

# A Historical Study Of Oil Refinery Movement Of Guwahati In Assam

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**Abstract:** The British was the first who noticed the presence of petroleum in Assam in 1825. The British not only found several oil seepages in Assam, but also paid full attention towards exploration of petroleum in Assam and they finally formed the Assam Oil Company. After the establishment of Oil Refinery in Digboi in 1901, the British authority carries out serious experiments in oil till the arrival of India. After independence, when the oilfield was discovered at Naharkatiya in Assam, the government of India formed a committee with Assam Oil Company (AOC). Government favored Barauni (Bihar) as best suitable site for construction of the new refinery, but Assam Oil Company want Calcutta as the site for refinery, and they completely neglect the rights of Assam over its own mineral resources. Hence, a dispute was started between Assam and the government of India over the location of the refinery but settled through the debates in the public sphere and in the Assam legislative assembly. Elevated larger affairs like the rights over natural resources, also related the question of Assam's development and the centre's role in it for proper guidance. This paper mainly focused on how the negligent attitude towards Assam led to a movement during the period of 1956 to 1962. As an outcome of this movement, finally in 1962 Noonmati oil refinery was established in Guwahati (Assam).

**Keywords:** Petroleum, Oil seepage, Oil refinery, Digboi, Movement, Noonmati.

## 1. Introduction

Oil is one of the important mineral resources which played an important role in the both economic and political sector of Assam. This mode, create a managing factor in the relation between the centre and the state. During the period of 1825-1837, several officer ranks person found oil seepages in Assam. However, at first it was R Wilcox who was a British army man and also geologist noticed the existence of petroleum in Assam in the bed of the river Burhidihing at Supkong near the coal bed in 1825. After that, C. A. Bruce which related with discovery of the tea plantation in Assam also reported about many instances of petroleum seepages at Makum. Adam White who was political agent of EAST India Company for Upper Assam found oil at Nampong near the river of Namrup in 1837. Jenkins also noticed several oil springs close to a coal outcrop at Borhat after one year later. S. Hanny who was a professional geologist and also commandant of the 40th regiment infantry reported oil seepages at Naharpung in 1845. All the British officers agreed the idea of more oil seepage might be found in Assam. As a result of this, the East India Company formed the Geological Survey of

India (GSI) in 1851 in order to explore India's mineral resources. After the formation of this institution, British government paid full attention towards exploration of petroleum in Assam. H B Medlicott who was the deputy superintendent of the GSI, mentioned the presence of good oil springs at Makum to British government. He proposed that "experimental borings should be made to test the value of oil accumulated".<sup>1</sup>

Assam Railway and Trading Company (ARTC) had done a successful boring in Digboi in 1888. But for further exploration and establishment of a refinery, it needed more capital. As a result of this, the Assam Oil Company was formed in London and it took over the rights of the Assam Railway and Trading Company. The Digboi refinery was setup in 1901 by Assam Oil Company. The Burmah Oil Company took over the Assam Oil Company in 1921 and provided it with technical and commercial managers. After the establishment of Oil Refinery in Digboi by the Assam Oil Company, the British authority carries out serious experiments in oil instead of coal.

After successful plantation of tea, the British government invested in the exploration of other mineral resources by Geological Survey of India in a more professional nature. Jenkins formed a committee in 1836 for investigating the coal and mineral resources in the southern hills of the Assam Valley. The British passion with coal in India resulted in the exploration of 27 coalfields by 1867.<sup>2</sup> The demand of secure fuel supply began to increase due to increased railway system. The development of railway and transport system also helped the British government to control over the collection of oil and also production of forest products like lac and rubber and started exporting them to Calcutta for profit.<sup>3</sup>

In post-independence, petroleum industry of Assam with other natural resources connected with the development issue of the region. In Assam, some leaders began to demand large scale industry or project which would help the state towards progress. The Assamese nationalist leaders believed that in case of resource Assam is no poor but it remained poor as her financial returns were low due to the neglecting attitude of central government. Omeo Kumar Das who was one of the leading Assamese Congress member is of the opinion that: My province, Assam, has been the source of contribution to the Central exchequer to the extent of nearly rupees 8 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.<sup>4</sup> After the independence of India, there was disagreement between the central government and Assam in case of right over the natural resources of Assam.

