

CHAPTER VI

BANKING, TRADE AND COMMERCE

INDIGENOUS BANKING

The average cultivator or the labourer in the past could not possibly accumulate any savings and there was hardly any scope for banking the savings. But banks were necessary to help them with credit facilities to tide over their difficulties either for the purchase of seeds or the purchase of a pair of plough-bullocks or meeting any social obligation like marriage or *sradh* in the family. For such purposes the village *Mahajan* or *Sahukar* or the village money-lender was always available. In the villages rarely a man followed exclusively the profession of a money-lender. He was normally a big cultivator, the zamindar or the village grocer. His rate of interest would be very high but he would vary it with his intimate knowledge of the financial resources of the borrower. The credit facility had the advantage of being quickly accessible without any red-tape and the security often consisted in the social odium which would follow from non-payment. Very often a part of the capital will be deducted as advance interest. This was the picture of indigenous banking in the rural areas which has persisted to some extent even to present times.

In the urban areas, however, there were *gaddis*, of important commercial houses. They could advance credit and also take deposits. In the past *hundis* or credit notes were the usual machinery through which big transactions took place. The *hundis* of well established Indian and European business firms of different places used to be given full credit at Bhagalpur. The Indigo Planters also used to advance loans and credit savings. The riverine trade of Bhagalpur had contacts from Allahabad to Calcutta and Dacca and *hundis* of firms in places like Allahabad, Baranasi, Patna, Monghyr, Calcutta and Dacca were credited for. Banks in the present sense came in later. Hunter's description in his *Statistical Account** gives us the picture that existed in the middle and third quarter of the nineteenth century. It has to be observed that from the very beginning, the British administration had followed the tradition of Mughal and Muslim rule that it is an obligation of the State to help the *raiyats* with credit facilities. Many of the zamindars also felt as a social obligation that they should help the *raiyats* with credit facilities but in the past the State and the Zamindars usually helped when there was distress and not for other purposes. Hunter mentions that the merchants and landed proprietors in Bhagalpur employed capital either in

* *A Statistical Account of Bhagalpur* (1877), PP. 191-192.

trade or manufacturing goods but rarely in improving the land. The largest accumulations were believed to be in the hands of the trading community at a few commercial centres, such as Bhagalpur and Colgong. The rate of interest in petty loans where the borrower pledged some articles, such as ornaments or household, was half an anna in the rupee per mensem, or thirty-seven and a half per cent per annum. In large transactions, money or loan was raised by mortgaging movable or on immovable properties. The rate of interest varied from thirty-seven and a half to seventy-five per cent per annum. If those loans ran, as they often did, over a number of years, the former rate of interest remained the same. In the same class of transaction, with a lien upon the crops, the amount so advanced was recovered in all kind at the rate current in the market. There were some large banking establishments in the town of Bhagalpur, but in the interior of the district loans were chiefly given by village shopkeepers or *mahajans*, who apart from being grocers were also money-lenders. The prospect of a good return in Indigo also prompted the Europeans to invest money in Bhagalpur district. Besides many people belonging to Calcutta and other upcountry towns had business interest in the district.

This description of banking was prevalent even at the time of the publication of the last District Gazetteer of Bhagalpur (1911). It mentions that the Marwaris, Agarwalas, and Baniyas, all were engaged either in trade, banking or money lending. They eventually acquired large estates which came into their hands at first on mortgages and finally as their sole property by purchasing at sales in execution of their own decrees against the improvement or unwary zamindar who they had enmeshed.

GENERAL CREDIT FACILITIES, INDEBTEDNESS AND MONEY-LENDERS

General credit facilities available in the district comprise the professional money-lenders, agriculturist money-lenders, richer relatives, traders, co-operatives, landlords and lastly the State. There also may be some other particular sources of credit facilities which may generally be grouped under the heading of 'Others'. There has not been any critical survey as to the incidence of indebtedness, rural and urban in Bhagalpur district. Generally it may, however, be said that excepting a small percentage of indebtedness is almost a normal feature in the economy of the average family of the common man. The middle classes which form the back-bone of the society are the hardest hit in the present set-up and a large percentage of them is running into the incidence of indebtedness quickly. The average normal cultivator unless he is a big cultivator with some monetary legacy has also a certain amount of indebtedness. The small cultivators and the agricultural

labourer classes are also usually indebted to certain extent. The professional classes both in the rural and urban areas show a peculiar picture. Some of them are quite affluent but the average professional class is probably just on the margin. After the abolition of the zamindari the ex-landlords who owned extensive zamindari are not indebted to any appreciable extent but the class of small zamindars have not yet been able to adjust themselves and are getting into indebtedness. Excepting a few large families of ex-landlords, Bhagalpur district has a very large number of small ex-landlords and owing to delays in receiving compensation and a certain amount of allergy to quickly adjust to the changed circumstances many of them are now indebted. The business men, however, have prospered as a class since the Second Great War and the general impression is that the average business man is not suffering from any load of indebtedness. The analysis of indebtedness in Monghyr district that has been dealt in the text on 'Economic Trends' in the revised District Gazetteer of Monghyr applies for Bhagalpur district as well.

The incidence of indebtedness in Bhagalpur district as in Monghyr district is largely inter-mixed with the questionable traditional conception of social obligations. The expenditure on purchase of clothing, shoes, etc., and particularly on marriage and other ceremonies are considered as important items in the family budget. It cannot be said that the family budget of the average man cannot brook any pruning. There is far too much of lop-sided expenditure in the average family at the moment. Marriage, other social ceremonies, funeral expenses, litigation, etc., take away much more from the family budget of an ordinary man. The traditional joint family system is also usually taken to be another source of general indebtedness owing to the drones in the family and the accumulated legacy of debts. In the present Welfare State the incidence of taxation has got to go on increasing and there will be more of rise in expenditure over fooding, clothing, educational and medical expenses, etc. The State is bound to impose more and more taxes to provide for the development projects and to firmly set up a socialistic State. Unless the structure of the family budget is radically changed there may be much more of indebtedness in the district. But in spite of this picture of indebtedness there is a margin of savings and that margin has got to be strengthened. That margin may not be available in the average cultivator. In a planned economy, all sectors, the Government, the Companies, the individuals should save to the utmost out of their current incomes, and invest in productive assets. This is the only way by which a country can have a self-generating economy with increased per capita income and increased production. As has been said each sector has to strive to increase its marginal rate of saving or propensity to save. The economy would cease to grow if this is not done. We have

not got sufficient data to calculate the annual average of Bhagalpur district's or even Bihar's savings in the different sectors. But from the rapid increase in the investment in house-properties and ornaments that we see in Bhagalpur we may conclude that in spite of the general indebtedness of the average common man, there is a fair margin of savings. There has also been an increase in Bank deposits and Life Insurance business and shares of Companies and Government securities.

Regarding usury it may be said that this has been controlled to some extent by legislation but not totally. It is, however, correct to think that the recent changes in the legislation and the provision of more credit facilities have had their contribution and the Afghan-money lenders who used to visit the villages and the towns every winter have not been very prominent in the last one decade or so. The Money-lenders Act which will be discussed later has fixed the ceiling of interest but it is unfortunately true that the ceiling is not always implemented by both the parties.

A study in Monghyr district gives the following picture of the credit agencies and the proportion of borrowing from each agency to the total borrowings of cultivation and this has an application to Bhagalpur district as well.

The figures are as follows:—

Credit Agency.	Proportion of borrowing from each agency to the total borrowings of cultivation.	
	Per cent.	
Government	3.3	
Co-operatives	3.1	
Relatives	14.2	
Agriculturist money-lenders	24.9	
Professional money-lenders	44.8	
Traders and Commission Agents	5.6	
Landlords	1.5	
Commercial Banks	0.9	
Others	1.8	
Total	100.0	

Of all the credit agencies mentioned in the above table, the age-old institution of money-lenders has traditionally been the main agency meeting the credit requirements of the rural sector of our economy in the past. It continues to enjoy even to-day, more or less, the same predominant position in the field in spite of vigorous efforts by Government to develop and enlarge alternative sources

of credit and to control and regulate the business activities of money-lenders by vigorous legislative measures. The facts regarding the total borrowings of cultivators financed by non-institutional or private agencies of which the most important are money-lenders who account for nearly 70 per cent have been discussed earlier. In contrast to this, "the combined contribution of Government and the co-operatives was about 6 per cent of the total (each accounting for about three per cent). As for commercial banks, one per cent represented the insignificant part played by them in the direct financing of the cultivator."* The data collected by the Survey of the All-India Rural Credit reveal that borrowing from private agencies (other than commercial banks) bears a rate of interest of 25 per cent or more but is as high as 70 per cent in Orissa, 49 per cent in Tripura, 40 per cent in West Bengal, 29 per cent in Uttar Pradesh and 27 per cent in Bihar. Although Co-operative movement has registered good progress in Bhagalpur district, it has not significantly affected the predominant position of money-lenders.

Such a predominant position of the money-lenders would have meant no harm to our rural economy had they refrained from indulging in unhealthy practices. The Agricultural Finance Committee appointed by the Government of India under the chairmanship of Sri D. R. Gadgil, in its report of 1945 noted (Page 59), "While it is true that the money-lender is the most important constituent of the agricultural credit machinery of the country, it is not possible to justify many of his practices and the charges he makes for his services. Very often these charges are out of all proportion the risk involved in the business and constitute only exploitation of the helplessness, ignorance and necessity of the borrower. Nor is the agricultural economy of the country in a position to bear the strain of his extortion. The credit dispensed by him instead of contributing to the agricultural prosperity of the country serves as a serious drag on it". But the money-lender continues because he offers the credit quickly and without the usual formalities which any co-operative credit agency or Government agency would insist.

To safeguard the interest of the borrowers the Bihar Money-lenders Act, 1938, is in force and which to some extent checks the rising tendency of interest.

*All India Rural Credit Survey Report, page 167.

The following table will show the Annual Statement on the Working of the Bihar Money-Lenders Act, for the district of Bhagalpur from the year 1954-55 to 1960-61

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Number of licensed Money-lenders.									
Year.	At the beginning of the year.		Who were registered for the first time during the year.		Whose licenses were renewed during the year.		Whose licenses were cancelled during the year.		
	Urban.	Rural.	Urban.	Rural.	Urban.	Rural.	Urban.	Rural.	
1	2	3	4	5	6	7	8	9	
1954-55	536	831	91	185	15	34	..	..	
1955-56	595	984	93	223	9	50	..	..	
1956-57	661	1,138	92	126	28	47	..	..	
1957-58	710	1,180	109	148	32	46	..	..	
1958-59	695	1,210	68	233	36	63	..	..	
1959-60	662	1,414	104	189	38	60	..	..	
1960-61	720	1,456	95	234	27	55	..	..	

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		Number of licensed Money-Lenders.				The kind of security generally demanded by the money-lenders, e.g. landed property Jewellers, etc.	Amount of loan advanced during the year.				
Year.	Whose five-year terms of licenses expired during the year.		At the close of the year.		With security.		Without security.				
	Urban.	Rural.	Urban.	Rural.	Urban.		Rural.	Urban.	Rural.		
	1	10	11	12	13		14	15	16	17	18
							Rs.	Rs.	Rs.	Rs.	
1954-55	..	..	47	66	595	984	Generally landed property.	1,12,033	25,78,955	..	..
1955-56	..	..	36	119	661	1,138	Ditto	1,22,120	17,30,724	..	3,040
1956-57	..	..	71	131	710	1,180	Ditto	..	1,50,789	..	11,312
1957-58	..	..	156	164	695	1,210	Ditto	11,10,677	5,71,010	..	13,270
1958-59	..	..	131	92	662	1,414	Ditto	12,95,244	21,10,983	..	1,490
1959-60	..	..	84	207	720	1,456	Ditto	6,04,854	23,24,058	..	4,982
1960-61	..	..	89	244	753	1,501	Ditto	18,46,732	17,72,390	..	1,106

There are some old families like Dhandhanias, etc., in the district who deal in the money-lending business.

JOINT STOCK COMPANIES

There are no joint stock companies registered under the Indian Companies public), etc.

