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TRADE, EMPIRE AND CAPITAL: BRITISH COMMERCIAL PENETRATION IN ASSAM

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Abstract:

The incorporation of Assam into the British colonial empire was neither sudden nor accidental; rather, it was the outcome of a long process of commercial exploration, economic penetration, and gradual political intervention. From the late eighteenth century, British merchants and officials viewed Assam as a commercially promising hinterland endowed with fertile land, navigable river systems, rich forest resources, and strategic trade routes linking Bengal with Tibet, China, and Burma. This paper examines the evolution of trade and commerce in Assam from the pre-colonial period to the end of the nineteenth century, with particular emphasis on the ways in which British commercial interests reshaped indigenous economic structures. Drawing upon archival reports, travelers' accounts, gazetteers, and secondary scholarship, the study analyses pre-British trade patterns, early Company intervention, the salt monopoly, frontier and trans-border trade, internal market reorganization, and the rise of merchant capital under colonial rule. It argues that British commercial policies fundamentally transformed Assam's economy by integrating it into the global capitalist system as a supplier of raw materials and a consumer of imported manufactures, while simultaneously marginalizing indigenous economic agency and altering long-established socio-economic relations.

Keywords: Assam, Colonialism, Commerce, Markets and Transformation.

Introduction:

The transformation of trade and commerce in Assam under British rule constitutes one of the most significant dimensions of the region's nineteenth century history. Far from being a sudden consequence of military conquest, British domination in Assam evolved through a prolonged process of commercial exploration, economic penetration, and strategic intervention. Long before the formal annexation of the province in 1826, Assam had already attracted the attention of the English East India Company and private European merchants due to its natural resources, fertile riverine plains, navigable waterways and strategic location at the crossroads of South Asia, Southeast Asia, and the Himalayan

world.³⁴ Trade, rather than territorial ambition alone, served as the principal motive force that gradually drew Assam into the orbit of British imperial control.³⁵

Prior to British intervention, Assam possessed a distinct and relatively self-sufficient economic structure shaped by its geography, agrarian base, and regional trade networks. The Brahmaputra Valley functioned as a natural corridor linking the plains of Bengal with the hill societies of the eastern Himalayas and the trans Himalayan regions of Tibet and China. Indigenous trade was largely organized around barter, periodic markets, and state-regulated exchange under the Ahom polity.³⁶ Commodities such as rice, silk, lac, forest products, and artisanal goods circulated within local and regional networks, while frontier trade connected Assam with neighboring hill tribes and distant markets. Although monetisation existed in limited form, commercial relations were embedded within social and political institutions rather than governed by profit maximization alone.

British commercial interest in Assam intensified markedly after the East India Company acquired the Diwani of Bengal, Bihar, and Orissa in 1765. This event brought the Company into direct territorial proximity with the Ahom kingdom and created favourable conditions for the expansion of inland trade. The absence of clearly demarcated natural or political boundaries between Bengal and Assam facilitated the entry of traders, merchants and commercial adventurers. Strategic outposts such as Goalpara, Jogighopa, and Rangamati emerged as key nodes in the growing trade between the two regions. From the late eighteenth century, Company officials and private merchants began systematic investigations into Assam's economic potential, focusing on commodities such as salt, silk, pepper, gold dust and forest products.

The early phase of British engagement with Assam was characterized by experimentation with monopolies and controlled trade. The establishment of the Society of Trade in 1765, with monopoly rights over salt and other commodities, revealed the Company's determination to extract profits from Assam's markets. Salt, in particular, became a crucial instrument of commercial penetration. Local production was limited and poorly organised, making Assam dependent on Bengal salt imports. Through monopolistic control and customs arrangements, the Company not only generated substantial revenue but also deepened Assam's economic dependence on external supplies. Although the monopoly system was formally abolished in 1767, the pattern of unequal exchange it initiated continued to shape trade relations.

