CHAPTER VI

BANKING, TRADE AND COMMERCE.

History of Indigenous Banking.

Francis Buchanan writing in the beginning of the 19th century, says, "At Patna are 24 proper bankers (Kothiwals), and one of them has a house at Gaya. They will all discount bills, payable either here or at Calcutta, Banaras and Moorshedabad. Some of them have also agents at Lucknow and Dhaka, one has an agent in Nepal, and the house of Jagat Seth has agents at Madras and Bombay in the south, and all great towns within the Company's protection; but it has, I am told, withdrawn all the factories from the places under native anarchy. All the houses have extensive credit. Besides dealing in money, some of them trade in European woollen cloths, jewels, foreign spiceries, metals imported by sea, and the finer kinds of cloth of cotton, silk and lace.

"The Surrafs here exchange money, and purchase, and sell bullion. There are here no Fotdars, but many of the Surrafs have very petty capitals, and merely exchange silver and copper. In Patna, Gaya, and Behar, where their capitals are above 400 rs. they will exchange gold and silver. Everywhere silver may be procured for gold; but it is only in the capitals that gold is procurable for silver. The Surrafs lend money to those living on monthly wages. The rich Surrafs and the Kothiwals supply the Zamindars, and pay the revenue, which operation is now their chief support.

"Those who lend money are here called Nukudi Mahajans and Ugahiya. Sums of consequence, such as 1,000 rs. may, for this last year or two, be had for 12 per cent a year, when bullion or jewels are lodged as security. Until then 15 per cent was considered reasonable, and sums under 100 rs. cannot be even now procured at less than 18 or 20. Poor people in the country, who borrow on pledges of copper or silver, pay from one-half to one anna on the rupee a month. Traders often borrow from them, giving for 100 rs. a bond for 125, payable by equal instalments in 15 months.

"A kind of usurers, called Athoyaras, lend 15 Gandas (60) of Paysas, and take a bond for 20 Gandas, that is 80, payable by weekly instalments of 4 Paysas. These people have no capital, but borrow from the Ugahiyas, and lend to petty hucksters, especially those who retail fish and vegetables."*

* Francis Buchanan : *An Account of the Districts of Bihar and Patna in* 1811—12, pp. 698—699.

W.W. Hunter writing about the contemporary events in the last quarter of the 19th century observes* : "Capital is usually employed in trade or in loans, and is not generally hoarded. The Collector states that the rate of interest in petty loans, where the borrower pawns some small article, such as ornaments or household vessels, is 3 per cent per month. In large transactions, where movable property is mortgaged, the rate varies from 12 to 24 per cent per annum. When a mortgage is given up on houses or lands, the rate is 12 per cent. In petty advances to the cultivators, the money-lender exacts from 36 to 60 per cent. The Collector believes that advances to cultivators with a lien on the crops are never made in Patna district. From 4½ to 6 per cent is considered a fair return for money invested in landed property."

Some of the leading houses of indigenous bankers in Patna City in the last century were those of Ram Deyal Sahu, Sahji, Parmeshwar Narain Mehta, ancestors of Rai Brijraj Krishna, Krishna Niwas Agarwal, Jaikrishna Rohatgi, Ramji Ram, Babua Baijnath, Nawab Iltaf Hussain and Badshah Nawab. The average rate of interest charged by these families was 1 to 2 per cent per month against the security of landed property, ornaments and utensils.

General Credit Facilities.

Till about thirties of the present century, in most villages of this district agricultural labour had been performed by *kamiyas*, whose status was practically of serfs. The *kamiya* undertook, in consideration of an advance or loan, to work for his master until the loan was repaid. Such agreements were unenforceable in courts, but *kamiyas* were unaware of this due to illiteracy. They could, however, redeem themselves by repaying the amount of loan taken by them. The Kamiauti Agreements Act (VIII of 1920) made such contracts void if the term for which labour was to be rendered exceeded one year, if the debt was not to be extinguished with the term, or if fair remuneration was not to be given for the labour. The Act did not apply to agreements entered into by "skilled workmen", so that the old *kamiauti* conditions may still apply to labour rendered by such persons as Chamars†.

