

# The Refinery Movement in Assam

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Oil has played an important role in the politics of Assam and is a determining factor in the relation between the centre and the state. The right over the natural resources of Assam has been an issue of contention between the central government and Assam in post-independence India. The discovery of a new oilfield in Assam immediately after independence led to conflicts not only between the Assam and the central governments, but also between the Government of India and the Assam Oil Company and its equity holder, the Burmah Oil Company, since there were moves to nationalise minerals. Though the conflict between Assam and the government of India started over the location of the refinery, the debates in the public sphere and in the Assam legislative assembly raised larger issues like the rights over natural resources, the question of Assam's development and the centre's role in it and the relation between the centre and the state.

The presence of petroleum in Assam was first noticed by R Wilcox, an army man and geologist, in 1825. He found petroleum in the bed of the river Burhidihing at Supkong near the coal bed. Following him several others also reported the presence of petroleum in eastern Assam. For instance, C A Bruce, well known for his discovery of the tea-plant reported about several instances of petroleum seepages at Makum in eastern Assam. In 1837, Adam White, political agent of the East India Company (hereafter EIC) based in upper Assam, too found oil at Nampong close to the river Namrup. A year later Jenkins noticed several oil springs close to a coal outcrop near Borhat in eastern Assam. In 1845, S Hanny, commandant of the 40th regiment infantry and a professional geologist, reported oil seepages at Naharpung. The area he identified was located close to a bed of coal deposit. Despite this the interest of the EIC was largely limited towards its commercial exploration.

In 1851, the EIC formed the Geological Survey of India (hereafter GSI) as an institutional mechanism to explore India's mineral resources. It was only after this that the British government undertook concrete steps towards systematic exploration of petroleum in Assam. Surveys conducted by the GSI brought in more standard results. H B Medlicott, deputy superintendent of the GSI, in his survey of the coal tracts mentioned the presence of good oil springs at Makum. He suggested that "experimental borings should be made to test the value of oil accumulated".<sup>1</sup> In 1865, a private speculator, Goodenough, who was part of the Mckillop Stewart and Company based in Calcutta, decided to seek a fortune based on Medlicott's recommendations and obtained permission to explore such an oil spring near Makum. Despite his early attempt nothing much was achieved until the 1880s.

In early 1888, a successful boring was done at Digboi by the Assam Railway and Trading Company (hereafter ARTC), but for further exploration and establishment of a refinery, it needed more capital. To raise this, a subsidiary company, the Assam Oil Company (hereafter AOC) was formed in London and it took over the rights of the ARTC. Till 1921, the ARTC was closely associated with the AOC when the Burmah Oil Company (hereafter BOC) took over the AOC and provided it with technical and commercial managers. The establishment of the Digboi Oil Refinery by the AOC coincided with the British admiralty's serious experiments in use of oil instead of coal.

The formation of the AOC also witnessed the government's growing interest in the oil industry. It reflected from the fact that there was an increase in the number of land leases to explore oil both in the Brahmaputra and Surma Valley. The increase in interest is explained by G G Jones as it was at the time when the crown possessed the mining rights over the territories of the Indian

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empire and the extensive use of kerosene by Indian consumers.<sup>2</sup> The period coincided with the British admiralty's experiments with replacing coal with petroleum in its warships. The colonial government emphasised the rapid development of the BOC, as the British admiralty was determined to have its required oil from British territories and British companies.