As regards private limited companies, the details are given below:—

		Capital.				
Name of Company.	Principal object.	Class of shares.	Authorised (Total only).	Paid up (break up should be given).	Bonus issued included in column nine.	Secured and unsecured loans and debentures.
1	2	3	4	5	6	7
			Rs.	Rs.	Rs.	Rs.
Bihar Mining and Industries (Private), Limited.	Business of mica mining.	Ordinary	5,00,000	2,30,000	Nil	Secured loans Rs. 60,000. unsecured loans Rs. 6,000.
Bihar Prestressing (Private), Limited.	Construction of general nature.	Equity	10,00,000	15,250	Nil	Nil
Shree Vastralaya (Private), Limited.	Wholesale dealers in commodities other than food stuff, general merchants and commission agents, etc.	Equity ..	3,00,000	..	Nil	Nil
Bhartiya Vastu Bhandar (Private) Limited.	Wholesale dealers in commodities other than food stuff, general merchants and commission agents.	Equity ..	1,00,000	5,200	Nil	Unsecured loans Rs. 8,220.
Tatanagar Engineering and Foundry (Private), Limited.	Business of exports and imports, etc.	Ordinary	2,00,000	14,500	Nil	Nil
Umesh Transport (Private), Limited.	Transport services by road especially lorry and motor services.	Equity ..	1,00,000	1,00,000	Nil	Unsecured loans Rs. 45,500.
Thakur Motor Services (Private), Limited.	Transport services by road especially lorry and motor services.	Equity ..	1,00,000	500	Nil	Unsecured loans Rs. 45,177.
Amrit Mandal and Company (Private), Limited.	Advertisement, Contractors and Advisers.	Equity ..	10,00,000	54,000	Nil	Unsecured loans Rs. 19,899.

AND LIMITED COMPANIES.

Act in Bhagalpur district except a few limited companies (private and

Situation of the registered office.	Profit before taxation/loss.	Reserves (excluding taxation reserves).	Date of registration.	Closing date of annual accounts from which date in columns 9 and 10 have been taken.	Industrial classification.
8	9	10	11	12	13
	Rs.	Rs.			
Adampur, District Bhagalpur.	Nil	Nil	13th July 1947	31st March 1959 ..	1.6
7, Patal Babu Road, Bhagalpur.	Nil	Nil	7th January 1961	New Company ..	5.09
Cloth Market, Bhagalpur	Nil	Nil	15th September 1959.	Company has not filed any document.	6.01
D. N. Singh Ghat Road, Bhagalpur-2.	Nil	Nil	4th February 1955.	31st October 1959	6.01
"Indu Sadan" Manik Sarkar Road, Bhagalpur.	Nil	Nil	6th December 1958.	31st December 1959	6.01
At and District Bhagalpur	Nil	Nil	16th December 1944.	31st March 1960 ..	7.00
At and District Bhagalpur	Nil	Nil	1st June 1945	Company has not filed any document since long.	7.00
26, East Gurhatta Road, Mirjanhat, Bhagalpur.	Nil	Nil	2nd January 1958.	30th June 1960 ..	8.5

There were eight private limited companies operating in the district of Bhagalpur during 1961. Their classification shows that (i) two companies were in the group of wholesale dealers in the commodities other than food stuff, general merchants and commission agents, etc., (ii) two in the transport group, (iii) one in mica mining group, (iv) one in construction of general nature, (v) one in business of exports and imports and (vi) one in advertisement, contractors and agents group.

The table given below gives the detailed information regarding the Public Limited Companies.

Name of the company.	Principal object.	Capital.					Situation of registered offices.	Profit before taxation loss.	Reserves (excluding taxation reserves).	Date of registration.	Closing date of annual accounts from which date in columns 9 and 10 have been taken.	Industrial classification.
		Class of shares.	Authorised (Total only).	Paid up (break up should be given).	Bonus issue included in column 9.	Secured and unsecured loans and debentures.						
1	2	3	4	5	6	7	8	9	10	11	12	13
			Rs.	Rs.	Rs.	Rs.		Rs.	Rs.			
The Monghyr Electric Supply Company, Limited.	Business of electric construction.	Equity	..	1,18,010	Nil	Unsecured loans Rs. 3,73,934.	Sujaganj, Bhagalpur.	..	6,416	1st April 1936.	31st March 1958	5.1
		Preference total.	7,00,000	73,63,420								
				4,21,480								
Ramrikdas Properties, Limited.	Land and State Companies.	Equity	5,00,000	19,089	..	..	Bakrar Kothi, P.O. Mathura-Sahebganj, Bhaagpur.	..	1,700	25th May 1944.	30th September 1959.	6.2

Public limited companies, other than joint stock banks and investment trusts numbered two in the district in 1961. They were engaged in some form of productive activity such as trading, construction, etc.

Besides, there are other private and public limited companies like the Bihar Agents (Private), Limited, Eastern Silk Manufacturing Company (Private), Limited, Uma Shankar Mills (Private), Limited, Shew Mills Company (Private), Limited, Shree Krishna (Private), Limited, New General Agents (Private), Limited, Shri Shiva Gouri Mills (Private), Limited, Shri Bhagwati Hosiery Mills (Private), Limited and the United Press.

Of all these Private Limited Companies which have their registered offices at Calcutta—

- (i) six are in the manufacturing group, viz., (a) Eastern Silk Manufacturing Company (Private), Limited, (b) Uma Shankar Mills (Private), Ltd., (c) Shew Mills Co. (Private), Ltd., (d) Shiva Gouri Mills (Private), Ltd., (e) Bhagwati Hosiery Mills (Private), Ltd., and (f) Shree Krishna (Private), Ltd.; and
- (ii) two in wholesale dealing of cloth group, viz., (a) Bihar Agents (Private), Ltd., and (b) New General Agents (Private), Ltd.

The distribution of the six companies in the manufacturing group is given below:—

(1) Oil and flour ..	..	3
(2) Silk ..	..	1
(3) Hosiery ..	..	1
(4) Bucket, etc. ...	..	1
		6

The three companies manufacturing oil and flour are Uma Shankar Mills (Private), Ltd., Shew Mills (Private), Ltd., and Shiva Gouri Mills (Private), Ltd. Eastern Silk Manufacturing Company (Private), Ltd., manufactures silk. Bhagwati Hosiery Mills (Private), Ltd., turn out hosiery and Srikrishna (Private), Ltd., manufactures buckets, etc.

The only public limited company is the United Press which has its registered office at Patna and its branch office is at Bhagalpur. From general enquiry it was understood that a part of the capital in most of these companies was raised in Bhagalpur district

CO-OPERATIVE CREDIT SOCIETIES AND BANKS

In Bhagalpur district till 4th of May, 1960, there were two Central Co-operative Banks—Bhagalpur and Banka—but with the recommendation of Reserve Bank of India both these banks amalgamated into one with its head office at Bhagalpur known as Bhagalpur Central Co-operative Bank, Ltd. At Banka there is now a branch of Bhagalpur Central Co-operative Bank. Bhagalpur Central Co-operative Bank, Ltd., was registered on the 5th May, 1960. The area of operation of both these banks extends to their respective subdivisions. But as Bhagalpur Central Co-operative Bank is the head office, the area of operation extends throughout the district.

The main activity of the Central Co-operative Bank is to provide agricultural finance to their affiliated co-operative societies which in their turn finance their agriculturist members as short term and medium term loan for productive purposes. Short term loans are advanced to agriculturist members to meet their current production needs such as seeds, manures, etc. These loans are made available to them at short notice and are repaid within nine to twelve months and in exceptional cases like cultivation of sugarcane within fifteen months. Medium term loans are advanced for purchase of live-stock, agricultural implements, etc., for a period of three to five years. The rate of interest on all kinds of loans was 6½ per cent per annum from the ultimate borrower, i. e., the cultivators but from January, 1961 it has been raised to 7½ per cent. Loans are advanced on the security of the landed properties of the members but such securities are not required for loans below Rs. 200.00. Personal securities are taken in all cases. Loans are also available from co-operative societies to its non-agriculturist members, such as artisan up to Rs. 100.00 as working capital. In every exceptional cases loans up to and exceeding Rs. 1,000.00 are advanced on the prior approval of the Circle Assistant Registrar.

The following figures will show the number, affiliated and non-affiliated of different types of Co-operative Societies and Banks in the district :—

Types of Societies.	Number.	Affiliated.	Non-affiliated.
BHAGALPUR CIRCLE.			
1. Central Co-operative Bank, Ltd., Bhagalpur ..	1	..	..
2. Primary and Multipurpose Co-operative Societies and Credit Co-operative Societies.	274	159	115

Types of Societies.			Number.	Affiliated.	Non-affiliated.
BHAGALPUR CIRCLE.					
3. Consumers, Co-operative Stores	..	..	14	2	12
4. Teachers' Co-operative Societies	..	..	14	Nil	14
5. <i>Vikas Mandal</i> and <i>Vyapar Mandal</i> Societies	..	..	3	2	1
6. Fishermen's Co-operative Societies	..	..	3	3	Nil.
7. Weavers' Co-operative Societies	..	..	69	57	12
8. Non-Agricultural Credit Societies	..	..	1	Nil	1
9. Large-size Societies	..	..	6	6	Nil.
10. Oilmen Co-operative Societies	..	..	34	22	12
11. Industrial Societies	..	..	4	4	Nil.
12. <i>Gramodyog</i> Societies	..	..	4	3	1
13. Housing Societies	..	..	1	Nil	1
14. <i>Khadi Rachnatmak</i> Co-operative Societies	..	..	4	2	2
15. Dyeing and Printing Co-operative Societies	..	..	1	Nil	1
16. Joint Farming	..	..	2	2	Nil.
17. Harijan Co-operative Societies	..	..	3	1	2
18. Milk Unions	..	..	1	1	Nil.
19. Milk Co-operative Societies	..	..	5	1	4
20. Urban and other Societies	..	..	60	26	34
BANKA CIRCLE.					
1. Central Co-operative Bank, Ltd., Branch Banka			1	1	Nil.
2. Multipurpose Co-operative Societies, Ltd.	..	..	412	386	26
3. Credit Co-operative with unlimited liabilities	..	..	57	57	Nil.
4. Co-operative Stores	..	..	5	1	4
5. Grain Gola	..	..	2	1	1
6. Large size Multipurpose Co-operative Societies			4	4	Nil.
7. <i>Vyapar Mandal</i> and <i>Sahyog Samiti</i>	..	..	5	5	Nil.
8. Weavers' Co-operative Societies	..	..	15	8	7
9. <i>Gur-Khandsari</i> Industrial Co-operative Societies			12	7	5

Types of Societies.	Number.	Affiliated.	Non-affiliated.
10. Pottery Industrial Co-operative Societies ..	3	1	2
11. Hand-pounding Industrial Co-operative Societies	16	9	7
12. Metal Workers' Industrial Co-operative Societies	1	1	Nil.
13. <i>Vishwakarma</i> Industrial Co-operative Societies	2	2	Nil.
14. Carpentry Industrial Co-operative Societies ..	1	1	Nil.
15. Co-operative Farming	7	2	5
16. Embroidery Co-operative Societies	2	Nil	2
17. <i>Dudh Utpadak</i> Co-operative Societies ..	1	Nil	1
18. Forest Co-operative Societies	1	Nil	1
19. <i>Sarvodaya</i> Co-operative Societies	1	Nil	1

THE FOLLOWING FIGURES WILL SHOW THE PRESENT POSITION OF CENTRAL CO-OPERATIVE BANKS OF THE DISTRICT.

Particulars.	Bhagalpur Central Co-operative Bank, Ltd.				Central Co-operative Bank, Ltd., Branch Banks.			
	1957.	1958.	1959.	1960.	1957.	1958.	1959.	1960.
1	2	3	4	5	6	7	8	9
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Paid-up Share Capital ..	8,688	64,903	1,69,108	1,77,613	40,000	43,682	47,095	50,369
2. Reserve Fund ..	18,756	18,853	18,944	32,797	13,405	13,405	20,557	20,622
3. Other Reserve Fund ..	Nil	1,795	12,117	34,951	Nil	Nil	11,749	31,431
4. Borrowed Capital ..	1,71,547	6,76,590	8,64,756	6,31,625	1,37,925	2,58,122	2,13,016	2,67,480
5. Working Capital ..	2,23,701	8,45,737	3,31,899	5,18,811	1,91,330	3,15,209	2,92,414	3,69,903
6. Loans outstanding at the close of the year.	1,92,018	6,67,295	6,32,766	7,80,598	1,53,290	2,75,494	2,59,671	3,52,055

THE FOLLOWING FIGURES WILL SHOW THE PROGRESS OF THE CO-OPERATIVE MOVEMENT IN BHAGALPUR DISTRICT FROM 1957 TO 1959.