## **2. Objectives**

The objective of the study is to evaluate the different phases of the oil refinery movement in Assam and its outcomes. An attempt will also be made to study the displacement of enormous people after the establishment of oil refinery in Guwahati.

## **3. Methodology**

The present study will be based on Historical analytical method. In analytical method, we have to use facts or information already available. The study will be based on both primary and secondary sources. Data from the secondary sources include various published and unpublished

documents, relevant Books and Journals, News Papers, Government notifications, orders and acts and materials available in the internet.

#### **4. Result and Discussion**

##### **4.1. Background of rise of Oil Refinery Movement in Guwahati**

The discovery of oilfield in Naharkatiya in 1953, led to an expectation of 2<sup>1</sup>/<sub>2</sub> million tones of production in a year, which would be able to supply a third of the country requirement in the next three years.<sup>5</sup> Soon after, the Government of India formed a rupee company with the Assam Oil Company in order to discuss government participation in it. After discussion, expert Committee want Calcutta as a refinery sit because it was an important port city. Both the Assam Oil Company and the Burma Oil Company supported to set up the refinery at Calcutta.<sup>6</sup> However, the Government of India preferred Barauni in Bihar as the site for the refinery. The government believed that Barauni as the site for the refinery is suitable because its products could be distributed in the up-country region via Patna-Nagpur-Amritsar, using the favorable transportation system at more favorable rates than Bombay. It also forced Vishakhapatnam and Bombay refineries to cut down their prices.

After the selection of location the AOC argued that the refinery should be integral part of the rupee company (but GOI was against of it) and the share should be at the ratio of 33% GOI did not agree because share was minimal and oil was reserved for the development in the public sector under the new industrial policy of 1956. From that onwards it was clear that refinery would set up under public sector. In 1958, a promotional agreement was signed between both Assam Oil Company & Burma Oil Company and Government of India for formation of Oil India Private Limited. On 18<sup>th</sup> of February, 1959, Oil India Private Limited was incorporated as partened venture and as a rupee company with 2/3<sup>rd</sup> of equity share capital owned by Burmah Oil Company and 1/3<sup>rd</sup> by GOI. On 31<sup>st</sup> may, 1961, OIL became a 50:50 partnership between the Government of India and Burmah Oil Company. Mr. W P G Maclachlan played a key role in the negotiation, became the first chairman of OIL .In 1959, India initiated two refineries under public sector with foreign help (Romania) and Guwahati Refinery commissioned in 1962.

The selection of Barauni as a refinery site raised a sentiment of harted amongst the Assamese. Most of the political parties began to oppose. The All Assam Oil Refinery Action committee (AAORAC) was formed under the leadership of Hem Baruah and Hareswar Goswami in 1956. Both Hareswar Goswami and Hem Baruah were the leaders of the Praja Socialist Party and mobilized people to participate Oil refinery movement. Rev. J. J. M. Nichols Roy who represents the hills of Assam in order to mobilized the people 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>7</sup> The Action Committee in the next few months spearheaded a popular but united movement pressing the Government of India to redefine its policy.

#### **4.2. The Different phases of Oil Refinery Movement and its result**

The first mass oil refinery movement was observed in Assam throughout the period 1955-57 when the central government manifest average point of view towards the peoples request for establishment of an Oil Refinery in Assam. The Assamese people detected that Assam was under-developed as compared to the other states of the country due to the non-establishment of industry in the state. On the other hand, the first and second five years plans had not taken any constructive steps in this regard. Hence, the negligent altitude towards Assam led to a movement.