That the oil exploration in India was not satisfactory had been pointed out by the GSI itself.<sup>3</sup> It was also noted by the power sub-committee of the National Planning Commission which was initiated by the Congress in 1938.<sup>4</sup> The one reason for the slow growth in oil exploration might be the colonial government's exclusivist policy. Though the Indian market was dominated by American and Russian oil, by 1904-05, the BOC captured 35% of the Indian market. The British government safeguarded the inflow of Burmese oil into the Indian market by exempting it from the tariff imposed on the import of oil.<sup>5</sup> The efforts of American companies to explore oil in Burmah and India were discouraged by the British government. The aim was to secure the monopoly enjoyed by the AOC and BOC. Bipan Chandra has argued that the exclusion of foreign capital from India's oilfield was to protect the interest of British capital.<sup>6</sup> However, Jones has argued that the exclusion of foreign companies like the Standard Oil from Burmah was to protect and develop the BOC and not the interests of the British capital.<sup>7</sup> Such a policy, however, had a detrimental effect on India's oil prospects. The exclusivist policy slowed down the development of oilfields in India, as the large international companies had the capital resource to undertake large-scale exploration and developmental work. In post-independence India, the government was also apprehensive of the big oil companies and it emphasised the increased involvement of the Government of India (GOI) in the oil industry. In the late 1950s and early 1960s, K D Malaviya, union minister for mines and oil did pioneering work in developing India's national oil industry independently of the foreign multinational oil companies by disassociating the multinationals not only from refining and marketing but also from exploration and production with help from the Soviet Union.

### Assam in the 19th Century

By the middle of the 19th century the British empire made substantial progress in the mapping and exploiting of Assam's natural resources. Existing histories of the Assam forests tell us how the British State had created enough knowledge about Assam's forest resources which resulted in the control over the collection and production of forest products like lac and rubber and how it exported them for the market in Calcutta.<sup>8</sup> The control over timber production and trade became a growing colonial interest with the development of the tea industry and the railways. There was an increasing demand for timber for tea chests, railway sleepers, bridges and buildings. Therefore, the exploration, classification and exploitation of existing forests of Assam became an urgent necessity. By the 1850s the EIC worked towards the conservation of the forests and towards an exclusive right over them. After the formation of Assam as a separate province in 1874, a separate forest department was established to supervise the forest resources of the province.

Along with the successful plantation of tea, the British government invested in the exploration of other mineral resources. With the formation of the GSI the nature of mineral exploration in the state acquired a more professional nature. The GSI undertook elaborate exploration of coal and oil in Assam. Jenkins made an earnest recommendation to the committee for investigating the coal and mineral resources of India in 1836 to depute a scientific surveyor to examine the existence of coal along the southern hills of the Assam Valley.<sup>9</sup> The British obsession with coal in India resulted in the exploration of 27 coalfields by 1867.<sup>10</sup> The amount of coal raised in Bengal in 1859 was 99,61,928 maunds (37,32,42 kilograms) which rose up to 1,08,34,551 maunds in 1861.<sup>11</sup> In this context and with the growth of tea plantations by 1860 the exploitation of coal became extremely significant. The rise was due to the expansion of railways. Besides coal, the colonial state kept on looking for other minerals like lime, manganese, and iron. In the fourth quarter of the 19th century coal was produced commercially in eastern Assam. This period of colonial rule is marked by the utilisation of natural sciences like botany, zoology and geology to exploit the country's resources while neglecting the industrial and technological side.

In comparison to coal, the petroleum industry experienced slow development and it was only in the late 19th century that the oil industry made inroads in Assam. Oil as a natural resource of Assam continued to play an important role in the post-colonial polity. Yet, historical works on the colonial economy of Assam have confined themselves primarily to study of the discovery of oil and its commercialisation under the AOC. The oil industry has not attracted separate attention and it has been studied as part of the understanding of the overall economic growth of Assam under the British rule. Historians like H K Barpujari and Priyam Goswami who studied the political economy of colonial Assam have dealt with oil along with other natural resources. Like the economic nationalists, Goswami argues that Assam like any other part of British India experienced economic backwardness under colonial rule.<sup>12</sup> Rajen Saikia recognised that towards the end of the 19th century several crafts like gold washing, dyeing, iron making, and ivory carving declined while the handloom sector managed to survive. Saikia does not put the blame on the EIC's imperialistic interests. It was not the sole buyer, it did not put any restrictions on the producers and it did not oust local capital from its own area of operation.<sup>13</sup> The decline according to Saikia was due to the absence of local trading capital.<sup>14</sup> Saikia further argues that the incidence of "deindustrialisation" in 19th century Assam is a misnomer as there was no exclusively industrial population in Assam and therefore there is hardly any statistical information available regarding the workforce, output and the market related to a particular craft and there was no division of labour and separation of craft from agriculture.<sup>15</sup> Barpujari, while recognising the fact that the increasing surplus or profit from trade and industries went out of the province, does not put the entire blame on colonial rule for the backwardness and poverty in Assam. He argues that it would be expecting too much for a colonial rule to be guided by philanthropic motives and contextualises the colonial rule's limitations. He argues that the economic development was a two-way process where the regional