Types of Societies.	Years.	Number.	Members.	Paid-up capital.	Reserve.	Owned funds.	Deposits.	Loans.	Working capital.	Loans outstanding at the beginning.
1	2	3	4	5	6	7	8	9	10	11
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Central Co-operative Bank, Ltd., Bhagalpur.	1957	1	..	8,680	38,856	Nil	53,721	1,71,547	2,72,802	92,767
	1958	1	..	64,903	20,549	Nil	1,48,500	6,11,086	8,45,640	1,92,018
	1959	1	..	1,69,108	23,767	7,294	1,31,731	4,05,165	6,55,065	8,67,296
Central Co-operative Bank, Ltd., Banka.	1957	1	..	40,000	13,405	53,405	1,15,245	22,680	1,91,330	1,13,927
	1958	1	..	43,682	13,405	57,087	1,47,034	1,11,088	3,15,209	1,53,289
	1959	1	..	47,095	20,557	79,401	1,64,376	48,640	2,92,417	2,75,495
Agricultural Multipurpose Co-operative Societies other than large scale Co-operative Societies.	1957	497	15,694	1,50,259	23,280	1,41,627	51,010	2,03,984	5,05,924	2,74,384
	1958	556	10,699	1,98,235	11,945	1,49,529	82,866	5,61,855	9,20,997	4,10,476
	1959	568	21,093	2,33,303	88,226	1,62,310	96,907	4,66,475	8,93,419	6,25,619
Marketing Societies other than the new Primary Marketing Societies organised under the Plan.	1957	3	123	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1958	3	121	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1959	5	149	26,345	176	Nil	Nil	14,187	40,688	Nil
Large Sized Co-operative Societies.	1957	3	595	15,506	91	12,738	950	13,026	29,573	Nil
	1958	4	891	41,248	487	36,035	2,520	55,649	99,904	6,942
	1959	10	1,694	58,419	1,094	47,685	Nil	74,892	1,10,234	23,573

THE FOLLOWING FIGURES WILL SHOW THE PROGRESS OF THE CO-OPERATIVE MOVEMENT IN BHAGALPUR

Types of Societies.	Years.	Number. Members.	Paid-up Reserve. capital.	Owned funds.	Deposits.	Loans.	Working capital. outstanding at the beginning.	1	2	3	4	5	6	7	8	9	10	11
Co-operative Gramin Societies	1967	1	21	Nil	Nil	Nil	Nil	Nil	1958	2	21	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1959	5	121	548	Nil	548	23	1,550	2,198	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
..	1957	9	131	330	1,028	40	Nil	Nil	Nil	1,358	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Consumers' Stores	1958	10	131	330	1,028	40	Nil	Nil	1,358	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1959	10	131	330	1,028	40	Nil	Nil	1,358	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Urban Credit Society	1957	1	316	10,050	10,396	1,082	24,612	Nil	46,140	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1958	1	350	10,390	10,430	1,082	24,653	Nil	46,555	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1959	1	364	10,500	10,444	1,982	24,716	Nil	46,742	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Housing Societies	1957	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1958	1	15	1,000	Nil	Nil	Nil	Nil	1,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1959	1	15	1,000	Nil	Nil	Nil	Nil	1,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
..	1957	47	1,393	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Weavers' Societies	1958	61	10,628	2,19,378	1,730	17,218	69,318	3,87,656	6,78,082	11,695	11,695	11,695	11,695	11,695	11,695	11,695	11,695	11,695
	1959	72	10,801	3,18,581	17,387	66,139	50,921	3,74,584	7,61,473	11,695	11,695	11,695	11,695	11,695	11,695	11,695	11,695	11,695

DISTRICT FROM 1957 TO 1959—*contd.*

Other Industrial Societies ..	1957	23	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1958	63	325	5,963	4	5,967	1,569	16,383	23,899	Nil
	1959	110	1,829	3,15,516	12,531	5,380	Nil	64,754	1,08,323	5,607
Other Societies (a) Harijan Societies.	1957	1	168	26	Nil	Nil	Nil	Nil	26	Nil
	1958	1	149	43	Nil	Nil	Nil	Nil	43	Nil
	1959	3	159	43	Nil	Nil	Nil	Nil	43	Nil
Fishermen's Co-operative Societies.	1957	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1958	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1959	3	206	1,470	55	Nil	Nil	1,525	3,050	Nil
Teachers' Stores ..	1957	16	380	440	Nil	Nil	Nil	Nil	440	Nil
	1958	16	380	440	Nil	Nil	Nil	Nil	440	Nil
	1959	19	380	440	Nil	Nil	Nil	Nil	440	Nil
Milk Societies ..	1957	3	76	3,460	10	61	90	1,18,507	1,22,500	Nil
	1958	4	36	3,490	10	135	548	1,18,507	1,22,669	Nil
	1959	5	80	3,760	36	146	559	1,18,507	1,23,008	Nil
Grain gola Societies ..	1957	1	653	Nil	9,789	9,789	2,734	Nil	12,523	11,242
	1958	1	718	Nil	7,478	7,478	3,110	Nil	10,588	15,367
	1959	1	723	Nil	7,488	11,860	3,063	Nil	14,928	16,571

THE FOLLOWING FIGURES THROW CONSIDERABLE LIGHT ON THE WORK AND PROGRESS OF THE CO-OPERATIVE SOCIETIES AND MULTIPURPOSE CO-OPERATIVE SOCIETIES IN THE DISTRICT OF BHAGALPUR.

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BHAGALPUR

Name of the Central Co-operative Banks and C. D. Blocks.	Number of Societies.		Number of members.		Loans paid during the year to individuals.		Loans during the year.		Loans due at the end of the year.	
	1959.	1960.	1959.	1960.	1959.	1960.	1959.	1960.	1959.	1960.
1	2	3	4	5	6	7	8	9	10	11
Bhagalpur Central Co-operative Bank, Ltd., Bhagalpur.	23	32	1,331	1,480	Rs. 15,431	Rs. 5,290	Rs. 15,997	Rs. 10,771	Rs. 25,908	Rs. 21,371
C. D. Block, Sabour ..	38	41	2,198	2,229	Nil	730	20,585	46,829	1,52,831	1,04,853
C. D. Block, Shahkund ..	26	26	1,493	1,546	52,335	60,287	45,114	58,295	14,637	15,618
C. D. Block, Colgong ..	32	36	855	900	7,485	1,173	15,663	11,333	20,137	19,718
C. D. Block, Pirpainti* ..	..	14	..	N.A.	..	N.A.	..	N.A.	..	N.A.
C. D. Block, Bihpur ..	22	24	1,121	1,192	11,174	7,000	7,270	7,660	6,053	6,069
C. D. Block, Naugachhia ..	33	33	1,960	1,963	10,051	440	9,931	13,994	36,951	24,079
C. D. Block, Gopalpur ..	17	19	1,736	1,719	4,596	1,950	6,627	31,852	22,538	18,880
Bhagalpur Central Co-operative Bank, Ltd., Branch Banks.	19	19	1,110	1,221	12,120	19,750	7,750	5,620	14,330	23,350
C. D. Block, Rajoun ..	N.A.	50	N.A.	1,186	N.A.	59,548	N.A.	13,751	N.A.	45,797
C. D. Block, Katoria ..	N.A.	34	N.A.	1,186	N.A.	7,355	N.A.	1,455	N.A.	26,470
C. D. Block, Amarpur ..	N.A.	45	N.A.	2,238	N.A.	1,03,584	N.A.	72,576	N.A.	72,242
C. D. Block, Bounsi ..	N.A.	38	N.A.	1,103	N.A.	45,059	N.A.	25,051	N.A.	26,125
C. D. Block, Banka ..	N.A.	51	N.A.	2,629	N.A.	73,429	N.A.	66,951	N.A.	1,10,533
C. D. Block, Shambhuganj* ..	..	14	..	444	..	13,550	..	8,706	..	6,941
C. D. Block, Dhoriya† ..	..	..	..	..	..	..	..	..	..	..

*Block started during the year 1960.
†Block started during the year 1961.
N. A. —Not available.

The Co-operative Movement has made a steady progress in the district. There has been continuous increase in the number of co-operative societies of all types and in their membership. The total number of families brought under co-operative fold is 8,645 in Bhagalpur Circle and 16,357 in Banka Circle. The total families brought under co-operative fold in the district is 25,002. From the foregoing details it will appear that co-operative movement is not only helping in providing agricultural finance but also in other field of activities, like supply of consumers' goods, chemical fertilisers, handloom industries and other important activities.

Banks

The statement below shows the banking offices in Bhagalpur district other than the Co-operative in 1961.

Bhagalpur District—Banking Offices (Other than Co-operative) in 1961.

Name of places	Name of Banks having offices	Nature of the office
Bhagalpur	.. State Bank of India	.. Branch office and Bhagalpur City Pay Offices.
	Central Bank of India	.. Branch Office.
	Punjab National Bank	.. Ditto.
	Hindusthan Commercial Bank	Ditto.
	Allahabad Bank	.. Branch Office and University Cash Office.
Colgong	.. State Bank of India	.. Pay office.
Sultanganj	.. State Bank of India	.. Ditto.

There are only two banks, viz., the State Bank of India and Allahabad Bank which have Pay Offices and Cash office respectively at Bhagalpur City, Colgong, Sultanganj and in the campus of Bhagalpur University. The rest of the banks including the State Bank of India have branch offices in the district of Bhagalpur and that also only in the town area of Bhagalpur.)

The history of the earlier Banks in Bhagalpur district is somewhat dismal. About three decades back the Bhagalpur branch of a flourishing bank known as Benaras Bank had failed along with the branches elsewhere. The branches of a number of other banks had met with a similar fate between 1940—50. They are the branches

of Nath Bank, Sonar Bangla Bank, Bharat Bank, Das Bank, etc. It must be said that the faith of the common man in the banks had received a rude shock by the failure of such branches and some people who have good savings are still averse to put their money in the banks.

The branch offices of the different banks were established as follows :—Hindusthan Commercial Bank (1943), Central Bank of India (1943); Punjab National Bank (1945); Allahabad Bank (1953) and State Bank of India (1955).

These banks as usual collect the savings of the public, give loans on reasonable security and undertake the other monetary transactions which are usually done in a bank such as acting as the agent of the customers in collecting and paying cheques, bills and dividends, etc. Many of the banks act as the custodians of the valuable documents and jewellery of the customers and issue various forms of easily negotiable credit instruments. The rules of the banks differ. One bank may be allergic to give advances against perishable goods while another bank may undertake to do so. Generally speaking, the banks of Bhagalpur district are now getting popular and through them a big turn-over of business is done. It may be mentioned here that many of the businessmen of the Bhagalpur district belong to the Marwari community who are shrewd businessmen and they form a good percentage of the clientele of the banks. *Hundi* business is still continuing and is generally confined to foodgrains and cloth, and some of the banks still purchase clean *Hundis* from parties considered reliable. The banks maintain godowns where goods pledged are stocked and advances are given. Various industries in the district such as oil mills, rice mills, engineering concerns, etc., have derived a part of the capital from the banks.

The Bhagalpur branch of the State Bank of India, the Bankers' bank is a continuation of the branch of the old Imperial Bank which was opened in 1927. The branch of the State bank which took over the branch of the Imperial Bank was established in 1955. This branch undertakes all commercial banking transactions as an agent of the Reserve Bank of India, conducts the Government cash work, provides remittance facilities to banks, extends exchange and remittance facilities to the public and pays, receives, collects and remits money and securities on Government account, etc.

From the 9th October 1961, a full-fledged Public Debt Office with safe custody facilities has started functioning in Patna. This Public Debt Office has taken over from the Public Debt Office of Calcutta under the Reserve Bank of India, the management of all Central and State Government loans, the interest of which is payable at places within the State of Bihar.

SMALL SAVINGS

Small savings of the average man of limited means have a great role in the economy of the district and besides the banks who willingly accept small deposits, the State Government and Central Government have agencies to absorb such small savings. The Post-offices have their savings departments and the accent is on extending such facilities to more and more of the rural post offices.

(There were 263 post offices in the district doing this work in 1960-61. This includes a head office at Bhagalpur and branch and sub-post offices. The total amount of bank balances, gross and net, from the year 1957-58 to 1960-61 are given below :—

Year		Gross	Net
1957-58		72,87,394	52,202
✓ 1958-59		82,19,475	5,27,567
1959-60		1,23,14,153	28,24,657
1960-61		1,25,69,407	26,48,686

Though the figures have been increasing since 1958-59 the response of the public has not been very encouraging in the rural areas. This is due to the fact that the incidence of literacy in the average village is low and it is difficult to keep a paper-bound savings bank account-book properly in a mud-hut. Prompt disbursements are not always made.) Somehow the average illiterate or semi-literate villager has not got much confidence in the local postal savings bank.

Any citizen who has an amount of Rs. 2 can open a post office savings bank account at any post office which does savings bank work.