Throughout the late eighteenth and early nineteenth centuries, British commercial expansion was closely intertwined with political intervention. Efforts to regulate trade collect customs, and secure exclusive privileges repeatedly brought Company agents into conflict with Assamese officials and

S. K. Bhuyan, *Anglo-Assamese Relations, 1771-1826*, pp.55-56³⁴

Ibid.³⁵

Ibid. ³⁶

rival merchants. Internal instability within the Ahom kingdom, particularly during the Moamaria rebellion, further disrupted indigenous trade structures and created opportunities for British interference. By the 1790s, the Company had begun to move beyond purely commercial engagement towards direct political involvement, as reflected in military assistance to the Ahom ruler and the conclusion of Anglo-Ahom commercial treaties. These agreements institutionalized British control over customs, regulated European residence, and increasingly favoured British commercial interests.³⁷

The annexation of Assam following the Treaty of Yandabo in 1826 marked a decisive turning point. Under British rule, the administration of Assam passed into the hands of a mercantile colonial state whose primary objective was the extraction of surplus and integration into the global capitalist economy. Trade and commerce were systematically reorganised to serve imperial needs. The discovery of tea, coal, petroleum, and other resources in the Brahmaputra Valley further reinforced Assam's strategic and economic importance. Plantation agriculture, particularly tea cultivation, transformed land use patterns and redirected the region's economy towards export oriented production.

One of the most profound changes introduced under colonial rule was the restructuring of internal trade and markets. The British revived and reorganised weekly and bi-weekly markets (hats). Moreover, established officially regulated trade fairs across the province. While these institutions appeared to promote "free and fair" trade, in practice they functioned as instruments of political control, revenue extraction, and commodity circulation favourable to colonial interests.³⁸ Frontier markets were carefully managed to integrate hill tribes into the colonial economy, encourage the consumption of imported goods and secure supplies of raw materials. Monetisation of tribute and taxation compelled cultivators and tribal communities alike to engage with markets, often under highly unequal conditions.³⁹

The expansion of internal and frontier trade also facilitated the rise of merchant capital, particularly that of migrant trading communities such as the Marwaris. Supported by colonial fiscal policies, cash taxation and credit mechanisms, merchant capital came to dominate wholesale and retail trade across Assam. Indigenous participation in commerce was increasingly marginalized and confined largely to petty trade or primary production. As commodity-money relations deepened, traditional systems of reciprocity and subsistence were eroded and new forms of dependency emerged.

The transformation of Assam's trade and commerce must be understood within the context of nineteenth-century British imperialism and global capitalism. Following the Industrial Revolution, Britain's demand for raw materials and new markets intensified. Colonial regions were systematically reoriented to supply primary products and absorb manufactured goods. Assam's integration into this

Amalendu Guha, *Dupleix's Trade Mission to Assam -1738-40*, p. 233-234³⁷

Priyam Goswami, *Assam in the Nineteenth Century-Industrialization and Colonial Penetration*, p.42³⁸

N. N. Acharyya, *Assam and Neighboring States-Historical Documents*, p.6-7³⁹

system followed a familiar colonial pattern: exports remained dominated by agricultural and forest products, while imports consisted largely of textiles, metals and consumer goods. This structural imbalance reinforced economic dependency and limited the development of indigenous industry.

This study seeks to examine the process and consequences of British commercial penetration in Assam from the late eighteenth century to the end of the nineteenth century. It analyses the transition from pre colonial trade structures to a colonial economy shaped by monopoly, monetisation, market reorganisation, and merchant capital. By focusing on internal markets, frontier trade, and trans-border commerce, the study highlights how economic policies served as instruments of political domination and social transformation. Ultimately, it argues that British rule fundamentally altered Assam's economic landscape, integrating it into the global capitalist system while undermining indigenous economic autonomy and reshaping long established socio-economic relations.

Discussion:

The grant of the Diwani of Bengal, Bihar, and Orissa to the East India Company in August 1765 by the Mughal emperor Shah Alam II marked a decisive moment in the Company's eastern expansion. This acquisition brought the Company into direct territorial and commercial contact with the Ahom kingdom of Assam. Even earlier, in 1760, the Company had obtained Chittagong along with its important seaport on the Bay of Bengal. After 1765, the Company's north eastern frontier touched the western boundary of Assam. This boundary, however, was neither clearly demarcated nor protected by any natural barrier such as a river or mountain range.⁴⁰ The absence of physical and administrative barriers created favourable conditions for the entry of traders, merchants, and private adventurers into Assam. Several strategic outposts facilitated trade between Bengal and Assam. Goalpara on the south bank of the Brahmaputra, and Jogighopa and Rangamati on the north bank, functioned as major commercial centres.