specificities played its role.<sup>16</sup> On the other hand, the economic development of colonial Assam has been termed by Amalendu Guha as “a big push without take off”.<sup>17</sup> Guha points out that there was a push in the investment in Assam’s economy between the period 1881 and 1901, which was 15-20% of the region’s existing national income, yet it did not lead to any commensurate growth in the indigenous sector of the economy as the benefits could not be widely absorbed in the agrarian society.<sup>18</sup>

By the second half of the 19th century Assam experienced a tremendous growth in the tea industry. The acreage under tea cultivation increased from over 56 thousand acres in 1872 to 338 thousand acres in 1901 with the support from the colonial state. With the growth of a plantation economy the province needed an improved infrastructure, particularly communications; consequently the construction of railways became important. The mileage under railways increased from 114 miles in 1891 to 715 miles in 1903. The increased mileage under the railways demanded a stable fuel supply and the respite came from the coal industry. The imperialistic concern of the State reflects from the fact that the alignment of the railways was done through the thinly populated tea belt areas while the old trading centres like Goalpara and Barpeta and towns like Sibsagar were bypassed. The colonial state in the 19th century thrived on plantation economy while neglecting the industrial sector. Even in the plantation economy it was the white capital that dominated and the native capital faced discrimination from the State.

### Development and Regionalism in Assam

In post-independence Assam the petroleum industry along with other natural resources got entangled with the developmental discourse and with the growing forces of regionalism. The concept of development in the decolonised third world countries after second world war meant the process of capital accumulation through industrialisation accompanied by disintegration of pre-modern economic organisation and social institutions.<sup>19</sup> The question of development in Assam was also no different from this postwar discourse on development. The feeling that Assam remained one of the most backward provinces in India was so strong that the Assamese leadership continued to show concern for the economic development of Assam. The question of regional identity in post-independence India took in both the issue of cultural autonomy and economic development.

Political scientist Sanjib Baruah argues that sub-nationalism in India originated with and was sustained by the civil societies with organisational capacities. For example, in case of Assam, the Assam Sahitya Sabha and the All Assam Students Union (AASU) played a significant role in sustaining Assamese sub-nationalism.<sup>20</sup> The sub-nationalist mobilisations in Assam rallied around cultural demands like the use of Assamese language as the state language and medium of instruction and the economic demands for large-scale projects which would lead the province towards progress. It is the collective memories and aspirations that have produced the sub-national “imagined communities” within a pan-Indian “imagined community”. Besides, the expression of regional pride and cultural affiliations in the sub-national politics, and the question of rights over natural resources has

been a recurrent theme. The question of a regional or an ethnic identity is not only about cultural politics, but also about claims to a territory, resources and to livelihood.<sup>21</sup> The mainstream Assamese discourse along with the insurgent group continuously refers to the availability of natural resources in Assam and Assam’s contribution to the central exchequer at the cost of its own development. The Assamese nationalist leaders argued that Assam is not poor in resources, but remained poor as her financial returns were low and because of the “inequity of the Central government”. An instance of such rhetoric was that of the leading Assamese Congress ideologue Omeo Kumar Das who argued thus:

My province, Assam, has been the source of contribution to the Central exchequer to the extent of nearly rupees eight crore annually in the shape of excise and export duty on tea and petrol. But the subvention that was given to Assam was only rupees thirty lakhs. I do not find any change in the outlook today.<sup>22</sup>

Several insurgent groups like the United Liberation Front of Asom (ULFA) too speak the same language to justify their revolt. The ULFA argues that India has been engaged in large-scale exploitation of Assam’s rich resources thereby reducing it to one of the most backward states. However, the ULFA added a new dimension to the discourse on development by arguing that the relationship between the state and the centre was colonial in nature. The aim of the ULFA as stated by the organisation is “To liberate Assam (a land of 78,529 square kms), through armed national liberation struggle from the clutches of the illegal occupation of India and to establish a sovereign independent Assam”.<sup>23</sup> There have been changes and continuities in the discourse on development with the changing generations.