The maximum limit of investment is Rs. 15,000 for an individual and Rs. 30,000 for a joint account of two individuals. All local authorities and co-operative societies and non-profit making institutions can also open accounts with these banks which are called public accounts. For opening a public account there are no limits to the size of deposits which can be banked.

Interest on individual and joint accounts is allowed at the rate of 2½ per cent for the first Rs. 10,000 and 2 per cent on the balance in excess of Rs. 10,000. On public accounts interest is

allowed at 2 per cent. Interest is calculated for each calendar month. The interest earned on these investments is free of income tax, super-tax and corporation-tax.

National Savings Scheme

The beginning of Government mobilisation of small savings in India could be traced to World War I (1914—18) when the then Government issued Postal Cash Certificate of 5 years', 7 years' and 10 years' duration. They were sold at a discount and repaid at par after the completion of the maturity period. They were discontinued a few years after the war.

During World War II (1939—43), such Certificates were again introduced and even after the War they have been continued in a more intensive form because small savings from a large number of people can become a substantial item in the capital resources that are required for carrying out the Nation's Five-Year Plans.

The following categories of investments have been classified as Small Savings Investment since 1957 :—

- (1) Twelve-Year National Plan Savings Certificates issued in denominations of a minimum of Rs. 5 and a maximum of Rs. 5,000 and yielding interest of 5.41 per cent.
- (2) Ten Year Treasury Savings Deposit Certificates issued in denomination of Rs. 50 and Rs. 100 and yielding interest of 4 per cent per annum which is paid every year.
- (3) Fifteen-Year Annuity Certificates whereby accumulated savings can be invested as a lump sum and received back in monthly instalments for a period of 15 years, the rate of interest being about 4½ per month compound.

The average weekly National Savings Certificates issued in the district of Bhagalpur is 92 and discharged 7.

The investments under the different categories of these schemes in the district of Bhagalpur for the last four years (1957-58 to 1960-61) are as follows :—

Year.			Gross.	Net.
			Rs.	Rs.
1957-58	..	..	85,66,709	7,48,152•
1958-59	..	..	97,86,413	18,76,395
1959-60	..	..	1,41,43,783	42,21,807
1960-61	..	..	1,43,64,287	39,57,129

The maximum investment in these schemes was during 1959-60, Rs. 42,21,807.00 and the minimum was during the year 1957-58, Rs. 7,48,152.00 in the district of Bhagalpur.

Recently the State Government of Bihar had floated a loan scheme known as 4½ per cent Bihar State Development Loan, 1972. The lowest amount receivable was Rs. 100. The loan was for Rs. 3 crores and was closed on the very date of opening, i.e., 4th September as it was fully subscribed.

Some of the banks have also got their own savings schemes usually with liberal rate of interest for an investment 3, 5 or 10 years. There is also the opportunity of the people to make investments of their savings and the various types of securities offered by the Central Government. These instruments are negotiable.

GENERAL AND LIFE INSURANCE

(Before Life Insurance Corporation was formed in 1956 there were agents of almost all the Insurance Companies like Oriental Insurance Company, New Asiatic, Industrial and Prudential, General Assurance Company of India, Ruby General of India, Co-operative Assurance Company, Paladium Insurance Company, Lakshmi Insurance Company, Bharat Insurance, Free India Insurance, United India, Empire of India, Western India, Bombay Life Insurance, National Insurance, New India, Hindustan Co-operative, Metropolitan Insurance Company, etc., working in the district of Bhagalpur.

With the nationalisation of life insurance business, the Life Insurance Corporation of India became the largest single agency doing life insurance business in India. The Corporation was constituted by passing the Life Insurance Corporation Act of 1956 and was officially established on 1st September 1956, by the Government of India. From this date all Indian insurers and provident societies as also all foreign insurers ceased to carry on life insurance business in India. However, general insurance which includes fire, marine accident, theft and other insurance business has been left open to the concerns in the private sector. Most of the former insurance companies and societies which used to transact all insurance business including life, have now switched over entirely to general insurance business. Purely Life Insurance Companies have been closed down.

Under the new organisational set-up of the Corporation, Bhagalpur branch of the Life Insurance Corporation was given a start on the 1st September 1956. This branch has been placed under the territorial jurisdiction of the Division of Patna of the Eastern Zone. The Corporation has its only Branch office in the district

at Bhagalpur with a Development Centre at Naugachhia started recently during the year 1960. This Development centre is under Bhagalpur Branch but there is an Assistant Branch Manager who looks after the said centre. There are fourteen field officers in the Branch office in which nine are posted at Bhagalpur, two at Colgong, one at Sultanganj, one at Bihpur and one at Gopalpur. The field officers who have an area in their charge, work through the appointed agents who are distributed over the villages in the area. These village agents are an important link in the whole system. They secure business through direct contact with the people. These agents are on commission basis calculated on the premiums on the policy.

The Branch office collects proposals alongwith the first premium instalment either in full or in part and then these proposals are sent to Patna Divisional office for decision in respect to acceptance or otherwise of the proposals. The acceptance advices are sent by the Divisional office to the proponent under copies to the respective agents, field officers and the Branch Office. Then the Branch Office collects the balance of the first premium and makes adjustments and issues official receipts to the policy holders. In case the full first premium is realised alongwith the proposal the adjustments are made directly by the Divisional Office who also issues the receipts and the policies to the parties.

In Bhagalpur, life insurance business has been expanding rapidly which is shown by the figures given below from the year 1956 to 1960:—

Year.	Proposals introduced.		Proposals completed.	
	Number.	Amount.	Number.	Amount.
		Rs.		Rs.
1956 From 1st September 1956 to 31st December 1956.	892	29,51,500	257	8,95,250
1957	3,259	1,20,02,000	2,578	1,00,40,950
1958	1,412	64,33,350	1,263	55,51,850
1959	1,919	87,09,750	1,705	75,44,250
1960 Including Naugachhia Development Centre.	2,155	1,04,88,250	1,978	91,28,000

For the year 1961 up to 2nd June 1961 the position is presented by the table below :—

			Number of proposals.	Amount. Rs.
Proposals introduced	..	..	445	22,71,000
Proposals completed	..	..	230	10,74,250

The statement above gives an amount of policies having been completed during the six months in the beginning of the year 1961, which appears to be less and whose cause may be assigned to poverty, natural calamities such as drought, flood and scarcity in the whole district. But the flow of business is nonetheless normal, and as usual it is expected that during rest of the months, the business may well be covered as in the years before, because it was only in the month of December, 1960, that, the Corporation got completed policies worth Rs. 48,36,750.)

So far general insurance is concerned which includes the insurance of godowns, money in transit, goods in transit, fidelity guarantee, personal accident, fire, etc., the incidence is not so high in the district of Bhagalpur. The General Insurance can be divided into three categories—(1) Miscellaneous accident in which motor-cars, trucks, buses, taxis, motor-cycles, burglary, etc., are included: (2) Fire which includes riot risk, flood, lightning, etc. This coverage is usually taken on properties such as houses, godowns, workshops, factories, etc., and (3) Marine accident due to which goods may not arrive intact whilst in transit from one centre to another. Motor-cars and trucks are insured compulsorily against third party risk. Owners of the new cars and many other car-owners take comprehensive policies with private insurers or subsidiaries of Life Insurance Corporation of India.

There are three subsidiaries of Life Insurance Corporation of India, viz., Oriental Fire and General, National Fire and General, and New Asiatic Government Security of Mysore, as these subsidiaries were started out of the life insurance funds of the parent companies, Oriental Government Life Insurance Company of Bombay, National Insurance Company of Calcutta and New Asiatic Government Security of Mysore.

The Oriental Fire and General and the National Fire and General have merged into one and is known as Oriental and National Insurance. Beside these companies there are other companies like New India General Assurance, Hindustan General Insurance, United India General Insurance, Callidonian Insurance which are doing business in the district of Bhagalpur.

Oriental and National Insurance do general insurance business through their 33 active and 11 inactive agents and a paid Inspector is posted at Bhagalpur. This district is looked after by their sub-branch at Monghyr where there is an Assistant Branch Secretary. Other general insurance companies have their agents and inspectors in the district. New India Assurance Company has one Inspector and fifty active agents in the district of Bhagalpur. Hindustan General Insurance have three active agents in the district. United India Insurance Company has two agents in the district. The branch office of the Hindustan General, New India and United India is located at Patna and their agents and inspectors are controlled from Patna Branch.

The potentiality of market business is estimated at about 2.5 lakhs premium collection and 50 to 60 thousands premium collection annually. They are done by capitalists, owners of factories like the Birlas, Dalmias, Tata, etc.

It is gathered that the General Insurance covered by Oriental and National Insurance, Hindustan General and New India Assurance in Bhagalpur district from 1st January, 1961 to 30th September 1961 is about Rs. 30,000, Rs. 22,000 and Rs. 20,000 respectively. The amounts represent the premiums collected.

COURSE OF TRADE

The position of Bhagalpur on the map of Bihar has a particular importance for trade and commerce. It is extremely well located and commands an extensive river front. It has an extensive railway system supported by roadways. A portion of Bhagalpur district lies on the north of the river Ganga and grows luxuriant maize and other crops. This portion is served by railways although the roadways are not well-developed. Bhagalpur has also been in close contact with Nepal through Purnea district.

It may be mentioned that Bhagalpur had been a halting place for most of the military invasions of Bengal and Assam. Many of them took place through the river route of Ganga. When roadways were not very developed, Bhagalpur had assumed some importance for her trade and commerce.

Previously water traffic was much more important as this route was quicker and safer than the unreliable roadways which were often infested with dacoits. Trade and Commerce used to move more by the waterways than roadways. During the days of Company's trade and later rule, Ganga was the principal route. The *kothis* of the merchants, Indian and non-Indians naturally grew up near the bank of the river. European Indigo planters and big

merchants operated their trade by large boats and had *kothis* at Bhagalpur, Colgong, Pirpainty and Rajmahal. The main export was to Calcutta and the main import was also from there. In this way this district has been for centuries, the clearing-house for a great volume of trade and commerce.

The history of the extension of the railways in this district shows that the loopline of East Indian Railway was brought up to and terminated at Sahebganj to the east in the district of Santhal Parganas and to the west up to Jamalpur in Monghyr district. Bhagalpur was not connected by railways for a pretty long time as the hill ranges proved an obstacle. But with the development of trade and commerce it was found quite essential to connect Jamalpur and Sahebganj through Bhagalpur. The hill ranges were blasted and a tunnel was put through and Bhagalpur was put on the railway map.

Francis Buchanan's "An Account of the District of Bhagalpur in 1810-11" gives scattered references to old time trade routes. He found the river to be the main trade channel and found different types of boats were in use. It was mentioned that different types of boats, large and small were in use. Big boats could transport 1,700 maunds of goods.

Buchanan found that the greater part of the internal commerce of the district was carried on by carts, and back loads and that the roads were exceedingly bad. By far the most frequented and important road was the one leading from Calcutta to Patna *via* Murshidabad which passed through the whole length of the district. Buchanan had observed that but for two to three months of every year, it was not negotiable by any sort of carriage, or even with loaded cattle; and, even at other seasons, a four wheeled carriage or wagons could pass with much difficulty and same danger.

There have been great changes since Buchanan's time. The chief means of transport now for trade and commerce are steamers, boats, trucks and bullock carts. The district may now be described to be quite well connected by rail, road and waterways. The district is closely connected with Purnea, Monghyr and Santhal Parganas by these means of transport. Bhagalpur is directly connected with Bihar, West Bengal, Upper Assam and North Bengal for trade and commerce.

The district has several rivers, but for trade only the river Ganga, is useful. The economy of the district is predominantly agricultural and there is a more pronounced internal trade. This district contains two railways, viz., Eastern and North-Eastern Railways. Details about the railways and roadways will be found in the text on "Communications".

Bhagalpur has an interesting story of early trade, imports and exports, etc., in the account of Francis Buchanan who had travelled in the district in 1810-11.

In his time the imported rice used to come mostly from Purnea and Tirhut, but some came from Patna also. Rice was exported to Murshidabad. Wheat and barley came from Tirhut and Bihar while they were exported mostly to Murshidabad and Calcutta. A little, however went to Patna and Banaras. Maize, *Jinora*, *China*, *Marua*, pulses were sent to Patna, Banaras and Murshidabad and came from the eastern corners of Bihar and Tirhut. Kabuli gram came from the eastern corner of Bihar and was sent to Calcutta and Murshidabad. *Arhar* was sent to Calcutta, Murshidabad and Dacca.

