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Socio-Economic Impact of Coal Mining Industry in Assam (1826-1947) - A Historical Study

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Abstract

This article is based on both primary and secondary sources which highlight the origin and growth of coal mining industry in Assam and also highlight the socio-cultural and economic changes due to industrialization in coal sector during colonial period.

Key words: Mining Industry, Industrial Revolution, Legacies, agency, Naga-Patkai belt.

I. Introduction: The Industrial Revolution was built upon coal, which was the main source of energy for running steam engines. India had substantial deposits of coal. But wide usage of coal in India had to await the growth of modern industry and transportation. During the rule of the East India Company, some attempts were made to extract coal commercially, but the industries preferred imported British coal. At that time, the main use of charcoal was in the smelting of metals by rural artisans. For the same purpose, the ordinance factories needed coal in larger quantities. This coal was imported from Britain, for the few attempts to use local coal did not satisfy the engineers. With the introduction of the steam ships in India, the demand for local supplies strengthened. To meet this demand, Calcutta's agency houses started small-scale mining operations in western Bengal. The Carr Tagore Company acquired the only major colliery, Raniganj, in the 1830's. It started enterprises that could use this coal. After Carr Tagore failed, the colliery passed

in to European hands. Inland transportation of this bulky commodity was, however, a serious problem. Rivers were not navigable throughout the year. Road transport was costly. Coal therefore continued to be mainly imported.

Coal mining industry is one of the most significant legacies of the British rule in Assam. The coal mining industry in Assam was a logical conclusion of the investment in plantation and oil sectors. The introduction of coal mining industry in Assam marked a land mark in the economic history of Assam. With the extension of tea cultivation and the introduction of commercial navigation on the Brahmaputra in the late 19th century there evinced a growing demand for coal.

The utilization of coal as an energy source, both for the steam engine, boiler etc. and in the form of coke, was a major characteristic of the first industrial revolution. It was on coal that the leading industrialized nations built their industrial power in the nineteenth and early twentieth centuries.

Occurrences of coal were known in Assam as early as 1825 and several futile were made to exploit some of the deposits during the earlier part of the 19th century. No progress on the development of the Assam coal fields was then possible due mainly to the backwardness in communication and transport systems in the states. The earliest coal mines were opened up near Safrai in 1828 and near Cherrapunjee in 1834. The Assam Tea Company was working the coal measures near Jaipur in 1840. Systematic geological and economic investigations for coal in Assam began from the middle part of the 19th century since when the Geological Survey of India (G.S.I) has been examining the coal occurrences in Assam from time to time. First geological references on Assam coal were made by H.B.Medlicott who examined the Garo Hills in 1882 and that of the Khasi and Jaintia Hills in 1889-90 by T.D.La Touche and that of the Upper Assam areas in 1874-76 by F.R.Mallet, F.H.Smith first made reference to the occurrences of coal in the Mikir Hills in 1898.

Medlicott's high recommendation on the quality of coal of the Makum (Ledo) coal field in Upper Assam led to the incorporation of the Assam Railways and Trading Company (A.R.T.C.) which in 1882 opened up the coal field areas of upper Assam along with the construction of a 136 kms of metre-gauge railway to it. Since 1882 the A.R.T.C.were working the various Upper Assam coal fields on up-to-date lines.

Prior to the independence, the coal fields of the united K & JHills were again examined by P.N. Mukharjee (1938) and A.M.N.Ghosh (1938). The coal fields of the Garo Hills were mapped by C.S.Fox in 1937-38 and further re-examined by the coal survey party of the Geological Survey of India during 1949-50. Investigations of the coal fields along the Naga-Patkai belt were made by Simpson (1906); Hayden (1910);

Pascoe (1911); T. Banerjee (1949-50) etc. Since 1897, the Assam railway and Trading Company has been working the Makum Coalfields on the most scientific ways. The mines included Namdang, Borgolai, Tikak, Ledo, Tirap, Lekhapani and Tipong.

As Sir C.S.Fox pointed out in his "The Economic Mineral Resources of Assam" published in 1947, "some of the Nazira coal fields situating at about 12 miles S.E.of Nazira Station up the Dikhu river, was regarded as amongst the best in India." Important collieries in this region are Barjan, Kongan etc. that have long been worked by M/S Shaw Wallace & Company."