Oil, as one of the important mineral resources of Assam has played an important role in its politics and has been a determining factor in the relations between the centre and the state. The right over the natural resources of Assam has been an issue of contention between the central government and Assam in post-independence India. The discovery of a new oil field in Assam immediately after independence led to conflicts not only between the Assam and the central governments, but also between the GOI and the AOC and its equity holder the BOC as GOI was moving towards nationalisation of minerals. Though the conflict between Assam and the GOI started over the location of the refinery, the debates in the public sphere and in the Assam legislative assembly raised larger issues like the rights over natural resources, the question of Assam’s development and the centre’s role in it and the relation between the centre and the state.

The Refinery Movement is one of the earliest movements in Assam that reflects the complex relation between the multiple identities in post-colonial India and the unitary federal developmental state of India. The conflicting nationalisms question the common nation state projects as different post-colonial nations have “different senses of urgency, deprivation and complacency” as the regions or the communities in the post-colonial India assess themselves on “a scale of accomplishment naturalised by the developmental State”.<sup>24</sup> In these assessments, the extent and control over nature as resource or heritage became an important factor towards development. The present paper attempts to study this complex relation of natural resources and Indian

developmental discourse with particular reference to the Refinery Movement in Assam in the 1950s, which demanded the establishment of a refinery in Assam while the government had decided to set it up outside Assam. This refinery would draw from the newly discovered oilfields in Naharkatiya in western Assam. The paper also seeks to study how the discourse of development was linked to the refinery movement and how it became part of the sub-nationalist discourse in Assam. Could the movement bring any newer issues in challenging post-independence Indian development paradigm? Or to what extent was the ideological paradigm of the movement different from pre-independence Assamese intellectual position vis-à-vis its pre-independence position?

### Space for a New Refinery

In post-independence India the first major discovery of oilfields in India was at Naharkatiya. The new reserve discovered in north-eastern Assam was expected to support a production of 2½ million tonnes a year, which would be able to supply a third of the country's requirements in the next three years.<sup>25</sup> The immediate concern of the GOI was to form a rupee company (a company which was promoted during the process of transformation of investments from pound to rupee) with the AOC, negotiate its share with AOC/BOC and to decide upon the location of the refinery. Negotiations started early in 1956 between the government and the AOC/BOC over issues like the government's participation in the rupee company, price of crude mined material, construction of a pipeline for transport of the crude and mobilisation of foreign exchange resources.<sup>26</sup> An expert committee had favoured Calcutta as the site for the refinery. The AOC argued that the refinery should be an integral part of the rupee company (the GOI was against the integration of the refinery with the rupee company) and that the shareholding should remain at the ratio of 33<sup>1</sup>/<sub>3</sub>%. The GOI did not agree to integrate the refinery with the rupee company when its share was so minimal and oil had already been reserved for development in the public sector under the new industrial policy of 1956. It was clear that if a refinery or refineries would be set up under the public sector, the AOC would not join such a venture and in such a situation India would require funds and technical assistance. Finally, India could establish two refineries under the public sector with foreign aid. The joint rupee company was formed in 1957 in which the BOC would invest two-thirds of the equity and other one-third by the GOI. Two other sites mentioned by the committee were Dhuburi in Assam and Barauni in Bihar.