Peas and the pulses called, *Bora*, *Mung*, *Mashkalai*, *Khesari* and *Masur* were sent to Murshidabad and Calcutta and came from Tirhut and Bihar. Mustard seeds went to Calcutta and Murshidabad and were imported from Bihar and Tirhut. *Til* and linseed came from Tirhut and were sent to Murshidabad. *Ghee* was sent to Calcutta and Murshidabad. The import of *ghee* came from Bihar and Tirhut. Salt was sent to Bhagalpur by the merchants of Murshidabad.

Sugar came from Patna, Gazipur and Dinajpur. Sugar was exported to Murshidabad and Calcutta. Coarse sugar (*Shakkar*) came from Patna, Gazipur and Banaras.

Betel-nut came mostly from Dacca and a little from Murshidabad, and was sent to Tirhut. Coconut came from Calcutta and Dacca. Tobacco came chiefly from Purnea, with a little from Tirhut, and was exported to Birbhum and Murshidabad. Indigo was sent to Calcutta, and the indigo seed according to the season, to various parts in Bengal. Opium came from the Company's factory at Patna. Turmeric and ginger came from Tirhut. Wax came from Patna and was sent to Murshidabad. The lac mostly went to Murshidabad, but a little to Birbhum.

Cotton and thread came from Mirjapur and Patna. Cotton cloth came from Purnea, Tirhut and Dhaka and was sent to the fairs in Purnea, Tirhut and Birbhum.

Bhagalpur cloth was exported partly to the west of India, partly to Calcutta. Silk Tasar went to Juggipur. Silk thread came from Purnea and went to Murshidabad. Woollen carpets and blankets came from Patna, some was sent into Tirhut. Gold thread came from Patna. Timber for posts, beams, implements of agriculture and furniture employed many people, but very little was exported. The demand was met by supplying from the forests

A great part of the business, especially the supply of Rajmahal, Murshidabad and Juggipur was conducted by the hill tribes, who paid no rent, as they used to cut trees on their own lands, but the supply of Bhagalpur and Monghyr came chiefly from the lands of the Kharakpur Raja. Small traders, many of them farmers, kept carts, with which they took these commodities from the woods, paying the cutters on the spot, and carried them to the towns where they disposed of them to more considerable dealers.

The Company's dealings in this district were very inconsiderable, and consisted of a little silk, Bhagalpuri cloth and saltpetre. There were some wholesale traders mostly natives of the places. The dealers in Bhagalpuri cloth were in good circumstances.

But now there has been a tremendous change in the picture from what was found in Buchanan's times. In Bhagalpur the chief commercial classes are Agarwals, Agraharis, Marwaris and the Banias. Agarwals are engaged usually in Banking, Trade and other allied occupations such as petty trade in gold and jewellery, money lending, etc. The poorer members among them usually act as servants and brokers. Agraharis are tradesmen rather than banker taking to such occupations as selling rice, wheat and *kirana* goods. Marwaris are a well known and form an enterprising commercial community. They are both bankers and traders. Banias are usually petty traders in cloth and grains.

PRESENT IMPORT AND EXPORTS

The commodities entering in the internal trade include foodgrains, salt, spices, tea, cotton, woollen cloth, coal, kerosene oil, petrol, cosmetics and other luxury goods, cycles, radios, crockery, suit cases, cement, iron and steel, etc. The commodities that enter into the external trade include oilseeds, foodgrains, turmeric, sugar molasses, timber, tasar silk, hides, scrap iron, bones, handloom products, blankets, carpets and trunks.

The statement below indicates the chief places and areas from where important commodities are imported and also the destination of export trade :—

Name of commodities	From where imported
Cotton piece goods ..	Ahmedabad, Wadibunder, Indore and Kanpur.
Coal	Raniganj, Giridih and Jharia coalfield area.
Salt	Howrah and Dumri.
Iron and Steel ..	Tatanagar, Kulti and Calcutta.
Grains and Pulse ..	Kanpur, Agra Cantt. Hapur, and New Delhi.
Kerosene oil ..	Budge Budge.
Petrol	Ditto.

Names of commodities	Destination of export
Jute Calcutta.	
Oilseeds Calcutta, Wadibunder, Bombay and within Bihar.	
Maize Assam, Uttar Pradesh and within Bihar.	
Timber Sealdah.	
Foodgrains Uttar Pradesh, Assam and within Bihar.	
Pulses Calcutta and Assam.	
Hides Calcutta.	
Bones Calcutta and Madras.	
Scrap Iron Calcutta.	
Tasar silk Throughout India and even outside the country.	
Fish Calcutta.	
Jaggery Within Bihar and Uttar Pradesh.	
Turmeric Mostly to Uttar Pradesh.	

The movement of the commodities in the above statement is done mostly by railways. Movement of goods by water is now more or less confined to short distances. Recently, however, fast moving trucks had been playing an important role in moving goods both to and from the district. With the construction of the National Highway from West Bengal and the development of a number of roads under the Five-Year Plans, the number of trucks operating through Bhagalpur will be on the increase. Trucks are mainly employed for keeping up trade communications with Bhagalpur and Santhal Parganas both ways.

Bullock-carts play an extremely important role in moving goods to the primary and secondary markets. The number of bullock-carts is definitely on the increase.

Certain commodities like petroleum, kerosene oil, cloth, grains, spices, etc., are both imported and exported. This means that the big merchants of the district act as the agent and they import the goods and also despatch them to various other places allotted to them by the factory heads.

The volume of goods traffic at Bhagalpur (Eastern Railway), Bhagalpur (N.E. Railway), Colgong and Naugachhia Railway Station in 1959-60 was as follows :—

Colgong Railway Station

Commodities.	Exports (in maunds).	Imports (in maunds).
1. Grains and Pulses ..	77,797	Commodity-wise figures of imports were not available at the Colgong Railway Station.
2. Jagree ..	42,992	
3. Oilcake ..	25,863	The Railway authorities could only mention that there was a total quantity of 88,762 maunds of articles imported at Colgong Railway Station.
4. Oil-seeds ..	13,646	
5. China Clay ..	4,671	
6. Rice ..	6,220	
7. Oils ..	3,083	
8. Timber ..	9,951	
9. Petroleum ..	5,307	

Naugachhia Railway Station

Commodities.	Exports (in maunds).	Imports (in maunds).
Grains and Pulses ..	5,16,463	Commodity-wise figures of imports were not available at Naugachhia Railway Station.
Oil-seeds ..	67,290	
Jute ..	12,111	The Railway authorities could only mention that there was a total quantity of 2,74,692 maunds of articles imported at Naugachhia Railway Station.
Dhanias ..	2,462	
Oilcake ..	7,661	

Bhagalpur (North-Eastern Railway)

Commodities.	Exports (in maunds).	Imports (in maunds).
Grains and Pulses ..	96,257	Commodity-wise figures of imports were not available at Bhagalpur (N.E. Railway).
Onions and Potatoes ..	83,958	
Petroleum ..	68,134 Gallons.	The Railway authorities could only mention that there was a total quantity of 5,29,432 maunds of articles imported at N. E. Rly., Bhagalpur.
Iron ..	73,427	
Miscellaneous ..	6,10,450	

Bhagalpur (Eastern Railway)

Commodities.	Imports.	Commodities.	Exports.
1. Cotton piece goods..	98,99,246 yards	Silk (Tasar) ..	4,57,892 yards.
2. Coal ..	45,67,892 maunds	Rice ..	1,45,673 maunds.
3. Salt ..	7,89,674 ditto	Potato ..	60,000 ditto.
4. Iron and Steel ..	1,12,405 tons.	Vegetable oil ..	35,434 ditto.
5. Grains and Pulses	11,04,282 maunds	Mangoes ..	4,56,789 ditto.
6. Kerosene oil ..	4,25,730 gallons	Finished <i>biri</i> ..	40,000 packets of 20,000 of <i>biris</i> .
7. Petrol ..	3,60,984 Ditto	..	..
8. Timber ..	5,67,892 maunds	Fresh vegetables	3,45,678 maunds.

Inter-district exports and imports of foodgrains seem to have a large turnover. Paddy is grown extensively in the southern part of the district while maize in the eastern. Maize is grown in Bihpur and Naugachhia *thanas*. Lacs of maunds of maize are grown in this area and particularly at Naugachhia area. A large quantity of maize comes from Naugachhia *thana* to different parts of the district. Maize figures are included in grains and pulses. A good deal of rice and maize are mutually exchanged between the southern and northern parts of the district respectively.

The receipts of Sales tax also indicate the volume and value of internal trade. The rate of Sales tax varies from 2nP. to 9nP. Under Bihar Sales Tax Act, 1959 which has repealed the Old Bihar Sales Tax Act, 1947, there are two types of taxes, i.e., General Sales Tax and Special Sales Tax.

General Sales Tax is levied at the rate of 2 nP. of the total taxable turnover. Special Sales Tax is levied at different rates as specified in Schedules I, II and III appended with Government Circular no. 9133 and 9134, dated 1st July 1959.

List of goods exempted from the levy of General Sales Tax only are coal, cotton, hides and skin, iron and steel, oil-seeds, fertilisers, fruits, motor vehicles and cereals and pulses. The rate of Sales tax is 2 nP. in the above commodities per rupee of the turnover. Sales tax is not levied on all commodities, but there are a few items which are exempted from it. Another difficulty in the way

is that Sales tax is levied on only such businessmen whose annual turnover exceeds Rs. 15,000 and hence it cannot be a true pointer as many dealers have a very small turnover to come within the purview of Sales tax. Recently there has been a change in the collection of Sales tax. Sales tax is also levied on such businessmen whose annual turnover ranges from Rs. 5,000 to 15,000. They are known as enrolled dealers and given enrolment certificates. This system has been helpful to some extent to raise the value of internal trade. Another difficulty in the way is this that tax on the gold and bullion is not levied on their actual turnover, but the amount to be collected from each district is fixed at the State level. Sales tax also does not give us separate amount collected on the turnover of different commodities in trade. It is also not possible to assess the number of tax-evaders and the amount of tax evaded. Whatever may be the reason, the collection of Sales tax could be used to indicate at least the value of internal trade in the district.

The amount of Sales tax collected on the trade turnover of all the commodities is given in the statement of the Statistics of Commercial Taxes Department under receipt and expenditure :—

				Bihar Sales Tax.	Passangers and goods transport.
				Rs.	Rs.
1958-59	..	--	--	17,29,101	1,01,690
1959-60	..	--	--	15,83,758	2,70,235
1960-61	..	--	--	19,05,641	2,10,610

Bihar Sales Tax was introduced in the district from 1944-45. In 1960-61 the collection from this tax amounted to Rs. 19,05,641. The collection in 1953-54, 1954-55, 1955-56 and 1956-57 in this district amounted to Rs. 14,18,072, Rs. 14,92,631, Rs. 14,50,749 and Rs. 14,71,270 respectively.

The reason for downward and upward trend during the aforesaid years was mainly owing to the deregistration of a large number of dealers consequent upon the raising of the registrable limit from over Rs. 10,000 to over Rs. 15,000 from 1954.

The number of persons employed in Trade and Commerce will also help us in the investigation. The Census Report of 1951 mentions that in Bhagalpur district, out of a population of 14,29,069 about 2,55,296 people or 17.6 per cent of the population are engaged in commerce. The bulk of them, i.e., 2,23,450 are living in rural

areas as against 31,846 in urban areas. The table below shows the number of persons engaged in different kinds of commerce* :—

Nature of business.	Number of persons.
1. Wholesale trade in foodstuffs	728
2. Wholesale trade in commodities other than foodstuffs	890
3. Retail trade in foodstuffs	9,422
4. Retail trade in textile and leather goods ..	3,502
5. Retail trade in fuel (including petrol) ..	1,794
6. Retail trade otherwise unclassified ..	7,972
7. Money lending, banking and other financial business	1,022

It may be mentioned here that the census figures in this connection appear to have been underestimated. There would not be much of spontaneity to return one as in trade and commerce because of the allergy against being made a payee of Sales Tax or Income-tax.

REGULATED MARKETS

There is no regulated market so far in this district. The State Government have passed the Bihar Agricultural Produce Markets Act, 1960 to regulate the various features of agricultural marketing. The avowed object of having regulated markets is to secure the best possible price to which the agriculturist is entitled after defraying the legitimate expenditure of marketing and after taking into account the price that could be realised for the quality of produce in the terminal markets. Establishing equity in bargaining power between the agriculturist and purchaser, promoting mutual confidence, preventing mal-practices and giving a fair deal to the farmers are the other objectives which the Act seeks to achieve.

The Act provides for the formation of a Market Committee which is a corporate body charged with the administration and management of the market under its jurisdiction. The Marketing Committee shall consist of 15 elected members consisting of agriculturists, traders, co-operative societies, co-operative banks, gram panchayats and Government representative.