Even before the formal acquisition of the Diwani, British interest in Assam was evident. Major James Rennell surveyed the frontier regions and gathered geographical and commercial information. Earlier still, in 1669, an English merchant is believed to have sent merchandise as far as Guwahati. European commercial engagement continued intermittently through individual traders and agents of rival companies. Some merchants even undertook armed interventions in local conflicts to secure trading privileges, demonstrating how commerce and coercion were often intertwined.

By the mid-eighteenth century, British traders began systematic investigations into Assam's economic potential. In 1759, exploratory reports highlighted the availability of gold from river sands, forest products, and agricultural commodities. Encouraged by these prospects, trading factories were established at strategic locations such as Jogighopa, and regular commerce with Assam commenced. Soon, several English merchants arrived at Goalpara and Rangamati, marking the growth of private

S. K. Bhuyan, *Anglo-Assamese Relations, 1771-1826*, p.55-56⁴⁰

trade alongside Company interests.⁴¹

The Company's growing concern over inland trade became evident during the second governorship of Robert Clive. Although private trade by Company officials was officially prohibited, a Society of Trade was created in 1765, granting monopoly rights over salt, betel nut, and tobacco. Of these commodities, salt proved exceptionally profitable, as local production in Assam was insufficient and poorly organised. Although salt springs existed in Upper Assam, they were not systematically exploited.⁴² As a result, Bengal salt dominated the market, and large quantities were imported annually, yielding substantial revenue for the Company. However, the monopoly system attracted criticism due to abuses and exclusionary practices. Recognising the broader commercial potential of Assam and its neighbouring regions, the Court of Directors abolished the monopoly in 1767 and opened inland trade to private merchants. This shift encouraged greater commercial activity but also intensified competition and conflict among traders.

In 1771, the Company took a more structured approach by appointing officials to collect information on Assam's political system, trade, and products, and to explore communication routes to Bhutan and China. These initiatives were framed as commercial engagements "without any appearance of power," though in practice economic objectives often merged with political manoeuvring. Proposals for exclusive trading privileges reflected the belief that Assam's trade especially in salt and textiles could generate substantial profits. British commercial interest deepened further after Cooch Behar became a British protectorate in 1774, followed by a treaty with Bhutan that facilitated cross-border trade. The same year, an exploratory mission was sent to Bhutan and Tibet to assess prospects for trade expansion. Reports from this mission emphasized the strategic importance of Assam, particularly the Brahmaputra River, which enabled year-round navigation and linked Assam to Bengal and trans-Himalayan trade routes. Estimates suggested that trade at Goalpara alone was worth several lakhs of rupees annually.⁴³

Despite these opportunities, political instability within Assam especially the Moamaria rebellion disrupted regular trade. In this volatile environment, numerous private merchants exploited the situation, often engaging in aggressive and unlawful practices. Disputes between traders and Assamese officials became frequent, prompting intervention by the Bengal government, which stressed the importance of maintaining commerce for mutual benefit.⁴⁴

Efforts to regulate trade culminated in proposals to farm out exclusive trading rights in return for fixed payments to the Company. These arrangements focused primarily on salt, the most profitable

Ibid.⁴¹

Priyam Goswami, *Assam in the Nineteenth Century-Industrialization and Colonial Penetration*, p.42⁴²

Priyam Goswami, *The History of Assam, From Yandabo to Partition*, p.13⁴³

N. N. Acharyya, *Assam and Neighboring States-Historical Documents*, p.10.⁴⁴

commodity. Although such ventures generated large revenues, they were plagued by logistical difficulties, political unrest, and financial losses, revealing the limitations of purely commercial penetration without stable political control. By the late 1780s, the Company adopted a more direct role. Officials were appointed to manage the Assam trade, collect information on local products, and negotiate with the Ahom court.⁴⁵ Trade continued largely through barter, though silver and gold were also used. Assam exported pepper, muga silk, lac, and dye products, while importing large quantities of salt and manufactured goods.