Formerly village money-lenders used to advance money to cultivators often on compound interest, calculated half-yearly. The result was that generally the debtor was unable to repay the principal or even the interest and had to part with some of his property in order to satisfy

* *A Statistical Account of Bengal* by W. W. Hunter, Volume XI, Districts of Patna and Saran, 1877, p. 180.

†*Patna District Gazetteer* (1924), pp. 119-120.

the creditor. Ultimately a stage was reached when the debtor lost all his properties and was compelled to work for his creditor on a pittance.

In times of scarcity poor cultivators generally borrow grain from persons holding surplus stock. The creditor either realises it at the time of the next harvest, 1¼ to 1½ times* the quantity of grain lent or charges the debtor the price of the grain lent at the rate prevailing at the time of lending or even at a higher rate.

Indebtedness of villagers is also due to the paucity of warm clothing during winter when his purchasing power is very low. Formerly this situation used to be exploited by *Kabuliwalas* who used to visit rural areas to sell woollen as well as cotton clothing to the poorer sections of the community, usually at exorbitant prices, payable in the month of *Baisakh* every year. Some of them also used to sell asafoetida (*heeng*) in the same way†. The growing education among the masses, their fearlessness and resistance to excessive demands of the *Kabuliwalas*, have now scared the latter from the rural areas. In the post-independent era, the important sources of credit facilities are co-operative societies and ultimately Government.

INDEBTEDNESS.

There has not been any survey as to the incidence of indebtedness, rural or urban, in the Patna district. Generally it may be said that indebtedness is almost a normal feature in the economy of an average family. The middle class which forms the backbone of the society is the hardest-hit in the present economic set-up and, by and large, it is in debts. The average cultivator of the district, unless he has inherited some monetary legacy, is also usually indebted. The small cultivators and the agricultural labour of the district are also in debts. Of the professional classes, both in rural and urban areas, some are quite affluent, but the rest live almost on the margin. After the abolition of Zamindari, big ex-landlords were well off as their extensive *bakast* land as well as private business yielded fairly good dividends; but the small Zamindars could not adjust themselves to the changed circumstances and are getting rapidly in debts. The businessmen, however, have prospered as a class since the Second World War and many of them have become rich in no time. Apart from the normal trade debts, they are usually free from indebtedness. The incidence of indebtedness in the Patna district is also linked with social obligations. People take loans for *janau* (sacred thread ceremony), *mundan*, marriage, *sradh*, etc. Marriage, funeral, litigation, etc., account for much in the family budget

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*This system was known as *sawaiya* and *deorha* respectively.

†Their usual slogan was, "*Le heeng Udhari Baisakh ke Karari*" (Take asafoetida on credit, price payable in *Baisakh*).

of an average man. The traditional joint family system is also a source of general indebtedness owing to the indolent in the family and the accumulated legacy of debt. In a developing community like ours the incidence of taxation will go on increasing and due to rising standard of living there will be progressive rise in expenditure of a family over food, clothing, education, medical expenses, etc. Therefore unless the structure of the family budgets are radically changed and carefully planned the incidence of indebtedness in the district may not abate.

Rural Indebtedness.

The statement showing the number of licensed money-lenders in the rural areas indicates that their number has continuously been increasing since 1962-63. Apart from the fact that some of the money-lenders unlicensed hitherto before, might have got themselves licensed, the increase in their number may also imply that the number of debtors has also been increasing. Besides these licensed money-lenders, a very large number of people in rural areas, though unlicensed, carry on money-lending business charging exorbitant rate of interest both on secured and unsecured loans.

The number of mortgage deeds have continuously been increasing since 1962. This *prima facie* may suggest increase in the incidence of indebtedness; but in view of the rising prices of land, their alienation has also been availed of to wipe out the old debts of the peasantry.