A gazetted officer designated as Market Secretary has been posted at 10 markets in the State and Bhagalpur is one of them. After collection of necessary data notification would be made under

* Extract from District Census Handbook, Bhagalpur, pages 52 to 54.

section 3 of the Act declaring the intention of the State Government to regulate the purchase and sale of agricultural produce in these markets. After considering the objections and suggestions received in this connection a final notification would be issued under section 4 enforcing the provisions of the Act and the Market Committee would be formed to run the markets according to the provisions of the Act. It is proposed to cover only the wholesale transaction in important commodities at the outset.

Bhagalpur being a very important trade centre mainly in agricultural produce will have certain new trends when there is a regulated market at Bhagalpur. It will save the producers from the interlopers and keep the growers and consumers abreast of the latest trends in the market by quick dissemination of the marketing information. It will naturally take some time to have a regulated market in Bhagalpur as the Market Secretary has only recently been posted and is busy in collecting necessary data. No data collected by him was made available.

CENTRES OF WHOLESALE BUSINESS AND *Mandis*

There are mainly three commodities, namely, cloth, grains and turmeric arranged according to importance in which wholesale business is carried on in the district. Many retail dealers of other districts like Monghyr, Purnea and Santhal Parganas have a direct contact with the wholesale dealers of this district. The petty and less resourceful dealers of the district have their dealings with the local wholesale merchants. So far grains are concerned, much of the paddy produce is procured by the rice mills of the district. The south eastern parts of the district is the chief paddy producing area and some rice mills are situated in that portion. There are rice mills, big and small at Mirjanhat of Bhagalpur town and in other places of the district.

The chief centres of wholesale business in the district are Mirjanhat, Nathnagar, Aliganj (Bhagalpur), Sultanganj, Colgong, Pirpainti, Naugachhia, Jagdishpur and Barahat. Bhagalpur town has been the chief marketing centre in the district since long being the headquarters of the division and the district as well. It has the advantage of all the modes of communications—Railways, Roadways and Waterways.

Wholesale trading in grains is carried on at each of the wholesale trading centres of the district, but the most important of them are Sultanganj, Mirjanhat, Barahat and Naugachhia. Mirjanhat is also one of the important wholesale business centres of the district. It is situated within the town about three miles from Bhagalpur Collectorate. Sultanganj is in the western portion of the district which is a very fertile tract. Sultanganj is on the railway line from Patna-Kiul to Bhagalpur and has several road connections with the interior of the district. It has rice mills.

Almost all the wholesale trading centres in the district have developed a grain *mandi*. Some of the important *mandis* are described below.

Mirjanhat Grain Mandi

This *mandi* is situated in the south of the railway station of Bhagalpur. It is at a distance of about three miles from Bhagalpur Collectorate. The *mandi* is located on about one bigha of land. People intending to enter into sale or purchase of grains assemble here.

The contractor of the *mandi* charges rupee one per truck load, annas eight per tyre cart-load and annas four per ordinary cart-load of the grain brought at the *mandi*. This amount is paid by the seller. There are several other charges which a grain merchant is required to bear. There are weighing charge, *dharmada* and *goshala* charges. The rate of weightment charge is half an anna per bag. The weightment charge is paid by the purchaser. The seller has also to pay two naye paise per bag. The seller has also to pay one *chattack* of any kind of grain per bag to the labourer concerned. The charge for *dharmada* and *goshala* both together is 15 nP. per hundred of the turnover and is paid by the seller.

The weighing charge is actually the wages of the person who weighs grains, whereas *dharmada* and *goshala* are meant for charitable purposes, the former being used for religious charities such as giving alms to beggars, constructing *dharmshalas* (inns), etc. There is, however, no proper organisation to administer the amount so collected for *dharmada* and *goshala* charges. This *mandi* has an approximate average annual arrival of 1,20,000 maunds of paddy and 80,000 maunds of rice and 60,000 maunds of maize from the nearby villages and Naugachhia. The *dhalai* (transport from the conveyance to the godown) charge ranges from 16 nP. to 31 nP. only because it fluctuates day to day.

Aliganj Grain Mandi

This *mandi* is situated at Aliganj about five miles from Bhagalpur railway station. The area is about four furlongs. This has an average annual arrival of 70,000 maunds of paddy and 60,000 maunds of rice from the nearby villages. The rates of market charges are—Weightment 12 nP. per bag, *dharmada* 31 nP. per rupees 100 and *dhalai* 50 nP. per rupees 100.

RETAIL MARKETING CENTRES

The main retail marketing centres in the district are at Bhagalpur, Sabour, Nathnagar, Colgong, Sultanganj, Naugachhia, Bihpur, Banka, Sanhoula, Ghogha, Barahat, Pirpainti and Jagdishpur.

At all these places retail shops of almost all the commodities locally consumed are found. Retail shops of some particular articles like radio receiving sets, sewing machines, cycles, etc., are to be found only in Bhagalpur proper.

It is reported that there are about 2,047 registered retail dealers and about 200 registered wholesale dealers in this district (1961). Retail trading is done in all kinds of commodities like foodgrains, cloth, silk, sugar and *kirana* goods, etc. It is difficult to determine the volume of retail trade due to inadequacy of statistics, tax-evasion and clandestine business. It would, however, be fair to assume that the amount of Sales tax and other commercial taxes collected give some indication. The receipts of Sales tax have been discussed elsewhere.

Retail shops, which provide a link between the consumer and the wholesaler, are located in various wards of the town and to a certain extent cater to the needs of the inhabitants of the localities. The stock-in-trade of a majority of retail trade shops is limited but rapid replenishments are made. The capital investments of most of the shops are also limited. Retailers usually have dealings with some wholesalers in the town itself but not infrequently they have dealings with bigger traders outside. Retail sales are generally on cash basis but goods on credit are also given to some customers whose accounts are settled periodically. It is feared that in a large percentage of sales no cash memos. are given and sales tax payment is avoided.

Among retail trade shops in the district the grocery group is most important. It has the largest number of shops and provides the largest employment. Cereals and pulses, spices, jaggery, oil, *ghee*, condiments, tea, coffee, indigenous drugs, dry fruits, *agarbatti*, saffron, tinned stuff, foodstuff, cigarettes and a number of other miscellaneous goods are sold in these shops. The value of stock-in-trade of individual shops varies widely, i. e., from Rs. 1,000 to Rs. 5,000. The retail shopkeepers in this group get their stock in grains from the local wholesale dealers. The other articles and products are bought from local wholesalers who in turn obtain the same from various manufacturing centres particularly from cities like Calcutta, Bombay, Madras, Kanpur and also other places within Bihar.

Next in importance to groceries come the sweetmeat and other shops that sell cooked food. There are a large number of them in Bhagalpur town. There is a brisk trade in this form of business at the time of religious festivals. The stock-in-trade of this type of shops varies from Rs. 300 to Rs. 3,000.

Pan, *bidi* and cigarette shops are plenty. They have a large turnover in the district. Sale is mostly on cash basis. Most of

the establishments are one man's establishments selling, *Pan, bidi*, cigarette, chewing tobacco, etc. The stock-in-trade is generally obtained locally and sometimes from outside. A large number of these establishments make small quantities of *bidis* sufficient for their own sales. The value of stock-in-trade varies from Rs. 25 to Rs. 500.

As regards cloth and hosiery it may be mentioned that these shopkeepers sell all kinds of textiles, cotton, woollen, silk for shirt-ing, coating, etc., sarees, dhotis, towels, and various kinds of hosiery. Besides mill-made fabrics, they stock and sell handloom and power-loom products. The stock-in-trade of an average shop is usually Rs. 500 but a few large shopkeepers stock goods worth Rs. 50,000 to Rs. 2,00,000. The big shops employ clerks to keep accounts, besides salesmen. Handloom and power-loom products manufactured in the district are obtained by the shopkeepers either directly from factories or from wholesale dealers. Sales usually shoot up during festivals and marriage season.

Footwear and other leather goods such as leather, accessories of shoe making such as sewing thread, nails, clips, belts, purses, etc., are sold by shoppers. The value of stock-in-trade of these traders varies from Rs. 700 to Rs. 5,000. Business is generally slack during monsoon and brisk during the summer season.

Shopkeepers under the group of Chemists and Druggists sell chemicals of various kinds, foreign and indigenous drugs, medicines and surgical instruments. A large part of the chemical drugs and medicines stocked is of a foreign origin and brought mainly from Bombay and Calcutta. There has been a large expansion of this line.

Hawkers

Like pedlars in rural areas, their counterpart in urban areas, viz., hawkers play an important role in the retail trade of the district. However, organised trading activities due to urbanisation, a product of industrial revolution and the resultant evolution of shops (big or small) do not give much scope to hawkers specially in towns and cities. Even then they continue to be prominent in semi-urban areas. They sell comparatively cheaper articles usually of every day use, viz., fruits, sweetmeats, pepper-mints, sugarcane juice, cheap utensils, toys and a number of other articles in daily use. Hawkers who sell tea, sweetmeats, etc., are licensed and a license fee of Rs. 2 each per month is collected from them. There are, however, a large number of hawkers who do not take licenses from the Municipalities. However, those who sell ground-nuts, fruits, etc., are not required to take licenses. They are found to be doing their business near the railway station, bus stand and cinemas. In towns hawkers from nearby areas come to the *bazar* to sell their goods.

FAIRS AND MELAS AND OTHER RURAL MARKETS

Fairs and *melas* in the district may be divided into two categories, viz., seasonal and permanent. Seasonal fairs are held in a particular season and the time of such fairs is determined by the lunar calendar. Permanent fairs or *hats* are held throughout the year on fixed days in the week and are locally known as *hats*. Seasonal fairs are basically religious in origin while *hats* on fixed days are more commercial in its origin.

Seasonal fairs are held at Jagdishpur, Gopalpur, Tintanga, Bounsi, Amarpur, Rajaun, Bhagalpur town, Sultanganj and Banka town. By far the most important among the seasonal fairs are at Bhagalpur town, Bounsi and Sultanganj.

At Bhagalpur town fairs are held on many occasions in the year, viz., *Phalgun Triodasi*, *Basant Panchami*, *Sravan Nag Panchmi*, *Shivaratri*, *Anant Chaturdasi*, etc. The congregation on the occasion of *Sravan* is the largest and next comes *Basant Panchmi*. The *Sravan mela* is held on every Monday and continues on the successive four to five Mondays. The *Basant Panchmi mela* lasts generally for two days. In Bhagalpur town there is a famous Shiva temple, *Burhanath* and a large number of men, women and children visit the temple on every Monday in the month of *Sravan*. About ten to twenty thousand people visit *Burhanath* on such occasions. At Chouki Champanagar the *mela* lasts for about a month. The *mela* is held in the enclosure of the *Durgasthan* and on the both side of the road. *Jatra party* and theatres on this occasion are very popular.

An important *mela* called *Behula mela* is held in the month of *Sravan*. It is estimated that about 50,000 people congregate in Champanagar and Bhagalpur town on this occasion, the bulk of whom is from the rural areas.

In Bhagalpur town also a fair is held on the occasion of *Durga Puja* and lasts for about ten days and attracts a large number of visitors both rural and urban. The floating population on this occasion will be near about a lakh.

A big *mela* is held on the occasion of *Muharram* at Shahjangi in Bhagalpur town where thousands of people congregate and the *mela* lasts for two days.

The *mela* at Bounsi on the occasion of *Makar Sankranti*, i.e., in the month of January of every year is the largest fair in the district. It lasts for about a week and nearly one lakh of people from the district and outside visit the fair.

There is a *Shiva* temple named Ajgaivinath at Sultanganj and in the month of *Sravan* on every Monday people assemble there to worship *Shiva*. About ten to twenty thousand of people would be visiting the temple. The temple is in the islet of river Ganga. A *mela* is also held at Bateshwar Nath at Colgong on the eve of *Shivaratri* which attracts about 10,000 persons.

Dhankund mela is also held on the bank of a tank on the occasion of *Shivaratri*. The place is located on the Jagdishpur-Sonoula road. About 10,000 persons visit the *mela*.

Every *mela* is a great clearing house for trade and commerce. A large number of temporary shops crop up and articles of almost every description are sold and purchased. The visitors and particularly those from the rural areas visit the *melas* also for making purchases for their domestic needs. In almost all the *melas* many wooden articles such as chairs, bedcoats, tables, iron goods, food-stuffs and other miscellaneous articles are sold in a large quantity. Apart from these, several other seasonal *melas* are also held in the rural areas of the district, but they are of smaller importance and last for only a day or two.