The AOC recommended building the new refinery at Calcutta, still an important port city and centre of several leading managing and business houses, as it was the most economically viable location. On the other hand, the GOI preferred Barauni in Bihar as the site for the refinery. It has been argued that the site of Calcutta for the refinery was the AOC's gambit though it was projected to the GOI as the recommendation of the committee (this view was also held by the press and the people in Assam).<sup>27</sup> It has also been pointed out that the AOC and BOC expected to set up the refinery at Calcutta to gain profit like the coast-based refineries in Bombay and Vishakhapatnam. The refinery could sell the products in and around Calcutta and the surplus products could be exported through tankers of the companies. Without oil

tankers of its own, the GOI could not compete with the oil companies. Malaviya recognised these weaknesses and was opposed to Calcutta as the location.

The GOI favoured Barauni in Bihar as the best suitable site. It was presumed that Barauni had several advantages: Its products could be distributed in the upcountry region via Patna-Nagpur-Amritsar, using the favourable transportation system at more favourable rates than Bombay. As a result, the Bombay and Vishakhapatnam refineries would be forced to cut down their prices. On the other hand, the price of crude would place the AOC's Digboi at the mercy of the government as between Digboi and Barauni, the latter's products would be cheaper. Similarly, the crude price could probably be further reduced on production touching five million tonnes. That would make the government refineries more profitable. The strategic position of Assam as a frontier province must have had a bearing on her economic situation. For example, the question of defence might have influenced the decision by the GOI to place the refinery outside Assam.

However, the central government's decision to establish the refinery at Barauni was challenged by the Assam government and all the parties representing the hills and the plains stood united for the cause supported by the people of Assam who actively participated in the movement. It was led by the All Assam Refinery Action Committee under the leadership of Hareswar Goswami and Hem Baruah, both leaders of the Praja Socialist Party. J J M Nichols Roy representing the hills supporting the cause stated:

...we in Assam, naturally expect that when this oil is found in the wells of Assam, the refinery should also be in Assam. That is our natural feeling that when we have the source of oil wealth in the state, we have the right to claim that the processing of crude oil also should be in Assam...We the people living in the Hills or Plains of Assam feel strongly that this refinery should be located in Assam.<sup>28</sup>

Let us now examine the development of the popular protest against the GOI's decision.

### The Refinery Movement (1956-57)

The resolution that the refinery should be established in Assam was taken in the legislative assembly on 3 April 1956. However, no definite assurance was given by the central government. The people in Assam saw the government's moves as being influenced by British oil interests. Gaurisankar Bhattacharya, an MLA and leader of the Communist Party of India in Assam stated that "the oil company in Assam has got a link with the oil kings of the world, and, therefore, we have been seeing that in their own interest the oil kings have been from the very beginning trying to have the refinery outside".<sup>29</sup>

The first widespread protest for the refinery in Assam took place on 28 August 1956. The movement was jointly spearheaded by the leadership of the opposition party and the chairperson of the All Assam Oil Refinery Action Committee, Goswami. On that day a strike was organised throughout Assam and public meetings were followed by street marches in all parts of Assam. Shops, schools, colleges and offices remained closed and in some places the volunteers were also involved in picketing. The state transport and railway services had to be curtailed under pressure

from the people. There was confrontation between police and protesters in Nagaon. In Guwahati, the police resorted to lathi charge and also used tear gas to disperse the mob. The strike resulted in the arrest of 306 people.

The necessity and nature of the hartal of 28 August were debated in the August-September session 1956 of the Assam legislative assembly. The ruling Congress Party criticised the strike as unnecessary and violent. The Chief Minister Bishnuram Medhi termed it as unjustifiable. He said it “degenerated into various offences and crimes involving violence and breach of peace”.<sup>30</sup> Medhi called it “unjustifiable” because the central government had not accepted the AOC’s advice to set up the refinery at Calcutta and the government had been considering the question from Assam’s point of view. Medhi, while criticising Goswami’s role argued that, “a vital question like the location of an oil refinery could not be decided on the streets, it had to be decided only after cool and dispassionate deliberations”.<sup>31</sup> Nehru also opined that “the question of the refinery in Assam could not be resolved through violence; it should be decided only on the basis of feasibility”.<sup>32</sup>