On enquiry in a number of villages in the district, it appears that generally speaking 75 per cent of the villagers are in debt of one kind or other, mostly incurred to purchase agricultural implements, seeds and manures as also to meet the expenses of social ceremonies, such as marriage, etc.

The following statement shows the number of licensed money-lenders in the rural areas of the district:—

Number of licensed money-lenders in rural areas.*

Year.	At the beginning of the year.	Who were registered for the first time during the year.	Whose license were renewed during the year.	Whose license were cancelled during the year.	Whose five years' term of license expired during the year.	At the close of the year.
1962-63 ..	900	139	65	..	125	979
1963-64 ..	979	232	38	..	150	1,099
1964-65 ..	1,099	244	44	..	198	1,189
1965-66 ..	1,189	288	42	..	227	1,292

*SOURCE.—Office of the Inspector-General of Registration, Bihar, Patna.

There has been no survey to ascertain the incidence of indebtedness, rural or urban, in the Patna district. It is, therefore, not possible to quote figures of loans advanced by different agencies. The Research Department of the Reserve Bank of India, Bombay, has published a monograph of Monghyr in which the rural credit has been discussed*. Since Monghyr and Patna are adjacent to each other and their pattern of rural economy is more or less similar, the findings of the said research team may be of some importance for Patna also.

The monograph confirms that the role of the private money-lenders is still predominant in the rural areas. Loans from Government agencies and the Co-operative Banks form but a small percentage of the total borrowings. The monograph mentions that 49 per cent of the cultivating families resorted to professional money-lenders, who supplied 79 per cent of cultivators' total borrowings. In the rural areas about 93 per cent of the total borrowings is met by the professional money-lenders, agriculturist money-lenders, relatives, traders and commission agents and landlords. The figures given below may be broadly applicable to Patna district also :—

Agency of loan.	Proportion of borrowing from each agency to the total borrowing.
Government	3.3 per cent.
Co-operative	3.1 per cent.
Relatives	14.2 per cent.
Agriculturist money-lenders	24.9 per cent.
Professional money-lenders	44.8 per cent.
Traders and commission agents	1.5 per cent.
Commercial Banks	0.9 per cent.
Others	1.8 per cent.

URBAN INDEBTEDNESS.

In urban areas where people are not cultivators, but traders and of other professions, the system of lending and borrowing is more organised. There are regular *gaddis* of *mahajans* in the district for lending and borrowing and also issuing and cashing *hundis* (bills of exchange). The lendings and borrowings are at a rate of interest which are not as exorbitant as those in rural areas. However, when the amount of loan is small and is meant for domestic use and not for trade, the rate of interest charged is two annas per rupee per month in the case of unsecured loans and a half to one anna per rupee per month in the case of secured loans, the security being either ornaments or houses. For commercial transactions, there are *gaddis* of important commercial houses at Patna City.

* *Monograph of Monghyr* (All India Rural Credit Survey), Published in 1958.

The *Kabuliwalas* usually advance loans to low-paid Government servants, school masters and poorer sections of the community who cannot get loan from other sources. The rate of interest usually charged by the *Kabuliwalas* is two annas per rupee per month. They energetically realise their interest only on the pay day of their debtors leaving principal intact.

The number of *Kabuliwalas* varies between 75 and 100 in this district, of whom only about ten are registered money-lenders. They generally reside in Mohallas Muradpur, Sabzibagh and Dariapur. They operate throughout the town of Patna and its suburbs. But the main areas of their operation are the locality of the low-paid class and to a smaller extent the courts where they lend money to such litigants whom they happened to know. These *Kabuliwalas* have investments of about ten lacs of rupees in money-lending business. They are very active and have a knack of realising interest on their loans without fail as they know the time when their clientele receives emoluments.