Internal disorder in Assam ultimately provided the Company with an opportunity for deeper intervention. When the Ahom ruler sought military assistance, British forces were dispatched, officially to restore order but with clear commercial objectives. Reports from this period highlight Assam's rich agricultural base, extensive inter-regional trade networks, and strong links with neighbouring hill tribes, Tibet, and China. The restoration of peace was viewed as essential for unlocking Assam's commercial potential.⁴⁶

The signing of an Anglo-Ahom commercial treaty in the 1790s marked a turning point. Customs outposts were established, European traders were regulated and a framework was created that strongly favoured British commercial interests. Imports increasingly exceeded exports, reinforcing Assam's role as a market for British and Bengal goods. By the early nineteenth century, British observers argued for consolidating control over Assam's trade through customs houses and monopolies, particularly in salt.⁴⁷ These recommendations coincided with broader transformations in Britain following the Industrial Revolution. As Britain emerged as the world's leading industrial producer, it required new markets and sources of raw materials. Colonial regions like Assam were increasingly drawn into this global economic system. Within this wider imperial context, Assam gained strategic importance not only as a supplier of forest and agricultural products but also as a potential gateway to Tibet and Burma. Disruptions in traditional Indo-Tibetan trade routes made alternative routes through Assam especially attractive. Thus, British commercial interest in Assam evolved from exploratory trade to structured economic control, laying the foundations for eventual political domination.

The Charter Act of 1813 marked a decisive shift in British commercial policy by opening Indian trade to all Englishmen. This development stimulated private enterprise and intensified British interest in frontier regions such as Assam.⁴⁸ In this context, Robert Bruce, an English merchant, visited

S. K. Bhuyan, *Early British Relations with Assam*, p.96⁴⁵

Rajesh Verma, *Early European Trade with Assam before its Annexation*, *India History Congress*, p.544⁴⁶

Walter Hamilton, *A Geographical, Statistical and Historical Description of Hindustan and the Adjacent Countries*,⁴⁷
Vol. II, p.743

Dietmar Rothermund, *An Economic History of India*, p.30 48.⁴⁸

Upper Assam in 1823 in search of commercial opportunities. During his exploration of the dense forests of eastern Assam, he was informed by the Singpho chief about the presence of tea plants in the region. Although Robert Bruce identified the tea plant, it was his brother, C. A. Bruce, who later collected specimens from the Singpho chief and handed them over to David Scott, the Agent to the Governor-General on the North-East Frontier of Bengal. These specimens were sent to the Calcutta Botanical Garden, where they were authenticated as belonging to the same species as Chinese tea. This discovery convinced the British that tea could be successfully cultivated in Assam.⁴⁹

Until this point, China had enjoyed a virtual monopoly over the supply of tea to Western markets. However, Chinese reluctance to export tea in adequate quantities compelled the British to search for alternative sources. Lord William Bentinck therefore initiated a plan for introducing tea cultivation in India under official supervision. The discovery of tea in Assam came at a crucial moment and was swiftly seized upon by the British as a major commercial opportunity.⁵⁰

Alongside tea, other valuable resources were identified in the Brahmaputra Valley. During military operations against the Burmese, Lieutenant Wilcox reported the discovery of coal in the region. Further reports pointed to the existence of petroleum springs, iron ore, clay, and ironstone in different parts of Assam. These findings reinforced British perceptions of Assam as a region of immense economic potential.⁵¹

The forests of Assam were found to be rich in resources of commercial value. Trees such as soom and mulberry, which sustained various species of silkworms, were abundant, indicating strong prospects for silk production. Many forest trees also yielded valuable wood oils. Salt springs, already exploited by Naga communities, held promise of increased revenue if systematically developed under British control. The foothills of the Brahmaputra Valley were rich in timber, rubber, ivory and other raw materials, while the fertile alluvial plains were capable of producing substantial agricultural surplus. Moreover, Assam's strategic location offered the possibility of reviving inland trade routes connecting India with Tibet and China. These economic considerations strongly influenced British policy towards Assam. The Treaty of Yandabo, signed on 23 November 1826 at the end of the First Anglo-Burmese War, marked a turning point by opening the way for British commercial penetration and eventual annexation of the region.⁵² Although the treaty did not explicitly state that Assam was ceded to the British, its commercial clauses clearly reflected British economic interests. Article VII provided for the conclusion of a commercial treaty based on reciprocal advantage, while Article IX

S. K. Bhuyan, *Early British Relations with Assam*, p.96⁴⁹

Pradip Barman, *The Use of Tea as a Mercantile Commodity in Assam, A Historical Perspective*, p.250⁵⁰