Refinery movement of Assam took a different shape with the student community took up the case of the movement. The representatives from different institutions of Guwahati assembled on 1st August 1956, and decided to carry on a vigorous campaign for the establishment of the proposed Refinery at Assam instead of Calcutta . There was a popular mass protest in Assam when resolution passed by the Assam Legislative Assembly on 3 April 1956 demanded that the refinery should be established in Assam. But no definite assurance was given by the Indian government. The people in Assam saw the government moves as to influence the 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”.

The movement was jointly supported by the opposition party and the All Assam Oil Refinery Action committee (AAORAC). Strike was successful, there were public meetings followed by street march in most parts of Assam. Shops, schools, colleges, and offices remained closed and in some places the volunteers were also involved in picketing. In Nagaon, local skirmishes took place between police and protesters. In Guwahati, the police resorted to lathi charge and used tear gas to disperse the protesters. The police arrested 306 people at the end of the day. The events of 28 August were highly debated in the floor of the Assembly. The ruling Congress party criticized the strike as unnecessary and violent. The Chief Minister, Bishnuram Medhi termed it as unjustifiable, which “degenerated into various offences and crimes involving violence and breach of peace. Medhi reminded the house that the Government of India had not accepted the Assam Oil Company’s advice to set up the refinery at Calcutta and assured that the government was equally considering the question from Assam’s point of view. Medhi criticized the role of Hareswar Goswami, leader of the committee 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”. The Indian Prime Minister, Jawaharlal Nehru who opined that “the question of refinery in Assam could not be resolved through violence; it should be decided only on the basis of feasibility”.

Hareswar Goswami argued that the hartal was peaceful except in Guwahati and Nagaon and the violence in those two places were the result of the overreaction of the police and the administration. Goswami pointed out that before the strike; he met K.D. Malaviya to discuss the cause of Assam having a refinery. Malaviya in that meeting stated that the possibility of setting up a refinery in Assam was only 1 per cent, which according to Goswami was not a satisfactory proposition. The popular pressure by the Assam government with Delhi resulted

in the Government Of India`s decision to appoint an expert committee to resolve the question of the location of the refinery.

An eleven member expert committee headed by S. Basistha, advisor to the Indian Ministry of Railway, along with one representative from France and Romania, was formed towards the end of September 1956 to look into the subject. The committee considered the necessary transport facility, the cost of acquiring the raw materials needed for the construction of the refinery, the cost of the transporting the refined oil and other petroleum products from the place of the refinery, availability of land, labour, capital and security. The technical and commercial angle of setting up of the refinery was also discussed by the Assam Oil Company and Assam protested against it.

Though the formation of the committee came as a relief to the troubled state, protesters were anxious about the outcome of the committee. Medhi wrote strongly against the inclusion of members from the Assam Oil Company, while excluding representatives from the state government of Assam. Many pointed out that most of the members, including the president and the secretary of the committee were government officials and the ranges of issues to be looked at by the committee were technical issues without considering the demands of Assam. On 18 October 1956, a group of representatives from the Action Committee met Nehru, during his visit to Assam. The delegation told Nehru that the expert committee should have been appointed on the basis of establishing the refinery in Assam.

The movement did not stop with the hartal. The Assamese press fully supported the hartal. When Nehru visited Assam on 18 October 1956 hundreds of people demonstrated their demands by standing along the road with posters in hand with the slogans— Tel Sodhanagar Asomot Laage, Asomor Udyogikaran Hoboi Laagibo, and Asomor Daabi Maaniboi Laagibo (The Oil Refinery must be in Assam, Assam must be Industrialize. and Assam`s Demand has to be recognized...)<sup>8</sup>

By June 1957, the Indian government decided to set up the refinery in Barauni against the popular demands of Assam. This raised further political outburst in Assam. As a result all the members of the Assam Legislative Assembly came together to stand by the cause in 17 June 1957. The assembly was satisfied that the refinery was even technically and commercially possible in Assam. The members argued that the refinery was essential for the economic development for Assam as it would generate petroleum based industries, employment in the region, and improve railway transportation. It was necessary for the economic self declaration of Assam. Besides, it was Assam`s legitimate right to have the refinery because Assam was exploited for its natural resource.