The salaried class people generally take their requirements of ration and other goods of daily consumption from shopkeepers and repay them when they receive their salaries. The balance left with them after payment is usually very meagre. With the progressive rise in prices even the small margin left to them after repayment to said creditors has disappeared. But they have to purchase their necessities of life. This leads to accumulation of their debts. On enquiry from some of the shopkeepers of Chitkohra and Mithapur it transpired that this plight of the low-paid employees has made credit facilities harder. The situation becomes worse for these employees when they go on leave or if there is delay in the receipt of their salaries and consequent non-payment of the dues to the shopkeepers. The situation becomes still worse when somebody in the family is taken ill of some serious disease which causes major expenditure leaving little for the payment of the dues and no hope for future repayment of the debt. This credit system results in enhanced price charged by these creditor shopkeepers as the debtor has no option. He must take his supplies at the enhanced price or face starvation. A rough survey has been taken in the Chitkohra market near the Patna Secretariat, where there are about 25 shops. These shops thrive on cash credit to their customers who are mainly salaried officers and staff on monthly pay. The credit is limited to the salary of the recipients who number some 2,500. These customers are in the income-group of Rs. 75 to Rs. 500 a month. On enquiry it transpired that such credit loans are never fully redeemed, for there is very little marginal savings to meet these loans. The result is that on the occasions of festivals and social functions, e.g. marriage, these customers, who are mostly Government or public servants, have to depend upon advances from the Government or

Local Bodies and also on loans from their provident funds as well as from their friends and relatives. Some also mortgage their ancestral property to get loans to meet the cost on the occasions of marriages.

The high salaried officers are generally habituated to issuing debit slips to well-known firms in the town for the supply of their requirements on credit. Such people usually repay their dues when they receive their salary.

The statement given below shows the number of licensed money-lenders in the urban areas of the Patna district. It may be noted that the number has been rising :—

Number of licensed money-lenders in urban areas.*

Year.	At the beginning of the year.	Who were registered for the first time during the year.	Whose license were renewed during the year.	Whose license were cancelled during the year.	Whose five years' term expired during the year.	At the close of the year.
1962-63	1,124	230	65	..	194	1,225
1963-64	1,225	288	47	..	190	1,370
1964-65	1,370	272	58	..	224	1,476
1965-66	1,476	344	71	..	181	1,710

The following table† shows the number of transaction in land with corresponding value over a period of 5 years :—

Year.	Sale or exchange deeds.		Mortgage deeds.		Other deeds.	
	Number.	Value in rupees.	Number.	Value in rupees.	Number.	Value in rupees.
1961.. ..	40,633	4,02,47,191	26,057	2,03,73,282	2,054	33,52,381
1962.. ..	31,852	3,63,86,944	19,007	1,70,21,263	13,084	31,09,199
1963.. ..	33,492	4,26,13,428	22,600	2,11,49,166	1,978	30,40,665
1964.. ..	35,054	4,67,97,837	24,691	2,40,67,386	1,982	31,66,730
1965.. ..	39,473	5,95,24,333	26,916	2,95,59,000	2,209	33,31,527

*SOURCE.—Office of the Inspector-General of Registration, Bihar, Patna.

†SOURCE.—Office of the District Sub-Registrar, Patna.

The people are usually reluctant to alienate their land unless they are under some pressing needs. Thus the figures give an indication of the indebtedness in the district.

PROTECTIVE LEGISLATION.

The second quarter of the present century saw the promulgation of certain Acts like Usurious Loans Act, Money-lenders Act, etc., which aim at ameliorating the lot of debtors. The Government of Bihar passed the Bihar Money-lenders Act in 1938 to protect cultivators against the *mahajans*. By this Act the money-lender is required to get himself registered and obtain a license for carrying on his business. He is also required to maintain regular accounts in respect of each loan transaction showing the outstanding amount of principal and interest and the amount of every payment received from the debtor. The usual penalty for failure to keep accounts is the loss of interest and even the cost of suits for the recovery of arrears. The entry of fictitious amount in excess of the actual amount of loan has been declared to be a punishable offence. The Act has fixed the rate of interest as follows :—

	Secured loan.	Unsecured loan.
Simple interest ..	9 per cent per annum	12 per cent per annum.
Compound interest ..	Prohibited ..	Prohibited.