H. K. Barpujari, (ed.), *The Comprehensive History of Assam Vol. V*, p.111-112.⁵¹

B. C. Allen, E. A. Gait, H. F. Howard and C. G. H. Allen, *Gazetteer of Bengal and North-East India*, p.537.⁵²

abolished all exactions on British vessels in Burmese ports.⁵³

Following the establishment of British rule in the Brahmaputra Valley, profound changes occurred in the structure of trade and commerce. Administration passed into the hands of a mercantile company whose primary objective was profit maximisation. Assam was gradually integrated into the global capitalist economy as a supplier of raw materials and a market for British manufactured goods. As in other parts of India, economic exploitation formed the foundation of Britain's relationship with Assam, and the traditional patterns of indigenous trade and commerce were consciously reshaped to serve imperial interests.⁵⁴

During the early phase of British rule in Assam, systematic efforts were made to remove obstacles to internal trade and to reorganise the province's commercial life. Frontier disturbances caused by several hill tribes were perceived by the colonial administration as impediments to the smooth circulation of commodities. With the appointment of Jenkins as Agent to the Governor General of the North-East Frontier in 1834, the government began to address these disruptions more seriously. Jenkins urged the authorities to stabilise the frontier and place inland trade on a secure footing by removing barriers to what the British described as "free and fair" trade.

Accordingly, the Agent was authorised to allow the Garos and other hill tribes to dispose of their products free of duty at designated locations. This concession, however, was conditional: should disturbances arise following the withdrawal of restrictions, the government reserved the right to reimpose controls. The immediate impact of this policy was a noticeable revival of internal trade.

The British reactivated and expanded the network of weekly and bi-weekly markets (hats) that had existed across Assam prior to colonial rule. At the same time, they reorganised these markets to serve broader colonial objectives: political control over frontier populations, promotion of internal and trans-border trade, and the introduction of European goods. Trade fairs were officially organised in and around sadar stations; some were held daily, others weekly, bi-weekly, or annually. These fairs functioned as meeting points where hill communities sold surplus produce and purchased necessary goods. The fairs attracted a wide range of participants. In addition to local populations, Marwari traders from Rajputana (locally known as keyas), Beparis from Dacca and Calcutta, and traders from Tibet and China attended these gatherings, particularly during the winter season. Although officially scheduled for only a few days, commercial activity often extended from January to March. Four major annual fairs held at Darrang, Udalguri, Daimara, and Khargrapara emerged as important centres of exchange between plains merchants and frontier tribes.⁵⁵ The volume of transactions recorded at these

J. B. Bhattacharjee, *Trade and Colony*, p.49⁵³

Ramesh Chandra Kalita, *Assam in the Eighteenth Century*, p.58⁵⁴

B. C. Allen, *Assam District Gazetteers, Darrang District*, p.182⁵⁵

fairs during the late nineteenth century indicates the growing integration of Assam's internal markets.⁵⁶

While encouraging trade, the colonial state also exercised close control over markets. The costs of organising fairs were borne by provincial and district funds, and many markets were auctioned to the highest bidder, with revenues credited to municipal or district treasuries. However, the income generated from market duties often fell short of administrative expenses. To offset this, the British sought to strengthen political influence over tribal participants and simultaneously promote European manufactured goods, which were intended to attract local consumers and expand market dependence. River-borne trade reports from the late nineteenth century reveal the structural nature of Assam's internal commerce. With the exception of cotton piece goods, exports consisted almost entirely of primary products derived from agriculture, forests, and mines. Manufactured goods played a negligible role in exports, while imports were dominated by consumer goods particularly cotton textiles of European and Indian origin and capital goods such as metals. This pattern reinforced Assam's position as a supplier of raw materials and a consumer of manufactured commodities.⁵⁷ The colonial administration also encouraged spatial and crop-based specialisation. Paddy surplus was marketed in tea garden areas of Sivasagar and Lakhimpur; mustard and pulses were concentrated in north Lakhimpur and Majuli; jute was procured from Goalpara, Kamrup, Darrang, and Nagaon; cotton was collected from the Karbi hills; and lac brought by Karbi communities to Chaparmukh was exported to Calcutta through Marwari intermediaries. Such commodity flows were largely mediated by merchant capital.⁵⁸

