

**ASSAM-BHUTAN FRONTIER TRADE RELATIONS DURING THE
BRITISH COLONIAL PERIOD (WITH SPECIAL REFERENCE TO THE
DUARS OF KAMRUP AND DARRANG)**

**THESIS SUBMITTED TO BODOLAND UNIVERSITY FOR THE AWARD
OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN HISTORY**



BY

JWNGSAR DAIMARI

Ph.D. REGISTRATION NO: FINAL.HIS00271 of 2019-2020

B.U. REGISTRATION NO.: 020072 of 2019-2020

**DEPARTMENT OF HISTORY
FACULTY OF SOCIAL SCIENCES
BODOLAND UNIVERSITY
DEBARGAON: KOKRAJHAR: 783370**

2022

Conclusion

The strip of land called Assam Duars, about 450 sq. miles, was an indispensable region for Bhutan. Bhutan being a hilly country, the production was limited. Therefore, they depended on this tract of land to procure the necessities. These Duars were called Assam Duars; five were in the Kamrup district, and the remaining two were in the Darrang district. However, the Kamrup Duars were under the exclusive control of Bhutan and the Darrang Duars were under joint occupation. The Ahom government in return for the Assam Duars received a fixed amount of tribute from Bhutan in form of Narayani rupees and some items. The inhabitants of Assam Duars produced rice, dried fish, cattle, cotton cloth etc. The Bhutias who resided in the upper region were deficient in these articles; therefore, they sought the Duars to acquire them. The usual mode of transaction involved in trade between the Bhutias and the inhabitants of Assam Duars was the Barter system. The Bhutias bartered ponies, salt, yak tails', musk etc.

The Ahom government, for the convenience of establishing trade relations with the Bhutias, organized several markets in the frontier areas of Assam Duars. These trade fairs, besides, being a source of revenue, these trade fairs also showcased their authority beyond the frontier. However, the situation on the border was not always peaceful; the Bhutias often raided villages in the plains and even kidnapped subjects of the Ahom government as slaves. The Ahom government responded to such raids by closing Duars and subjecting them to economic starvation.

Under the patronage of the Ahom kings, the trade in the frontiers of Assam Duars was dominated by two types of goods. These were agricultural produced goods and traditional cottage industry goods. Salt was the prime item of import in trade with the Bhutias. The rest of the goods were raw materials such as copper, lead, and consumer goods.

However, during the last days of Ahom's rule, the trade fairs established in the frontiers of Assam Duars gradually ceased as a result of the Burmese invasion of Assam. The Burmese invasion resulted in the Anglo-Burmese war. This war came to an end with the peace treaty of Yandaboo in 1826. The Treaty of Yandaboo marked the beginning of British rule in Assam. The occupation of Assam brought the British into contact with Bhutan through the Duars. However, after the annexation of Assam, the British continued the existing arrangements of the Ahom government for the Assam Duars with Bhutan, which included exclusive control of Kamrup Duars and partial control of Darrang Duars.

By 1837, the British discovered that the Bhutias were delinquent in their tribute payments for the Assam Duars. To make matters worse, the Bhutias were also involved in plundering and raiding the British territory. Therefore, the colonial government sent a mission under Robert Pemberton to negotiate a settlement. But the mission failed to achieve its objectives. Moreover, the atrocities on the borders continued. Therefore, in 1841 the British government annexed the Kamrup and Darrang Duars on the compensation of Rs. 10,000 to Bhutan.

In 1854, the Bhutan Durbar issued a stern warning, arguing that the compensation paid for Assam Duars should be increased. However, the refusal of the British government to comply with the demand was followed by the raids into Assam Duars. As a result, by 1860, the colonial government had decided to occupy all the eighteen Duars located in Bengal and Assam. But, before taking such radical measures, Governor-General Lord Dalhousie decided to send a mission to Bhutan in 1863, led by Ashley Eden, secretary to the Bengal Government, to find a solution to the disputes and establish political relations with Bhutan. However, the mission was a failure, and Ashley Eden was forced to sign a document acknowledging the surrender of all the Duars to Bhutan. This was followed by the Duar war, 1864-65 in which the Bhutias were forced to submit. The Treaty of Sinchula (1865) marked the genesis of British diplomacy over Bhutan and further strengthened the British possession in the eastern Himalayas. Through the Sinchula treaty, it was also agreed to compensate Bhutan with a sum of Rs. 25,000 annually for the loss of the Duars and gradually increasing over to Rs. 50,000 in the next three years on the condition that if the Bhutan government continued the good conduct.