This interpretation was contested by Goswami in the same assembly session. He argued that the hartal was peaceful except in Guwahati and Nagaon and the violence in these two places was due to police reaction and the administration’s actions. Goswami pointed out that in the meeting on 27 August with Malaviya in Guwahati the latter had said that the probability of Assam getting the refinery was 1 in 100, which was not a satisfactory proposition. Goswami based his defensive argument on the question of the centre’s negligence:

We organised this strike not because...we feel that this refinery, if established here in Assam, will bring a millennium (sic) but the people had begun to feel, and...with plausible reason, that Assam had been persistently neglected by the centre, industrialisation of our state had been sadly delayed, ...the urgent needs and demands of our country proved to be a cry in the wilderness... [so] the people have taken resort to the only way left open to them and when such negligence and indifference became no longer possible to bear, the strike was the logical consequence.<sup>33</sup>

The popular pressure and the constant negotiation by the Assam government with the centre resulted in the GOR’s decision to appoint an expert committee to resolve the question. An 11-member expert committee headed by S Basistha, advisor to the ministry of railways, apart from one representative from France and Romania, was formed towards the end of September to look into the subject. The issues to be examined by the committee were: to set up at the place of the oilfield or, to set up at a place near the place of the oilfield or, to set up at a centre where oil would be used, and to set up at a place from where oil could be supplied easily to the countries using oil. The committee also had to consider the necessary transport facility, the cost of acquiring the raw materials needed for the construction of the refinery, the cost of transporting the refined oil and other petroleum products from the place of the refinery, and availability of land, labour, capital and security.

Though the committee was welcomed, people were apprehensive about it as could be deduced from the editorials and letters to the editor in vernacular newspapers. Most of the members, including the president and the secretary of the committee were

government officials and the range of issues to be looked at by the committee were technical issues and not the demands of Assam. On 18 October 1956, a group of representatives from the action committee met Jawaharlal Nehru, during his visit to Assam and told him that the expert committee should be looking at the issue of establishing the refinery in Assam and its objectives should have been to find ways to do so by tackling the problems.<sup>34</sup> The technical and commercial angle of setting up of the refinery had already been discussed by the AOC and Assam had already protested against it.

The movement did not stop with the hartal. The Assamese press continued to publish articles and letters to the editor regarding the demand for the refinery. When Nehru visited Assam on 18 October, several hundred people demonstrated along his route with posters carrying slogans – like “Tel Sodhanagar Asomot Laage”, “Asomor Udyogikaran hoboi laagibo” and “Asomor daabi maaniboi laagibo” (“The Oil Refinery must be in Assam”, “Assam must be Industrialised” and “Assam’s demand has to be recognised” (translation mine)).<sup>35</sup>

By June 1957 the Indian government decided to set up the refinery in Barauni despite the demand of the Assamese people. This led to further political outburst in Assam. As a result all the members of the Assam legislative assembly came together on 17 June 1957. The members argued that the refinery was essential for the economic development of Assam as it would generate petroleum based industries, provide employment in the region and improve railway transportation. Regarding the socio-economic impact that the refinery could have in Assam, Biswadev Sarma who represented the Balipara legislative constituency, quoted from an observation made by Kinch, the personal advisor to the Iraq Petroleum Company:

The oil industry has introduced into the Middle East an economic factor of immense possibilities. It has directly effected the economy of the region by bringing in modern technology, developing wage earning employment and improving the occupational skills of the local population; similarly the large sums invested on the spot for prospecting, working the oilfields and transporting and refining the oil have greatly improved conditions in areas that were formerly little more than desert. Indirectly, where the government has invested wisely, the wealth produced by the industry in the form of royalties has made it possible to undertake major development works.<sup>36</sup>

Besides, it was Assam’s legitimate right to have the refinery as it was its natural resource that was going to be exploited. The question of the refinery did not remain simply an economic issue; the question of defining rights over one’s own resources got entangled with it. Echoing such a sentiment Goswami strongly argued:

...This may be called a parochial view. If it is parochial, I will suffer to be parochial rather than to live in a house where I have no rights over my belongings. This is a question of regional development and we stand by it...Assam must have the oil refinery which is its natural abode.<sup>37</sup>

Outside the assembly and the press, protest meetings and processions in all the districts of Assam drew huge participation. Encouraged by such popular response, the Oil Refinery Action Committee held a successful conference on 28 and 29 June 1957 presided over by Goswami. The conference criticised the Indian

government for denying Assam's right to the refinery and announced a two-phase programme for a mass struggle starting from 28 July.<sup>38</sup> Baruah emphasised the need to publicise the movement in the villages to make the movement successful.