The expansion of internal trade strengthened commodity-money relations and accelerated the growth of private and mofussil markets. Tea-garden labourers, cultivators, and traders increasingly congregated in these markets, reflecting the growing monetisation of the economy. Merchant and usurer capital predominantly represented by Marwari traders found fertile ground in this environment and came to dominate internal commerce. Contemporary observers noted that Marwaris employed networks of petty agents, advanced credit, and controlled both wholesale and retail trade across the valley.⁵⁹ Marwari shops became permanent features of markets and villages and gradually transformed several settlements into commercial centres, including Barpeta, Rangia, Guwahati, Tezpur, Jorhat, Golaghat, Lakhimpur, Dibrugarh, and Sadiya. Their dominance was reinforced by colonial fiscal policies that replaced payments in kind with cash taxation. The abolition of the *paik* and *khel* systems, the imposition of land revenue in cash, and new taxes on fisheries, forests, grazing lands, stamps, and

W. W. Hunter, *A Statistical Account of Assam*, Vol. I, p.57⁵⁶

J. B. Bhattacharjee, p.49⁵⁷

B. C. Allen, *Assam District Gazetteers, Darrang District*, p.183⁵⁸

Dietmar Rothermund, *An Economic History of India*, p.30 48.⁵⁹

opium compelled cultivators to engage with markets to meet revenue demands. By 1842, cash payment of land revenue had become firmly established.⁶⁰

Goalpara, as the western gateway to Assam, emerged as a major commercial centre. Trade in the district was conducted through a dense network of fairs and weekly markets, many located along the Garo frontier. Exports included mustard seed, jute, cotton, timber, and lac, while imports comprised rice, salt, pulses, oil, cotton thread, sugar, textiles, tobacco and metals. Despite the scale of activity, the district experienced an adverse balance of trade, and commerce remained largely in the hands of Marwari traders. River transport played a crucial role in facilitating internal exchange. Similar patterns prevailed in Kamrup, Nagaon, Darrang, Sivasagar and Lakhimpur. Markets multiplied, wholesale trade concentrated in the hands of Marwari merchants, and indigenous participation was largely confined to petty retail or primary production. In urban centres such as Guwahati, multiple bazaars developed, while new consumption habits emerged with the introduction of imported food items, textiles and manufactured goods. Bakeries, grocery shops, and opium outlets altered everyday consumption and gradually displaced indigenous food practices.

In districts such as Sivasagar and Lakhimpur, where subsistence agriculture had traditionally dominated, commercial activity remained limited but increasingly mediated by external traders. Although a few Assamese entrepreneurs attempted to establish markets, their role remained marginal within a commercial structure shaped by colonial policies and migrant merchant capital. Overall, the reorganisation of internal trade under British rule did not simply expand commerce; it transformed the economic structure of Assam. Markets became instruments for integrating the region into the colonial economy, monetisation deepened peasant dependence on trade and credit and merchant capital appropriated the bulk of commercial profits. While internal trade expanded in volume and spatial reach, it did so in a manner that reinforced economic dependency and marginalised indigenous control over trade and exchange.

The annexation of Assam brought the British into sustained contact with the frontier hill tribes inhabiting the surrounding uplands. These frontier regions were rich in timber, rubber, ivory, and other valuable raw materials, and thus attracted the attention of the colonial state. Several frontier tribes maintained long-standing commercial and cultural links with Tibet, China, and Burma. The British sought to utilise these tribes as intermediaries in trans-frontier trade, thereby extending British commercial influence beyond the Brahmaputra Valley. Frontier trade, therefore, was not an isolated economic activity but formed part of a broader imperial strategy aimed at integrating Assam into regional and global trade networks under colonial control.

British policy towards trade with the hill tribes followed a gradual and phased approach. Initially, the colonial administration focused on bringing traditional foothill markets under control,

M. L. Bose, *British policy in the North-East Frontier Agency*, p.84⁶⁰

after which it extended authority over specific tribes or groups of tribes. This process involved the incremental penetration of British influence into the hills. As a first step, a Political Officer was appointed in the bordering plains districts to manage political and commercial relations with tribal chiefs. Subsequently, subordinate officers were stationed in occupied hill tracts and once effective control was established, administrative headquarters were shifted into the interior hill regions.

