (Guha 1977: 45). Aside from robbing away his capacity to resist, recruiting an outsider guaranteed that the worker stayed on site. A similar strategy was successfully adopted in the contemporaneous Kolkata jute mills (Sethia 1996: 85).
- 11 Baruah (2007: 91-97) however records the restrictions the land-grab drive imposed on the local population.
- 12 Remittances from the province by money orders give an indication of the wealth outflow. From Rs 89,000 in 1880-81 it rose to Rs 4.8 million in 1904-05 (Guha 1991: 196).
- 13 Assam and Bengal were under ryotwari and permanent settlement respectively. Assam lags behind West Bengal on a number of economic parameters. Per capita state domestic product of West Bengal was about 33% higher than Assam in 2001 (calculated from the Database on Indian Economy, Reserve Bank of India [http://dbie.rbi.org.in/InfoViewApp/listing/main.do?appKind=InfoView&service=%2FInfoViewApp%2Fcommon%2FappService.do] and census data of India). The salience of the land settlement system in determining long-term economic performance should not perhaps be overemphasised. Banerjee and Iyer (2005) have investigated the issue. Interestingly, their empirical analysis excludes Assam.
- 14 In 1892, 37% of the landholding of an average family was faringati. Furthermore, as Baruah (2007: 83-84) notes, peasants were extremely tardy to convert annual titles of non-faringati land to decennial ones. This hampered the long-term investment on land.
- 15 There were 67,79,978 acres of culturable wasteland in the valley, only a quarter of which was under cultivation in 1900 (Kar 1980: 70).
- 16 The first jute mill was established in 1855. By the turn of the century, Kolkata jute mills were posing a stiff challenge to Dundee, and by the end of the first world war had completely dethroned it (Sethia 1996: 72). The pressure for bringing more land under jute cultivation can be gauged from this rapid growth.
- 17 Statistical abstract relating to British India, 1922 (<http://dsal.uchicago.edu/statistics/>), viewed on 10 June 2010.
- 18 Following is an account written in Bengali by a migrant:
*Desh Bangalay achhe haay jila Moymonsingh
Khurshid mahol tate mera janno sthan
Bangla chhabish shone kanon bone swadesh
chhariya
Assam nagore juriyay pouchhinu ashia
Our English translation:
There is the district of Mymensingh in the land of Bengal
There in Khurshid Mahol I was born.
In the twenty-sixth year of Bengali calendar [1919-1920] I left that beautiful garden And in Juriya of Assam I arrived.*
This is from a booklet, written in verse, by Kari Mohammed Abdul Hamid (1930). Hamid was a resident of Nowgong district.
- 19 Statistical abstract relating to British India, 1922. See note 17.
- 20 Muslims formed 85% of the immigrants from East Bengal (Boruah 1980: 53). In western Assam the change was drastic. In Barpeta subdivision of Kamrup district the Muslim population percentage rose from 0.1% to 49% between 1911 and 1941 (Guha 1977: 258).
- 21 A Hindu Assamese nationalist constituency was taking shape. Ambikagiri Roy Chowdhury founded the Asom Sanrakshini Sabha, later to be rechristened the Asom Jatiya Mahasabha. The vexed issue of immigration had had major implication vis-à-vis the subsequent partition of the subcontinent. The Gopi Nath Bardoloi-led provincial Congress Party vehemently opposed the Cabinet Mission plan of a three-tier federal government. Though initially approved by the All India Congress Committee (AICC) and the Muslim League, protests from Assam and the Sikhs in Punjab jeopardised the plan by early 1947.
- 22 Mymensingh, a densely populated district of East Bengal was the largest contributor of

- migrants. "Mymensinghians" thus became shorthand for the East Bengal immigrants (Weiner 1983: 291). 67% of the district population was Muslim; an astounding 95% of them were landless labourers (Kar 1980: 71).
- 23 Bhattacharya was known for his scathing criticism of the underdevelopment of Assam in colonial times (Goswami 2007: 22).
- 24 In 1938, the Assam Legislative Assembly adopted a resolution to look into the complaints received against the functioning of the line system. The committee visited several places in western Assam and submitted its report in 1938 in three volumes.
- 25 Note of Dissent by Rabi Chandra Kachari, Kameswar Das and Sarveswar Baruah in the *Line System Enquiry Committee Report*, Vol 1 (Government of Assam 1938: 20).