Outside the assembly and the press, protest meetings and processions in all the districts of Assam pull out huge popular participation. The Oil Refinery Action Committee held a successful meeting on 28 and 29 June. The conference was presided over by Hareswar Goswami. The conference criticized the Indian government for denying Assam`s right to have the refinery and announced a two phase programe for a mass struggle starting from 28 July. Hem Baruah, Member of Parliament from the Praja Socialist Party instructed to publicize the movement in the villages to make the movement successful. In the conference, the plan of action for the first phase of the movement was formulated. To protest against the decision of the Government of India, the committee asked all the members of the ALA not to participate

in the assembly on 1 and 2 July. The Committee also asked the people and the ministers not to participate on the inaugural function of Umkro Hydro-Electric project to be held on 9 July 1956. On the other hand, the committee asked all the elected representatives from Assam to boycott the parliament session on 15 July 1957. On the same day, the committee proposed to hold meetings throughout Assam demanding the refinery in Assam. The resolutions of those meetings sent to the Indian Prime Minister and the Ministry of Oil and Petroleum.

The Second phase of the movement had enclosed more organizational and structural programs. The members of the Assam Legislative Assembly and the Parliament were asked to resign according to the Action Committee's resolution. The Action Committee decided to mobilize 500 volunteer in each sub-division before 28 July, as there would be a general strike on 29 July. The Action Committee pledged to established branches in each districts and subdivisions. All the members of the Action Committee visited those branches explained the future programs of the committee. A central fund was created by collecting Rs. 1000 from each subdivision of the province. To popularize the movement, bulletins and pamphlets were published and distributed. But most importantly the Committee requested the people to do picketing in the government offices. Soon several branches of the Oil Refinery Action Committee were established in all the districts and subdivisions in Assam. These branches were active in mobilizing both satyagrahis and other resources for the movement. The satyagrahis registered themselves and then the record of the registration was sent to the provincial action committee. In the meanwhile, the central government became concerned about the approaching general strike on 29 July 1957. The GOI asked the Assam government to look after the security of all the central government offices and the office of the Digboi refinery.

The Third phase, 29 July 1957, a general strike was observed throughout Assam. The office of All India Radio (Guwahati), all other offices (both central and state), schools and colleges, shops, transportation were closed. The offices of the newspapers observed partial strike in support of the movement. In the railway station no officers turned out. The strike was successful in Digboi refinery various plants remained closed. The AAORAC, on 29 July, decided to carry out satyagraha in shilling and other district. Training centers were opened to trained satyagrahis. The Assam government asked action committee to withdraw the satyagraha as the Government of India had came forward to reconsider the cause of Assam. The committee refused to withdraw and was determined to carry on the satyagraha till the Government of India came its decision. Thousands of satyagrahis were arrested. Meanwhile, Government of India decided to prepare separate plans for Assam and Barauni and study the feasibility of establishing the refinery against its initial plan of having only one plan for Barauni. The American foster wheeler corporation was asked by the government to advise the planning commission. Finally, the Indian Government, after tremendous pressure from the Assam government and popular demand decided to establish two refineries, one at Noonmati in Assam and other at Baurani in Bihar under the public sector. To complete this project, India government signed a agreement with Rumaniya government and Rumaniya government provide 52.38 cores long term loan at the interest of 2.5%. The establishment work of Guwahati Refinery was completed in 1962 and this refinery is under the control of Indian Oil Corporation (IOC) Limited.

#### **4.3 Displacement of people of Guwahati oil refinery –**

The immediate effect of the establishment of Guwahati oil refinery in 1962 marked the beginning of industrialization in the city led to displacement of enormous people. This origination of industry conduct a problem of resettlement and rehabilitation. Around 4,000 acres of land was acquired to establish the refinery at Narengi in Guwahati which led to the displacement of 1446 people. Maximum number the displaced people settled around Ajuri forest in Nagaon and they have even named the village as Narengi.<sup>9</sup> Moreover some portion of land of Sunsali Tea estate of Guwahati was acquired to setup the Guwahati Refinery and the construction of residential colonies for the oil refinery officer and workers.<sup>10</sup>