II. Socio-Cultural Changes:

The coal belts in Upper Assam witnessed major socio-cultural shift after introduction of coal mining industry. The demographic change led to cultural change of the region. In particular, Tinsukia district saw a major cultural and social change with the influx of Bengali employees of the mining Companies. Bengali culture became dominant which had further socio-cultural consequences. Again, schools were started in the district to impart education among the employees. Consequently, the indigenous inhabitants started sending their children to these schools. The coal mining industry also had to a new class of people who made contracts with the Company for shifting coal for export. This new class belonged to the migrant group who managed to earn huge sum by coordinating with the white skinned mine owners, on the one hand, and colonial bureaucratic circle, on the other.

Coal industry, directly or indirectly plays a prominent role to convert the rural society to urban society. It made historic contribution to create an industrial society. As a result of fast industrialization, the process of urbanization too, is growing fast and this is having deep impact upon society. The industrialization is not only pushing up

the urban population but is also affecting the social conditions in nearby villages.

As consequences of industrialization the population in the cities has gone up. The process of industrialization increases the population. It is on account of industrialization that there is progressive rise in the population of cities in India. Whatever social impact is due to the urbanization is indirectly due to industrialization. Therefore the impact of industrialization and the impact of urbanization are in fact the facets of the same underlying process, namely, industrialization.

The increase in the population of the cities leads not only to the decline of social and family control but also leads to decline in the influence of religion. This in turn promotes atheism. This means that people in cities are not guided by tradition and are indifferent to religious belief. Their conduct is governed by rational or personal considerations. Thus the life in cities is relatively devoid of the influence of religion. Another impact of urbanization is the gradual extinction of the joint family system and its replacement by nuclear family. Now-a-days, most families consist of husband, wife and their progeny.

With the changes in the institution of family, there is also a change in the pattern of family. Women are becoming increasingly conscious of their rights and privileges but along with it there is also a tendency to arbitrary and willful conduct. The incidence of illicit sexual relations, divorce etc., are also on increase. The ostentation and intense fashion have also become the order of the day.

With a diverse population in respect of ethnicity, religion and language having varied socio-cultural practices, Assam is characterized by a high rate of population growth which has been even higher than the country's average almost throughout the last century. The state's population was 3.29

million in 1901 and it increased to 26.65 million in 2001 by experiencing an average annual exponential growth rate of 2.11 per cent during 1901-2001 as against the country's 1.47% as a consequence, the share of the State's population to the country's total increased from 1.38% in 1901 to 2.59% in 2001. Such a high growth rate has a number of far reaching demographic implications, including changes in the ethno-linguistic and religious composition of population in the State.

III. Economic Impact: Due to development of coal industry, certain changes are also evident in economic sphere. Development of science & technology, transport and communication has largely influenced the economic structure. Especially the agrarian economy is at present in a state of crisis. Besides the self-sufficient village economy has been disintegrated. It has become an integral part of national economy. Production is not just to meet the requirements of the community, but it is for the requirements of the markets. Thus there is shift from agricultural economy to national and industrial economy.

In the early part of the modern period, the economic activities were generally regulated by the governing power. It was an economic reflection of the growing unification of European peoples under strong monarchical Governments. The interest of the secular rules lay in internal unification and this necessarily meant economic as well as political integration. The mercantilist ideology dominated the period. The economic activities of the people were politically regulated to increase the profits of the king and to fill his treasury with wealth. The nation was looked upon by the mercantilist as an economic organization engaged in the making of profit. The ownership and use of productive properties were minutely regulated by mercantilist law.

Then came the industrial Revolution which changed the techniques of production. The policy of mercantilism also had failed to bring about the welfare of the people. To secure maximum production of usual goods the new doctrine of 'Laissez-faire' was propounded. The doctrine preached non-interference in economic matters. According to this doctrine, if individuals pursue their own interest, unhampered by restriction; they will achieve the greatest happiness of the greatest number. Its advocates, Adam Smith, J.S.Mill, Spencer and Sumner contended that Government should remove all legal restrictions on trade, on production, on the exchange of wealth and on the accumulation of property. Adam Smith enunciated four principles-(i) the doctrine of self interest, (ii) laissez faire policy, (iii) the theory of competition and (iv) profit motive.