- 26 A mauza could range from an area of a few square miles to 200 square miles. The mauzadar, an influential person of the region, would be responsible for collecting and depositing the revenue of the respective mauza. This revenue administration system came into being in 1870.
- 27 Bilasoni (1922) quoted in *Chetana*, Vol 4, No 10, 1922.
- 28 Asamiya (1922) quoted in *Chetana*, Vol 4, No 10, 1922.
- 29 Report of the Inspector General of Police, quoted in the *Line System Enquiry Committee Report*, Vol II (Government of Assam 1938).
- 30 Report of the Inspector General of Police quoted in the *Line System Enquiry Committee Report*, Vol I (Government of Assam 1938).
- 31 *In August-September the heart leaps with joy as jute dries up,
Then it's stacked neatly in the Marwari's warehouse
So much toiling and tilling all for jute
All gone to the Marwari's warehouse for free
... In the end in the account book of the Marwari
All jute gone but a thousand rupees debt.
... You have done a great service to Assam o garland of debt
Killed all with temptation of jute.
(Hamid 1930).*
- 32 *Assam Provincial Banking Enquiry Committee Report* (henceforth APBECR), Vol II, p 37, 1929. The committee was formed in 1929 to look into usury and indebtedness.
- 33 *Evidence of Lohit Chandra Nayak*, APBECR, Vol II, p 181, 1929.
- 34 *It could be about 12 anna less in the case of a maund of paddy* (APBECR, Vol I, p 51, 1920); 16 anna = 1 rupee.
- 35 APBECR, Vol I, p 156, 1920.
- 36 Bhaduri (1977) provides a model of usurious interest rate along such lines.
- 37 Report of Census of Assam 1911, p 151. Transition of tea garden labourers reflects the transformation the agrarian economy was going through. Instead of a forced form of surplus extraction in tea gardens they were subjected to an indirect, market mediated form of extraction as sharecroppers.
- 38 A similar process has been noted by Chatterjee (1986: 177-78) in late 19th century western Bengal. Peasants were losing lands to *jotdars*, a class of big farmers-moneylenders.
- 39 Letter from deputy commissioner, Nowgong, to the deputy secretary, revenue department, memo no. 114R/29.3.1946 (Nowgong District Record Room).
- 40 *Line System Enquiry Committee Report*, Vol I (Government of Assam 1938).
- 41 Ibid: 45.
- 42 A sign of immigration-led tenancy was that in the eastern districts, which saw less migration, incidence of tenancy in two land settlements (1902-06 and 1928-33) was lower than in the western districts of Kamrup and Darrang (Saikia forthcoming).
- 43 From 1891 to 1946 acreage under rice in Assam almost doubled, whereas yield per acre did not increase significantly. The following table on rice yield in Assam and jute yield in British India is telling.
- Per Acre Yield of Rice and Jute in Assam and India (1891-1946)**
- | | Rice Yield (lb per acre):
Assam | Jute Yield (lb per acre):
British India |
|------|------------------------------------|--|
| 1891 | 743 | 846 |
| 1892 | 818 | 1,072 |
| 1893 | 842 | 891 |
| 1894 | 737 | 1,086 |
| 1895 | 791 | 990 |
| 1942 | 726 | 1,091 |
| 1943 | 896 | 1,066 |
| 1944 | 744 | 1,186 |
| 1945 | 807 | 1,294 |
| 1946 | 821 | 1,023 |
- Source: Blyn (1966: 255-56, 292).
- 44 See note 12. The following comment from a 1978 report of the National Institute of Public Finance and Policy is eloquent: "A peculiar feature of the economy is that a sizeable section of the population earning its livelihood in Assam is of a migratory nature. A substantial part of earnings of such seasonal migrants which are saved are not available for being ploughed back into the economy and are remitted outside the state. Similarly, the corporate sector and trade are in the hands of persons exerting control from outside and who are remitting profits outside Assam. Such remittances are not benefiting the economy of Assam either by way of additional investment or by other spread effects" (Dass 1980: 255).
- 45 *People lament as the jute price falls to two rupees a maund
In the year of thirty-seven [1930-31] in Assam when rice price
Rose to seven rupees, listen to the saga,
Listen o Muslims, I the worthy one write,
So many lost honour as the jute money vanished.
(Hamid 1930).*

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