The number of rural *hats* is quite considerable in the district. A *hat* is held once or twice a week and is the primary market for grains and other commodities. Most of the internal trade is carried on by them. The size of *hats* varies according to the area and population served by them. Generally about 1,500 to 2,000 people from the neighbouring villages gather at these *hats* to purchase commodities for domestic use. At these *hats* commodities like cloth, cereals, condiments, vegetables, etc., are sold. The merchants go there to sell commodities. There are some permanent groceries shops and sweetmeat shops in the *hats*. Some grain merchants also depute their men to purchase grains at these *hats*. Many transactions at these *hats* are carried out on barter system and it is a common sight to find village folks exchanging grains for vegetables, condiments, etc. The chief modes of conveyance for carrying goods to the *hats* are by bullock carts, pack bullocks and ponies, and by head-load. These *hats* are being modernised and shaving saloons, tea-shops, cafes for snacks and soft drinks are becoming common.

Apart from *hats* and fairs there are several permanent *bazars* in the district usually on the main roads. Generally at these shops commodities like salt, mustard oil, kerosene oil, *ghee*, condiments, pulses, cereals, etc., are sold. Cloth shops are also found at every village of some importance. A village or a township having such several shops of a comparatively bigger in size are locally known as *bazars*. Much of the retail business in the district is carried through these *bazars*.

List of *hats* subdivision-wise is given in an Appendix.

CO-OPERATION IN WHOLESALE AND RETAIL TRADE

There is mutual co-operation between the wholesale and retail dealers as their business is inter-dependent. The wholesale dealers supply the goods to the retailers on credit. The retailers repay the amount to the wholesaler after selling the goods. But this credit facility is given only to reliable and trusted retailers. Credit facility is usually not given in gold and silver business. Perishable goods are also not normally given such facilities although lump sums are allowed by the whole salers as loans. Bhagalpur is famous for cloth and grain market. Retailers of *muffasil* area take cloth and grain from wholesalers of Bhagalpur. Government also provide credit facility to some extent to the retailers who run Government controlled Fair Price Shops. Yarn is also supplied on credit to the weavers of the district through Weavers' Co-operative Society.

MODE OF DISSEMINATION OF TRADE NEWS

Trade news of markets in general percolate to the local merchants through letters, daily papers, radio receiving sets, telephones and telegrams. The daily newspapers published from Patna, Calcutta or other places in English or in the Vernacular languages carry trade news and they are eagerly scanned. Recently some exclusive trade journals in English are becoming popular with the English knowing businessmen. Besides, the merchants also receive information from Government Department. A Marketing Section has been opened under the guidance of Agriculture Department and a Marketing Inspector has been appointed who communicates news regarding trade and commerce to the traders and also the fluctuations of daily rates of the market.

PRICE CONTROL MEASURES

Due to the exigencies of the Second Great War there was an abnormal rise of price of certain essential commodities, viz., rice, wheat, cloth, cement, kerosene, petrol, etc. It was also necessary to control the supply and consumption for these articles for essential purposes and the State Government along with the Central Government had to follow the policy of controlling the supply of such goods which were absolutely necessary for the public and had to see to the proper supply of such articles for essential purposes. In order to check the spiral rise of price of such articles and to stop the rampant black-marketing in them, the scheme of the opening of Fair Price Shops in the urban areas was evolved. A buffer reserve of essential commodities was sought to be built up by the State Government by direct procurement of foodgrains and other articles, stock them in Government godowns and supply them to the Fair Price Shops which were licensed. The system of ration card for the consumer was insisted on where a maximum quota of

foodgrains and cloth was laid down for each individual in a family unit. For this purpose a survey of the family units was made and there used to be a constant check for plugging the loopholes.

The Fair Price Shops were first started in Bhagalpur town in 1942 for supply of rice, wheat, sugar, kerosene oil and cloth, etc. At no stage was there a totalitarian control on such stuffs which had a salutary effect in bringing down the prices of such commodities available outside the Fair Price Shops.

These Fair Price Shops serve a double purpose—(i) to supply essential foodstuffs at reasonable prices in abnormal times and (ii) work as a check on the spiral rise of prices of such articles at abnormal periods. Whenever there would be a larger supply of the commodities in the market through normal channels, the demand for taking stuffs from Fair Price Shops would automatically decline. This system continued throughout the war period and is still continuing in some shape or other.

During War period Government had also to exercise control over steel, iron goods, cement and petrol but the supply of these commodities was not made through the Fair Price Shops. These commodities continued to be supplied to the public through their normal agencies but under the restrictions imposed by statutory orders.

Even after the close of the Second Great War the control on the essential foodstuff as indicated before has had to continue. The ration card system for drawing commodities had stood the test and was allowed to remain although the demand on the Fair Price Shops becomes more insistent whenever there is an abnormal rise of prices due to short supply or other reasons.

The control on the cloth and some of the essential foodgrains was quite rigid up to 1946. The rigid control was withdrawn in the later part of the year 1946 but had to be re-imposed in December, 1949. Although the control on the distribution of some articles was withdrawn, the system of license on basic essentials such as wheat, rice and cloth had to continue.

The scheme of Fair Price Shops had to be extended from Bhagalpur town to other urban areas such as Banka, Colgong and Sultanganj. It was found unnecessary to extend them to the rural areas as the villages were never starved of the supply of such foodstuff although there was a rise in the prices. Even when a statutory levy order was passed the surplus paddy of the large cultivators used to be procured at the *Khalian*, i.e., threshing floor the villagers did not suffer to any appreciable extent. This was due to the fact that the producers who were financially well

stabilised were deliberately withholding the supply of their surplus stock to the market in order to make an abnormal profit. Besides direct purchase the State Government had to appoint certain agents to supply foodgrains at a particular price on commission basis.

To store the foodgrains there were a number of godowns in the district and the godowns in the Bhagalpur town acted as the central unit. The first godown was set up in Bhagalpur town in 1942. The trade and the authorised dealers used to supply the stuff to these godowns and the supply procured by Government direct through railways or otherwise used to be stored in these godowns as well. On fixed dates the licensees of the Fair Price Shops used to come to these godowns for taking their supply. The statement below indicates the number of godowns, quantity of foodgrains supplied and the number of Fair Price Shops in the district.

	Years.			
	1957-58.	1958-59.	1959-60.	1960-61.
1	2	3	4	5
1. Number of godowns functioning.	14	39	14	12
2. Supply of foodgrains	.. 56,664 mds.	6,05,751 mds.	73,637 mds.	Not available.
3. Number of Fair Price Shops	418	600	194	250

From time to time statutory orders were passed by the State Government and executive steps had to be taken. The district was taken as an unit only and the smaller interests of the district naturally had to be merged for the larger interests of the State and country. For example, the heavy workers in Jamshedpur area engaged in steel products necessary for the war and the units for the military personnel deployed at various zones in the country had to be given priority against the interests of the civilian population of a district. From time to time embargo on inter-district movement of essential foodstuffs had to be imposed. Goods traffic through waterways, railways and the roadways had to be watched. Executive action against hoarding and black-marketing had to be taken.

The aftermath of the Second Great War could not normally subside owing to unfortunate droughts, floods and scarcity conditions that had visited the district from time to time. The Supply Department at the Secretariat level and the District Supply Officer, under the District Magistrate at district level had to continue.

In 1950 the supply position had become very acute and the State Government promulgated Bihar Foodgrains Control Order, 1950 in this district. The Bihar Rationing Order to distribute ration in urban and rural areas was promulgated in the same year in Bhagalpur district.

The district was allotted additional foodgrains by the Centre and thousands of tons of wheat and *jawar* were rushed from East Punjab and Madhya Pradesh. There was a certain apathy to consume more of wheat but the allergy was slowly got over. The belt had naturally to be tightened owing to short supply and ration was regimented.

The quantum of ration was as follows :—

- (a) In urban and industrial areas—Not to exceed 12 ozs. or 6 *chattacks* per adult per day.
- (b) In rural areas—Not to exceed 8 ozs. or 4 *chattacks* per adult per day.
- (c) Children below nine years got half the ration.
- (d) In distressed areas where relief operations were in progress, the labourers were given an extra 4 ozs. or 2 *chattacks* per capita a day. The exact quantum of the ration varied from time to time according to stock position.

The position being as above the State Government promulgated Bihar Foodgrains Control Order, 1950 in this district in the same year. The Bihar Agricultural Levy Order, 1950 was also enforced in Bhagalpur district and considerable quantities of rice and paddy were purchased from the large producers and the rice mills.

The position, however, eased up by 1953 due to better harvest. From 1953 to 1956 the supply position was better and the Fair Price Shops were not much in demand.

During the later part of 1958, there was scarcity of rice and prices soared high. Government introduced the Bihar Milled Rice Procurement (Levy) Order, 1958 according to which mill owners and dealers were required to deliver 25 to 50 per cent of their production to Government at the rate of Rs. 16 per maund for standard medium rice. There was scarcity in certain particular pockets. Since 1960 the position of the supply of rice and wheat has considerably eased up. Fair Price Shops sell more of wheat

as the ruling price of wheat in the open market is higher. There is no dearth of rice or other foodgrains in the open market in September, 1961.

CONTROL ON OTHER ARTICLES

Sugar.—Control on sugar was imposed in 1944 in this district but it was withdrawn in 1948 because the supply position of sugar had much improved. Sugar was brought from foreign countries. There was again scarcity of sugar in 1950 and sugar was again controlled under Sugar Control Order. In 1953 the control over sugar was suspended and there was no control till April, 1959. The Bihar Sugar Dealers Licensing Order was introduced in 1959. In 1961, 37 sugar dealers licenses were renewed.

The licensed dealers get allotment of sugar on their indents direct from the Chief Director of Sugar and Vanaspati, New Delhi on the recommendations of the District Magistrate through the State Government. The District get allotment of 25 Broad gauge wagons monthly and *ad hoc* allotment is also made for meeting the necessity during important festivals. In September, 1961 the position of sugar supply in the district was satisfactory.

Iron and Steel.—At present (September, 1961) iron and steel are in short supply although there is no direct control. There are two registered iron stockists and one scrap merchant at Bhagalpur. Allotment of iron is made by the State Government to the stockists through quota certificate. The stockists submit indent to the Iron and Steel Controller, Calcutta. The supply is irregular.

Cement.—The Bihar Cement Control Order, 1948 was introduced in December, 1948, which required dealers to obtain licenses and dispose of the stock at controlled rates to permit holders. In 1958, due to satisfactory position of cement, control over the distribution was relaxed. In 1959 the control over distribution of cement was withdrawn. In 1960 due to want of wagon supply, position of cement became uncertain and Government have had to introduce the quota system on cement allotment. The selling rate of cement has to be fixed by the Subdivisional Officers concerned. There are about 64 cement licensees in the district and the present quarterly quota of the district is about 76 wagons but there is difficulty in wagon movement. Hence to meet the scarcity the Government have to take the help of new licencees who would procure cement by road. The cement factories being far away from Bhagalpur this system has not been very helpful. On local enquiry it was found that throughout 1961 there has been a great difficulty in wagon movement of cement. There is an acute demand of cement in the district owing to cement scarcity.

Coal.—The Bihar Coal Control Order was introduced in October, 1947 in this district. Four classes of coal were allotted to the district. In 1950 the district got quarterly allotment of 100 B. G. wagons for oil industries, 97 for food industries, 83 for fuel coke and 365 wagons for brick burning. On account of shortage of wagons, the supply particularly of brick burning coal could not be regularised. The dealers of soft-coke (fuel) and brick-burning coal had to obtain licence and the distribution was made on permit. The selling rate was fixed by the District Officer. In 1956 the Bihar Coal Control Order was amended which abolished the permit system which existed prior to 1956 and after the amendment some relaxation was made. Before the amendment, quota of supply had to be fixed and distribution was on the basis of unit system but the amendment changed this system.

From 1959 the State Government ordered to allot another class of coal, viz., S. S. I. (for small-scale industries) to Z. B. R. dealers (soft coke). From 1960 due to scarcity of wagon supply, coal scarcity is being felt in the district. To remove this scarcity road licence was issued for transporting coal by road. The district quota of coal is about 780 wagons of Z. B. R. (soft coke), 44 wagons of B. R. K. coal (brick-burning coal), 540 wagons of fuel and O. L. E. (for the purpose of oil mills), 72 wagons of S. S. coal (Large-scale Industries) and 108 wagons of S. S. I. coal (Small-scale Industries) per year. There are 63 depot licencees and 40 road licencees in the district. The coal is sold after the fixation of selling rates by the Subdivisional Officers concerned.