Upon these principles and in response to the changing techniques of production brought about by industrial Revolution, a new system of property ownership and 'production', capitalism developed. The Industrial Revolution replaced factories in place of households. In factories the work was divided up into little pieces, each worker doing a little piece. Production increased. Large plants in course of time were set. Corporations owning large plants came into being. All these developments of mass production, division of labour, Specializations and exchange were accompanied by capitalism.

Capitalism is an important phase in the development of economy. It is a necessary phase in the development of any country since it helps raise standard of living and encourages new social values like individualism, equity, freedom etc. of course it becomes an evil when it tends to exploit the workers.

European capitalists' penetration in to India began with the Portuguese establishment of their factory at Calicut in

1500(1498) and their conquest of Goa in 1506. The British rule in India, beyond the trading settlements which were already the initial outposts of conquest, dates from the middle of 18th century. India has been recognized as the pivot of the British Empire. According to Buchanan:

“Here was a country with all crude elements upon which manufacturing depends, yet during more than a century, it has imported factory made goods in large quantities and has developed only a few often simplest industries for which machinery and organization had been highly perfected in other countries. With abundant supplies of raw cotton, raw, jute, easily mined coal... with a redundant population of the starving because of lack of profitable employment ..., with an excellent market within her own borders...in which others were selling great quantities of manufactures, with all these advantages India, after a century, was supporting only about two % of her population by factory industry.”

No doubt, the coming of the British gave a boost to Indian business enterprises. Their main field of activity was trade, money-lending and banking. The great product of this activity was Jagat Seth and Amin Chands who sole away the country without qualms. Up to 1947 the British policy was centered round on three principles. The first is the period of merchant capital represented by the East India Company. The second of the period of industrial capital and the third is the finance capital. However, the policy of free-trade, fixation of exchange rate, permitting the foreign capital to establish itself in India detrimentally balked the emergence of Indian capitalism.

Further, the managing agencies played a package deal for everything that was in short supply in India---industrial

capital, technical knowledge, modern management etc. finance capital both Indian and British, mainly operated through the managing agency system. By this system, a small number of managing agency firms promote, control and to a considerable extent finance the various industrial companies and enterprises, govern their operations and output, and market their products, the board of directors of the companies fulfilling only a subordinate role. The cream of the profit passes, not to the shareholders, but to the managing agency. Initially, a managing agent was just an executive who helped an entrepreneur to establish and run a plantation, a coal mine or a factory. Such an entrepreneur was often not familiar with local conditions and also did not want hire managers on his own, but gladly turned to an already established team with a prove record of managerial skills. However the managing agents used their brains for designing industrial progress. The picture of the industrialization of India under imperialist rule is a myth. According to **Buchanan....**

“The country is still annually importing for more manufactures than its export. While the proportions are gradually changing, Indian economic life is still characterized by the export of manufactures. In spite of her factories, India is less nearly self sufficient in manufactured products that she was a century ago.”

In the beginning, the coal industry provided an unflinching source of employment to

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labourers and educated class who were anxious to get employment. In the nature of things a large industry like coal, tea, and the industry's contribution does not end here. The coal mining industry supported other industries like plywood, fertilizers tea, and transport etc. the industry has been the potent factor in the improvement of means of communication to this part of the country. The railways in Assam “Jorhat Provincial and Dibru-Sadia” were started to take stones, coal and tea. Later on most of the tea producing areas has either been linked through main line or through branch lines to the rest of the country. The most important road linking Lower and Upper Assam is Assam Trunk Road (A.T.Road). Most of the gardens situated on both the banks of the river Brahmaputra are either found on the main roads itself or linked with it. The tea gardens, coal etc not only contributed much to the construction of main roads and link roads but also made responsible by the Local Boards for the maintenance of such roads.

The development of trade and commerce in this region was mainly due to the prosperity of this industry. The town of Dibrugarh, Jorhat, Tinsukia and Tezpur owe to their location in the tea producing areas in Assam. We, can therefore, say that growth, development and prosperity of tea industry in Assam have contributed much to the economic development of the state of Assam in the pre-independence period.