To promote frontier trade, the Governor-General appointed Captain White in May 1833 as officer at Sadiya, covering the tract between the Burhidihing and Dibong rivers inhabited by the Moamarias, Khamtis and Singphoes. He was instructed to encourage commerce and to remove obstacles to free trade, particularly those affecting Marwari traders. The establishment of an officer at Sadiya was seen as a strategic measure for extending British influence among the hill tribes and for opening trade routes towards Tibet and China. Francis Jenkins expressed optimism that such measures would eventually bring the hill populations under colonial control and facilitate direct commercial links with trans-Himalayan regions.⁶¹

A key element of British policy was the introduction of a monetary economy in the frontier areas. In February 1834, Thomas Campbell Robertson directed Captain White to persuade tribal chiefs to relinquish their traditional claims on the plains in return for fixed annual cash payments. These payments, known earlier as *posa*, were thus monetised. Chiefs who resisted were threatened with coercive measures. Over time, a series of agreements were concluded with various tribes, including the Akas, Nishis, Bhutias, Adis and Misings, while the Bhutan *Duars* were annexed in 1842 following the conversion of tribute into cash payments. Through this process, customary claims were transformed into monetary obligations, binding the hill chiefs to the colonial state.

The monetisation of tribute was accompanied by deliberate efforts to expand trade. Owing to the scarcity of many essential goods in the hills, the frontier tribes were increasingly dependent on supplies from the plains. The British exploited this dependency to extend political influence. One of the principal instruments used for this purpose was the organisation of government-controlled trade fairs in the frontier regions. The cash paid to the tribes in lieu of *posa* was often distributed during these fairs, ensuring that it was spent on imported goods sold at the fairs themselves. Trade fairs were thus carefully structured spaces of economic and political interaction. British officials presided over *darbars* held alongside the fairs, where symbolic exchanges of gifts took place. While these exchanges appeared reciprocal, they functioned primarily as diplomatic tools to secure loyalty and compliance. The gifts presented by tribal chiefs were often auctioned publicly, while British officials distributed items such as cloth, wine, tobacco, metal wares, glass and porcelain. These practices helped popularise European manufactured goods among the hill tribes and accelerated the penetration of colonial commodities into frontier societies.

Ibid., p.84⁶¹

Late nineteenth century reveals a steady rise in the demand for European cotton textiles, yarn, metal goods, salt, opium, and silk manufactures in the hill areas. As imported goods flowed into the hills, tribal handicrafts and forest products moved in limited quantities towards the plains. Over time, the growth of cash transactions compelled frontier communities to shift away from barter towards a monetised economy, increasing their dependence on colonial markets. British interest in frontier trade was closely tied to strategic concerns. Control over Assam and the Brahmaputra Valley enabled the British to command traditional trade routes linking India with Tibet, China and Burma. Colonial authorities believed that effective control of the hills would substantially increase the volume of trans-frontier trade.

Accordingly, a series of exploratory and survey missions were undertaken by British officers to gather geographical and commercial intelligence about regions beyond the North-East Frontier. These surveys confirmed the existence of active trade networks maintained by frontier tribes and highlighted their role as intermediaries between the plains and neighbouring countries. At the same time, the commercial value of Assam increased with the discovery of tea, minerals, and timber, as well as the expansion of plantation agriculture in the valley. However, recurring raids by hill tribes on the plains posed a challenge to colonial authority. The British initially responded by establishing military outposts along tribal routes, but the difficult terrain rendered such measures largely ineffective. As one colonial official remarked, military outposts offered protection against hill raids much like an umbrella against rain limited and uncertain.

In 1873, the colonial government introduced the Inner Line Regulation, restricting the movement of plains people into the hills and formally demarcating a boundary between the two regions. While this measure reduced direct conflict, it also curtailed interaction between hill and plains societies. British administrators soon realised that complete isolation would undermine frontier stability and commercial objectives. Consequently, they promoted annual fairs along the foothills as controlled spaces where economic exchange could continue without compromising political security. In sum, frontier trade under British rule was shaped by a combination of economic ambition, political control and strategic calculation. Through monetisation, regulated markets, trade fairs, and administrative penetration, the colonial state transformed frontier commerce into an instrument of imperial expansion. While these measures expanded trade and integrated frontier regions into colonial markets, they also disrupted indigenous economic systems and subordinated frontier societies to the interests of the colonial economy.

Conclusion:

British commercial penetration transformed Assam's economy in fundamental ways. Trade preceded conquest, shaped colonial policy and ultimately facilitated political domination. Assam was integrated into the global capitalist system as a supplier of raw materials and a consumer of

manufactured goods. Indigenous economic structures were marginalised, and merchant capital appropriated the bulk of commercial profits. The history of trade and commerce in colonial Assam thus illustrates how imperial capitalism operated through markets, monetisation, and regulation, reshaping regional economies long before and long after formal annexation.

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