After 1865 the policy that governed the British interest toward Bhutan was linked with her objective of extending trade to Tibet and thence to Central Asia. Bhutan being strategically located and the road through which the British trade from northeast India could pass with ease to Tibet prompted the British government to open relations with Bhutan. Sir W. J. Hersehall, Commissioner of Cooch Behar, wrote in 1874 that '*Our relations with Central Asia via Phari are beginning to take shape and must, before long, under the influence of railways and trade, become of great practical value. Bhutan must have a part in these relations, though a subordinate one.*'¹

The British after the annexation of Assam were instrumental in restoring trade fairs in Assam Duars. The intention behind embarking on such steps was to generate surplus revenue and exert political control over Bhutan. The authorities used provincial and district funds to

organise the annual trade fairs. Even though the amount of duty collected from the trade fairs was insufficient as compared to the cost of organising the trade fairs, the authorities continued to organise the trade fairs to popularise European goods among the participants in the trade fairs. Moreover, to enhance the purchasing power of the Bhutias and boost trade, the British replaced the traditional system of 'Posa' payment introduced by the Ahom king Pratap Singha with cash payments. Darbars were organised during trade fairs to discuss important political matters. In the trade fairs, European manufactured luxury goods, including intoxicant goods like cigarettes, wine, tobacco pipes etc., were also offered to the Bhutias to accustom them to European merchandise. Consequently, the Bhutias' interest in European products started to aggravate.

No doubt under the British patronage the number of markets or haats and the value of transactions intensified in frontier trade fairs, but this was not without a cost. The traditional old industries of Assam that had existed for centuries were discouraged due to the de-industrialization policy of the British. This exploitation was carried out by importing European machine-made goods, which were much cheaper in contrast to the goods manufactured by the traditional industries.

Moreover, monetization of the economy also proved a deterrent for the native traders in carrying out trading activities as they were still accustomed to the traditional system of payment, i.e., the barter system. Moreover, tariffs levied on the traditional industries also discouraged production. In fact, the introduction of a cash-based economy affected the state of the condition of the natives of the Assam Duars, in such a manner that they were obliged to borrow money from the money lenders, at a high rate of interest or take loans in advance for their production or produce in order to pay land revenues or dues. This further aggravated the scope of capital formation at the local level and guaranteed the balance of trade in favour of the out-agencies. The situation proved advantageous for the far-flung traders like Marwari merchants, traders from east Bengal and others, who gradually ousted the traditional merchants and monopolized the lucrative frontier trade.

The policy of maximization of land revenue also affected the Assam Duars. The discovery of the suitability of the soil for tea cultivation induced the colonial government to introduce a policy of wasteland grants. Under the policy, large tracts of land were granted at nominal rates to lure the European capitalist to the cultivation of tea. As a result, the Europeans seized vast swaths of land in Assam Duars. Moreover, the growth of the tea industry required

a large number of labourers. To fill the scarcity of labourers, labourers were imported from the Chota Nagpur, Other Parts of Bengal, United Provinces, Central Provinces and Madras. These labourers after the expiry of their agreement settled in and around the tea estates. Some of them even took up agriculture and trading. This resulted in the demographic alteration in the Assam Duars.

The introduction and development of transport and communication propelled the entry of the outsiders into Assam Duars and soon displaced the local petty traders. Moreover, this also began to accelerate the movement of goods, which had an adverse impact on the demand and supply process of the local goods. This also boosted the influx of outsiders. The Marwaris, the Nepalis, the Bengalis of East Bengal, and the Kabuliyaats made their way to the Assam Duars. Besides, improvements in communication alleviated the isolation, allowing men, materials, and ideas to flow in from the outside.

The other immigrants in the Assam Duars viz., Punjabis, Bengalis of East Bengal, Afghans, tea garden labourers from United provinces and Nepali graziers. These immigrants were fortune seekers who earned an income in Assam and sent a substantial portion of their income to their homeland. Apart from that, British planters and officials remitted enormous sums to the United Kingdom. The new economy benefited only the outsiders. Thus, the economic disparity in Assam Duars widened. Moreover, the availability of imported cheap machine-made goods induced the people to use them, which discouraged indigenous production.

The intensity of trade transactions in the nineteenth century multiplied but it did not contribute to the well-being of the indigenous inhabitants since most of the trade was now controlled by the foreigners. Therefore, frontier trade relations with Bhutan had little impact on the economy of Assam Duars. Moreover, with the growth of markets or haats in the Sadar stations, the Bhutias instead of trading in the trade fairs resorted to these places for obtaining a better price for their products.

Findings

The following major findings were reached while analyzing the various issues pertaining to frontier trade relations in the Assam Duars.

British interest in the restoration of trade fairs

The trade fairs in Assam Duars witnessed the participation of the Bhutias since its establishment by the Ahoms. The British prior to the outbreak of the Anglo-Burmese war were aware of the trade transactions of the Bhutias in the Assam Duars. But during the course of the Burmese invasion, these trade fairs ceased. The British after the annexation of Assam married with commercial perspectives revived the trade fairs. Besides, the restoration of the trade fairs also helped to halt the incursions of the Bhutias and contributed to ushering peace in the Assam Duars. The trade fairs also made the Bhutias economically dependent on the plains and the British took the privilege to influence them politically. Over time the British learned from the reports about the lucrative trade of European broadcloths in Tibet. Tibet was renowned for its gold and enticing tea market. Therefore, the British sought a direct land route and Bhutan being strategically located it became imperative for them to control Bhutan politically. Thus, the Duar war was fought which brought the British economic advantages apart from establishing political control over Bhutan.