The plan of action for the first phase of the movement would be to protest against the decision of the GOI and the committee asked all members of the assembly not to participate in sessions on 1 and 2 July. The committee also asked the people and the ministers to stay away from the inaugural function of Umkro Hydro-Electric project on 9 July. All MPs from Assam were asked to boycott the national assembly on 15 July. On the same day, public meetings would be held throughout Assam and the resolutions would be sent to the prime minister and the ministry of oil and petroleum.

The second phase of the movement encompassed organisational and structural programmes. For instance, members of the legislative assembly and the Parliament (from Assam) were asked to resign according to the action committee's resolution. The action committee also decided that from each subdivision 500 volunteers were needed to be mobilised before 28 July, as there would be a general strike on 29 July. It also pledged to establish branches in each district and subdivision. A central fund was created by collecting Rs 1,000 from each subdivision of the province. To popularise the movement, bulletins and pamphlets were needed to be published and distributed. But more importantly the committee requested the people to picket in front of the government offices.

Soon branches of the Oil Refinery Action Committee were established in all the districts and subdivisions in Assam. These branches were active in mobilising both satyagrahis and other resources for the movement. The satyagrahis needed to register themselves and then the record of the registration was sent to the provincial action committee. The central government was apprehensive about the proposed general strike on 29 July. It asked the state government to ensure the security of all central government offices in the state and the Digboi refinery.

On 29 July, a general strike was observed throughout the province.<sup>39</sup> In Guwahati, except for the office of the All India Radio, all other offices (both central and state), schools and colleges, shops, and transportation were closed. The offices of the newspapers too observed a partial strike in support of the movement. At the railway station officers did not turn up for duty and the volunteers did not need to picket. The strike was a success in all parts of Assam and in the Digboi refinery, the various plants, drilling, wells, and boiler departments remained closed.

The All Assam Oil Refinery Action Committee decided to carry on the movement by starting a satyagraha from 14 August particularly in the areas around the oilfields and in Shillong and generally in the other districts. In the first week of August training centres would be opened to train the satyagrahis. Each district would send five satyagrahis to Shillong and Digboi for the movement. The Assam state government asked the committee to withdraw the satyagraha as the GOI had come forward to reconsider the cause of Assam. The committee refused and was determined to carry on the satyagraha till the GOI gave a favourable decision. By 4 November around 1,000 satyagrahis were arrested in different parts of Assam.<sup>40</sup>

Meanwhile, the GOI decided to prepare separate plans for Assam and Barauni to study the feasibility of establishing the refinery. The American Foster Wheeler Corporation was asked to advise the Planning Commission. Finally, the central government decided to establish two refineries, one at Noonmati in Assam and the other at Barauni in Bihar under the public sector.

## Conclusions

The Congress dominated India's political scene both at the centre and in the states until 1967.<sup>41</sup> During this period the provincial party units were able to assert a large degree of autonomy vis-à-vis the central party. In such a context the ruling party in Assam could also negotiate consistently with the central government regarding the setting up of the refinery. In fact, Dabeswar Sarma, Assam's finance minister, announced on 15 July 1956 that a refinery would be set up in Guwahati under the Assam state government with the help of French technocrats.<sup>42</sup> Sarma further contended that the state government would not ask the centre for funds, but would ask it to buy the shares of the refinery.<sup>43</sup> The state government's demand was further strengthened by the popular demand of the people.