There has been difficulty in coal wagon movement. The wagon scarcity for moving coal was felt in 1959 when the State Government introduced the Road Licence to dealers. The dealers used to bring coal by roadways and used to sell at a fixed rate of Rs. 1-14-0 per maund. This has eased the position to some extent in the district. Wagons are not supplied by the department of railways to the State Government to the extent of their quota for distribution to the dealers. The quota is, therefore, supplemented by road licencees. The present ruling price of coal is Rs. 2-8-0 per maund.

Kerosene Oil.—The Bihar Kerosene Oil Control Order was promulgated in October, 1948 in this district to regulate the supply and distribution of kerosene oil. In 1950 there were 12 wholesale agents and 839 retailers in this district. The monthly quota of the district was 38,219 gallons. Till 1951 the supply of kerosene oil was scarce and there was full control on it. In 1952 due to foreign supply, i.e., from Burma and other places the position somewhat improved and in 1953 the control on kerosene oil was withdrawn and since then supply position is reported to be satisfactory.

Cloth and Yarn.—With a view to meet the scarcity of cloth the Government of Bihar promulgated the Bihar Cloth and Yarn Control Order in November, 1948 in the district. This required the wholesale dealers, retailers and hawkers to take licence and sell the commodities at controlled rates. Cloth and yarn had to be imported through provincial nominees. Prior to 1948 standard cloth was sold in the year 1947 (Dhoti, Saree and Markin) of red and black border through Government machinery. Standard cloth was evolved to meet the demand of an austerity ration of cloth as the common man was unable to purchase the high priced mill cloth. The cloth was of utility pattern and quite durable and was in great demand. Woollen standard cloth for coating and shirting were also sold through licensed shops. In 1944 cloth was sold on ration cards to the public. This system lasted for three years and was closed down in 1947.

The price of standard cloth was as follows :—

Standard cloth (cotton).	Standard cloth (woollen).
1. <i>Dhoti</i> —Rs. 2 per piece.	1. Coating— Rs. 8 per yard.
2. <i>Saree</i> —Rs. 2-8-0 per piece.	2. Shirting— Rs. 4 per yard.
3. <i>Markin</i> — Rs. 0-5-0 per yard.	

Two units for adult and 1 unit for child were fixed. The adult members used to get 10 yards of standard cloth in a year.

In 1950 there were fourteen cloth importers and ten yarn importers, besides, 4,754 licensees in the district. About 800 to 900 lakhs of bales of cloth and 40 to 60 bales of yarn per month were allotted to Bhagalpur which were quite inadequate for the large population. This caused acute shortage of cloth and the shortage continued till 1951 when distribution of cloth on the basis of ration cards was introduced. By the middle of 1952 the supply position improved and gradual decontrol was exercised. In 1953 the system of obtaining cloths and yarn through provincial nominee was discontinued. Since then the cloth and yarn merchants are simply required to take licence for dealing in cloth and yarn. At present the supply of cloth position has much improved due to decontrol and there is no dearth of mill-made cloth, handloom and *khadi*. As a matter of fact there is a glut in the cloth market.

SUPPLY AND COMMERCE DEPARTMENT, BHAGALPUR

The Supply and Commerce Department at district level was created in 1941 but it started functioning in a full-fledged manner from 1943. The District Supply Officer with his headquarters at

Bhagalpur is in charge of the district and is under the administrative control of the District Magistrate, Bhagalpur.

The District Supply Officer is assisted by the two Assistant Supply Officers posted in the two subdivisions of the district under the administrative control of the respective S.D.Os. Besides, there are twenty Supply Inspectors in the district at different points, i.e., in urban and rural areas to supervise the fair distribution of cement, coal and other controlled commodities. The main function of the department is to enforce the control orders and to look to the proper distribution of control commodities amongst the consumers to check malpractices in contravention of the different control order.

TRADE ASSOCIATIONS

Associations and organisations of traders and merchants play a necessary and important role in the community's economic life. These associations have been formed to foster the interests of the businessmen but they cannot also ignore the interests of the consumers. There is a central organisation like Eastern Bihar Chamber of Commerce, Bhagalpur to which different types of smaller associations are affiliated. In this district growth of some trade associations is recent.

Some of the Trade Associations at Bhagalpur are listed below:—

- (1) Eastern Bihar Chamber of Commerce.
- (2) Cloth Merchants' Association.
- (3) Cement Merchants' Association.
- (4) Sugar Merchants' Association.
- (5) Foodgrains Merchants' Association.
- (6) Retail Cloth Dealers' Association.

Excepting Eastern Bihar Chamber of Commerce, all other associations are unregistered and do not appear to play a very important part as their membership does not cover the bulk of the traders in their lines.

Since the price control measures were enforced the importance of the Trade Associations has increased. A large number of Acts have been passed and regulations framed and it is not possible for a petty businessman to know their implications. The Associations form the link to help them in the interpretation of the law and also to guide them if they commit any breach. Such associations also take up their causes to the local officials and try to get their grievances redressed.

Eastern Bihar Chamber of Commerce.—It was founded in 1955 and was registered in 1960 under the Societies Registration Act of 1960. It has a managing committee with its Chairman, Vice-Chairman, Secretary and nineteen members. Up till now it has been able to enroll 160 members. It has been formed to safeguard the interests of the merchants of Bhagalpur and the interests of the consumers. The members have to pay Rs. 25 annually each as membership fee. Besides, it has other financial sources such as contributions and about Rs. 20,000 are said to be collected per annum for day to day expenditure. The following are the aims and objects of this association:—

- (a) To protect the general interests of the businessmen in Bhagalpur district in a legal manner.
- (b) To represent or caused to be represented the business class of people of this area in the Bihar Council, Bihar Assembly, District Associations, Municipality and other Government and non-Government agencies.
- (c) To consider the welfare of the members concerned, to remove unhealthy competition amongst them and to prevent cut-throat competition.
- (d) To protect business of private sector and give proper suggestions to Government.
- (e) To solve the points of disputes amongst the members or between members and non-members relating to business affairs.
- (f) To solve or to get solved disputes relating to business labour.

Wholesale Cloth Merchants' Association.—It was formed in 1953 and has 50 members. Each member has to pay Rs. 13 per annum as membership fee. The association tries to protect the interests of wholesale cloth dealers of Bhagalpur and see to the existence of smooth relations between the wholesale and the retail merchants.

Cement Merchants' Association.—Established in 1959, it has twenty members in all. It has been formed for the protection of cement traders of Bhagalpur. The prolonged short supply of cement has led to an unsatisfactory position of cement business and a sense of misunderstanding among the consumers. The Association tries to prevent cut-throat competition, to promote a sense of understanding amongst traders and consumers by ensuring proper supply at equitable or controlled price.

Sugar Merchants' Association.—Formed in 1960, it has twenty-five members. The association tries to solve disputes between traders and consumers and to prevent cut-throat competition.

Foodgrains Merchants' Association.—It was formed in 1944 and has about 70 members. The association tries to protect trade interests and keep the consumers satisfied. The association also watches if grains in the *mandi* are purchased by any outsider or not, to make representation to Government when it feels any difficulty or harassment from Sales Tax and Income-tax Departments and to distribute the trade advertisements amongst its members so that they may be able to learn the fluctuation of rates in the markets.

Lastly it may be mentioned that the above unregistered associations are affiliated to Eastern Bihar Chamber of Commerce, Bhagalpur.

Retail Cloth Dealers' Association.—It was formed in 1958 and has 60 members in all. The aims of this association are to protect the interests of retail cloth dealers and to promote unity and to increase their trade.

Consumers' Association.—There is no Consumers' Association in the district.

WEIGHTS AND MEASURES

Weights and Measures are essential tools for the exchange of goods. In Bhagalpur district weights and measures of great diversities were in use. The Bihar Weights Act, 1947, came into force in the northern part of Ganga of this district in 1951. Under notification this Act received the assent of the Governor on the 29th April, 1947 and the assent was first published in the *Bihar Gazette* on the 14th May, 1947. There are two Subdivisional Inspectors of Weights and Measures, one at Bhagalpur and the other at Banka. Their duty is to verify the weights and weighing instruments used for trade purposes. They have to visit the markets and *hats* and seize unauthorised weights and seers and insist on proper weights and measures being used.

This district may broadly be divided into two parts, viz., areas where the Bihar Weights Act of 1947 was enforced and secondly areas where the Act was not enforced. The areas where no Act was enforced had no standard weights previously. In enforced areas 1 seer weight of 80 *tolas* was recognised as legal weights but in unenforced areas no such legal recognition was made. The weight in rural areas vary considerably from one part to another part. Different weights were used in various trades to sell the different commodities. In Bhagalpur vegetables and grains were sold by 101 *tolas* weight per seer, while sugar, tobacco and sweets were sold by 80 *tolas* weight.

The State Government fixes weights authorised to be used in the State when the Act is in force and these weights are called

the standard weights. The standard weight for Bhagalpur district was recognised to be 80 *tolas* per seer.

The following weights were prevalent in the zones mentioned after the Act was enforced :—

Names of places	Weights used
Bhagalpur town	80 and 101 <i>tolas</i> .
Sultanganj	80, 88 and 101 <i>tolas</i> .
Pirpainty	101 and 105 <i>tolas</i> .
Barahat	80, 101 and 105 <i>tolas</i> .
Sonhaura	80, 101 and 105 <i>tolas</i> .
Banka	80 and 101 <i>tolas</i> .
Bounsi	80 and 101 <i>tolas</i> .
Shyam Bazar	One <i>paila</i> and <i>dalia</i> equivalent to 1 seer of 101 <i>tolas</i> were in use.
Naugachhia	80 and 101 <i>tolas</i> .

The above diversities in weights created confusion and uncertainty in trade on the part of retailers. Hence to root out the confusion and uncertainty among traders the State Government of Bihar enforced Bihar Weights and Measures Enforcement Act of 1959 in the whole State of Bihar. This Act was enforced in January, 1961 in Bhagalpur district but in urban areas only. Hence with the introduction of new Act of Weights and Measures in Municipal and Notified Area Committees it was considered desirable to replace the old weights by new metric weights. According to Metric system enforced in urban areas, namely, Bhagalpur, Colgong, Banka, Naugachhia and Sultanganj the following weights have been recognised:—

1 gram
50 grams
100 grams
1,000 grams
1 kilogram=1,000 grams.
5 kilogram
10 kilogram
20 kilogram
50 kilogram
1 kilogram=86 <i>tolas</i> (1 seer and 6 <i>tolas</i>)
100 kilogram=1 quintal
10 quintal =1 metric ton.

The usual lineal measures are cubit or *hath* and yard or *Guj* which is divided into sixteen smaller units locally known as *girahas*. The *hath* varies from ten to fourteen inches. In this district one yard of 36" is in use to measure cloth.

Measures of areas are commonly based on the *hath* or *guj* but they vary from one place to another. In Nathnagar area $5 \times 5\frac{1}{2}$ *haths* are equal to one *katha* and twenty *kathas* are equal to one *bigha*. In Shahkund area 7×7 *haths* are equal to one *katha* and twenty *kathas* are equal to one *bigha*.

With the introduction of metric system of weights and measures the age old systems of maunds, seers and *chhattaks* and inch, foot and yard have now come to an end but not completely. This Act of 1959 has been compulsorily enforced in urban areas but some big wholesale dealers still use old weights in the markets.

For the seizure of old weights the help of police is taken and nearly 3,000 old weights have been seized in 1960. The big wholesale and retail dealers who had purchased many sets of old weights have had some difficulties to replace them by new weights. They are replacing the old weights by new weights. That is the main reason why the old weights have not been completely replaced by new weights.

It may also be mentioned that people are habituated to make sale or purchase in weights of maund, seer and *chhattaks* for hundreds of years. But with the enforcement of Metric system people are growing conscious to use the metric system. Publicity and propaganda as to the import of this system will be helpful. The Inspectors of Weights and the Metric Officer of this department have also been entrusted with this work. Publicity and propaganda are made in the markets, fairs and exhibitions, where pamphlets and posters are distributed freely. The Inspectors have been instructing *Mukhias* and others in rural areas. Training is also imparted to the staff of the Block Development Officers. The village level workers are entrusted to carry small metric weights to each village of their area and give training to villagers. One set of Metric Weights from 50 kilogram to 100 kilogram has been supplied to every block for exhibition.

Standard weights are manufactured by *bonafide* licensed dealers. They sell standard weights. There are seven dealers of this type in this district. They are at Bhagalpur town, Banka, Colgong and Sultanganj.

Occasional prosecutions are launched for breaches of the Act. It may, however, be mentioned that the weighing machines of the railway authorities are not verified. It is claimed by the railway authorities that as they work under Central Administration they do not come within the purview of State Government Act.