Development presented a improved technology and industrial progress by investment. By advance technology, create direct effect on nature and human resource. Land is basic for execution of developmental project through compulsory acquisition. Such acquisition displaced people from their traditional habitats and sustenance. The development project required a huge land area mainly inhabited by tribal and other rural poor classes whom the project forces to sacrifice their sustenance in the name of “national development” but not all were benefitted. In Land Acquisition act 1894, is the enabling law that the state has used to acquire land. this had displaced people or deprived them of their livelihood. The sixth schedule became operative in 1950. As a result, tribal land that was their livelihood was treated as a state property according to their individual ownership based land law.<sup>11</sup> A study on development induced displacement in Assam by Fernandes and Bhrali used government data to give us some idea of number of displaced persons and number of project affected persons by the Guwahati oil Refinery, Guwahati. The displaced persons were those who had individual land rights and were forced to leave their homes; were physically relocated. project effected persons were those who lost some or most of the land as well as other sustenance, deprived of livelihood without physical relocation and were mostly compensated. But compensation was unsatisfactory and there was no real rehabilitation of either the displaced and project affected persons. moreover many were not even recognized by the government as displaced or project affected persons. Because of LAA, rehabilitation /compensation was only given to individually owned land. However thousands of families were lived on community controlled land (mainly Bodos and Karbis). They had no individual land rights for those community assets (common property resources), which were managed by community based customary law and the government didn't recognized community rights on those lands and considered as state property.

The one thousand families (Displaced persons) uprooted from their habitat by the Noonmati oil refinery. Other families lose some of their land and other sustenance to the project but are not physically relocated (PAP) 446 families of their livelihood without physical relocation.<sup>12</sup> Noonmati refinery used 603 private land and 3397 of common land. 85% of the land used by Noonmati refinery was common and 1,157 of its 1,446 DPs/ PAPs were Karbi tribals.<sup>13</sup> Both the private and the CPRs that the project used were people livelihood. Loss of both types of land caused DPs and PAPs but the project count only individual land loses among them and excluded most families sustaining themselves on the commonly assets CPRs according to laws.

Most such families had inhabited the CPRs for centuries but the individual based laws of the country didn't recognize their rights over land. Thus they were excluded even from benefits like compensation. The Noonmati Refinery of kamrup district displaced 1000 families but counted only 159 patta owing families as displaced and excluded 1287 CPRs dependent families from the list of displaced person. Refinery compensated only 159.97 of land per acre they were given 14152.22 total 143645.00 lakhs were given.

## 5. Conclusion

Guwahati Refinery was the first public sector refinery of India under Indian Oil Corporation (IOC) Limited which was built with Romanian collaboration. It was inaugurated on 1st January 1962 by Pandit Jawaharlal Nehru, the first Prime Minister of India. It is situated at the bank of the river Brahmaputra at Noonmati, the western part of Guwahati city, covering an area of about 147 acres of land. Guwahati refinery processes indigenously available Assam crude supplied by Oil India Limited (OIL) and Oil and Natural Gas Commission (ONGC) to serve the need of petroleum products of North East region and rest of the country in general.

The environmental consequences of a Noonmati refinery project destroyed natural environment. Refinery unit emits harmful gases and affluent irrespective of location. The calcinations unit of Guwahati refinery created health hazard in near part. The unit blows up small particles of coke dust along with smoke. It speared through areas of Noonmati these were inhale by the people. Regular inhaling of such particles led to tuberculosis, lungs cancer, asthma and eye diseases. Measure suggested by National Environmental control Board has been implemented by the Noonmati Refinery, under general director of Guwahati Municipal Corporation.<sup>15</sup> A surface drain from Noonmati refinery of 100 metre down meet the river Bharalumukh through 'siriakhana' gate to discharged waste materials. The river then passes through Bhagaharh, Ulubari and Cherapbhati area outfalls in the Brahmaputra at Bharalumukhh.<sup>16</sup>

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