Development of Trade Fairs, Markets or Haats into Towns

With the developments in transportation and communication in Assam Duars, the rural and isolated regions in Assam Duars were linked with the national markets. Furthermore, a system of settlements developed, in which each thana, taluka, or district, each of which had its own administrative hierarchy, began to develop into a small market. It's worth mentioning Paneri haat, which grew into a regular market after a police thana was established there in 1901. As the railway network expanded into the areas of Assam Duars, each station provided a nucleus and the potential to develop into a small town. Railway junctions, in areas of Assam Duars like ones in Tangla, Udalguri, Rangya etc., grew into large settlements and then into a town. The construction of roads also aided the movement of goods and people, as well as the potential for increased trade and the establishment of other service centres.

Change in the Commodities of Trade

Under the patronage of the British no doubt, the volume of trade transactions increased by leaps and bounds. But there was a substantial change in the commodities of trade. In the preliminary period, the goods sold in the trade fairs consisted of agricultural produce along with indigenous industry goods. On the part of the Bhutias, the primary article of export was salt along with various hill products. But soon the British introduced European manufactured

goods in the trade fairs which were comparatively cheaper in contrast to the indigenous manufactured goods. Moreover, in order to make the Bhutias accustomed to European goods, they started distributing them as gifts. This in time proved detrimental to the sale of indigenous goods and obliterated the indigenous industry and crafts and altered the self-sufficiency of the inhabitants of Assam Duars.

Change in the Mode of Transactions

In the initial period barter system was the most acceptable mode of transaction in the trade fairs. In absence of a currency barter system occupied the prominent position of transactions with the Bhutias. The British introduced the cash transactions in the trade fairs and in order to process the cash transaction in trade fairs the Posa system which was paid in kind was replaced by the cash payment. This policy of the British deprived the indigenous traders of Assam Duars who were still accustomed to the traditional method of transactions. This policy of the British led to the introduction of the foreign traders in the Assam Duars, who in time monopolized the trade in Assam Duars.

Deterioration of Indigenous Industries

The advent of the British in Assam Duars led to the deterioration of indigenous industries. The indigenous industry goods viz., Pat, Muga, brass pots etc. which were popular among the Bhutias in the fairs were gradually replaced by European merchandise. This policy of the British led to the de-industrialization. Many of the inhabitants who produced indigenous goods for sale in the trade fairs now gave up their profession for agriculture.

Change in Merchants and Traders

The frontier trade in Assam Duars was occupied by the indigenous traders. But with the changing economy, the Marwari merchants who had the better knowledge of trade monopolized the trade with the Bhutias. Moreover, the indigenous traders lacked acumen and capital and they were unable to capitalise on the opportunity. In such a situation the Marwaris emerged as an unrivalled trader in the Assam Duars.

Demographic Changes

In the Assam Duars the establishment of tea plantations and the development of transport and communication in the nineteenth century there were marked changes in the demographic pattern. The tea plantations required manual labour which was not readily

available in the Assam Duars. To withstand the shortage of labourers in the plantations the planters imported labourers from Bihar, Orissa, Central Provinces, United provinces, Bengal, and Madras including labourers from Bombay. These labourers after the expiration of their agreement resided in the Assam Duars as a cultivator or traders. Additionally, with enormous areas of land remaining unoccupied in the Assam Duars, migration in groups and villages into the plains and around market centres began to rise. The Nepalis in search of a better livelihood and the suitability of land for cattle rearing induced them to migrate into the region.

Imbalance of Trade

The trade relations with the Bhutias had an imbalance of trade since the Bhutias exported more than imported. Although the trade proved to be imbalanced the British regularly organized the trade fairs in the Assam Duars since their main intention of organizing trade fairs was to affect the economies of the Bhutias and in the process to extend their authority beyond the frontiers of Assam.

Research Prospect for Future Researchers

While studying the Assam-Bhutan Frontier Trade Relations during the British Colonial Period (with special reference to the Duars of Kamrup and Darrang) it has been found out that the British apart of opening the routes of Bhutan to Tibet for commercial relations was also interested in opening route of Chumbi valley to Tibet. Therefore, the British encouraged the frontier tribes of Arunachal Pradesh to participate and even attracted them to the trade fairs in Assam Duars. The British through the frontier tribes wanted to extend their trade to Tibet, China and Burma and thence to Central Asia.

Notes and references

¹ Cited in Nirmala Das, *The Dragon Country*, Orient Longman, New Delhi, 1973, p.36