Nehru argued that the location of the refinery was a technical, financial and security question and not a political one. Post second world war, the discourse of development in the world was depoliticised and was projected as a techno-bureaucratic project.<sup>44</sup> Nehru from the very beginning was convinced that development economics was apolitical and the programme of industrialisation involved planning by experts based on rational and scientific calculations. The demand for a refinery in Assam by the people and their representatives challenged the apolitical notion of development without questioning the relation between industrialisation and development. The ruling elite in Assam accepted Nehru's vision of development at the regional level. It put the whole issue within the context of India's political economy and Assam's persistent economic backwardness. The political framework of the Nehru period was the developmental state, with state intervention in the economy. The Indian state adopted a planned economy within the framework of a mixed economy for the rapid industrialisation of the country. The central government pointed out that for the overall development of the nation, it was essential to reduce the economic disparities among the provinces. The argument put forward by the ruling elite in Assam was that in a state-controlled developmental economy, the state's policy regarding the location of the refinery should not be completely guided solely by commercial concern, but also by the developmental concern of the province. Goswami pointed out:

Central government cannot afford to be a Bania, having professed to build up a Welfare state. Even if in cash accountancy another place might bring a little more profit that will have to be sacrificed if the location of the refinery in Assam brings other perceptible benefit to this area.<sup>45</sup>

The Refinery Movement in Assam can also be located in the inherent contradiction of unitary federalism in relation to grand central projects. The workings of mega central projects in India have been hampered by the working of the democratic process. As the institution of planning was located outside the representative

politics, the planning could be used as “a positive instrument for resolving conflict”, with the universal goal of the planning, i.e., the welfare of the people of the nation.<sup>46</sup> It was argued in the nationalist discourse that the Industrial Revolution in England and the large-scale machine-based production resulted in India’s backwardness and poverty. The post-colonial state attempted to separate the rhetoric of industrialisation from the nationalist politics by projecting the planning institution as apolitical, rational and scientific. However, the conflict between the whole and the part (the conflict can be class conflict, or centre-unit conflict) continued even after rigorous planning and the issue of industrialisation and development got entangled with politics. The refinery movement of Assam reflects the conflict between the centre and the unit over a programme of a planned capitalist development.

Nehru argued that it was not industrialisation itself but the colonial nature of industrialisation which was responsible for India’s backwardness. Unlike industrialisation in colonial India, Nehru was convinced that in independent India the masses dispossessed by industrialisation would be rehabilitated and would not be excluded from the benefits of industrialisation. Nehru’s vision was challenged by Gandhi as he argued that industrialisation irrespective of its context would dispossess the toiling masses. It was Nehru’s vision that was accepted in post-colonial India and industrialisation through active state interventions became the means for the eradication of poverty and underdevelopment in India. It was in such an established vision of industrialisation that the Assamese leaders too aspired for industrialisation.

The Refinery Movement based itself on such issues of development and the right of Assam over its own natural resources. That Assam began to play a peripheral role in the trajectory of Indian development came to be manifested much before the refinery problem was visualised. Nilmani Phookan representing the sentiment of Assam’s loss reminded his fellow Congressmen that

...When our revenue is only 12 crore or so, we give tea duty (sic), oil and excise to the tune of Rs 10 crore to Rs 12 crore every year to the Central Government. This was the habit of our alien masters who robbed us right and left in the past regarding these duties. Should we tolerate it for all time to come, or we must have courage and stamina enough to say, “You have no right to take away from us 12 annas out of Rs 1, which is quite unjust”...<sup>47</sup>

The period after India’s independence witnessed growing regional aspirations in other parts of the country. The linguistic movement by the Telugu speakers for autonomy and the movement for a unified state of Maharashtra with Bombay as its capital were other strong movements of the 1950s leading to the redrawing of the country against Nehru’s will. The methods used in these movements including the refinery movement in Assam were similar in nature – petitions, representations, street marches, strikes and fasts. The challenges to the unitary federal nation also came from the tribal movements like those of the Nagas and the Jharkhand movement. All these movements had their specific contexts and nature, yet they attempted to negotiate with the federal government for provincial pride.

## NOTES

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