The money-lenders have to maintain a systematic account of the debts given and the accounts thereof. In spite of all this the unscrupulous money-lenders usually realise exorbitant rates of interest by underhand means from the needy people. Persons of respectable families do not want others to know that they are taking loans from money-lenders. They, therefore, approach such money-lenders who pretend to vouchsafe their anonymity, but dictate their own terms to them. There are 19 families in the district who carried on money-lending business of Rs. 30,000 and above during the year 1965-66*.

JOINT STOCK BANKS.

The following statement shows the banking offices in Patna district in 1966 :—

Name of place.	Name of Bank.	Remarks.
Patna town ..	1. Reserve Bank of India ..	1. Public Debt office. 2. Agricultural Credit Department. 3. Note Cancellation Section.

*SOURCE.—Office of the District Sub-Registrar, Patna.

Name of place.	Name of Bank.	Remarks.
	2. State Bank of India with one branch at Patna Secretariat and one pay office at the Institute of Industrial Design, Digha.	Branch Office.
	3. Central Bank of India ..	Head office for Bihar.
	4. United Bank of India ..	Ditto.
	5. United Commercial Bank ..	Ditto.
	6. Punjab National Bank with one branch at Mohalla Muradpur, Patna.	Ditto.
	7. Bank of Bihar with one branch at Secondary School Examination Board, Patna.	Ditto.
	8. Bank of India	Ditto.
	9. Allahabad Bank with a branch at Patna University.	Ditto.
	10. United Industrial Bank of India	Branch Office.
	11. Union Bank of India	Ditto.
	12. State Bank of Jaipur and Bikaner	Ditto.
	13. Bihar State Co-operative Bank, Limited.	Head Office.
	14. Bihar State Co-operative Land Mortgage Bank, Limited.	Ditto.
Patna City ..	1. State Bank of India	Branch Office.
	2. Punjab National Bank ..	Ditto.
	3. Bank of Bihar	Ditto.
	4. Bihar State Co-operative Bank, Limited.	Ditto.
	5. Central Bank of India ..	Ditto.
	6. Bank of India	Ditto.
Biharsharif ..	1. State Bank of India	Ditto.
	2. Bank of Bihar	Ditto.
	3. Bihar State Co-operative Land Mortgage Bank, Limited.	Ditto.
	4. Central Co-operative Bank ..	Head Office.

Name of place.	Name of Bank.	Remarks.
Barh ..	1. State Bank of India	Branch Office.
	2. Central Co-operative Bank ..	Ditto.
	3. Bihar State Co-operative Land Mortgage Bank, Limited.	Ditto.
Danapur ..	1. Punjab National Bank ..	Ditto.
	2. Central Co-operative Bank ..	Head Office.
Mokameh ..	1. State Bank of India	Branch Office.
	2. Punjab National Bank ..	Ditto.
Fatwa ..	1. Central Co-operative Bank ..	Ditto.
Masaurhi ..	1. Central Co-operative Bank ..	Ditto.

These banks receive on deposit the savings of the public, give loans on reasonable security and undertake other monetary transactions as agent of the customers in collecting and paying cheques, bills and dividents, etc. Many of these banks act as custodians for valuable documents and jewellery of the customers and issue various forms of easily negotiable credit instruments. They accept current deposits, savings bank deposits and fixed deposits. The rate of interest varies according to the nature of deposits and also from time to time. It is usually nil on current deposit, 3 per cent on savings bank deposit, 4 to 6½ per cent on fixed deposit with effect from 1st October, 1964. About 8 to 9 per cent is usually charged on advances against cash credit accounts, gold ornament and *hundis*. *Hundi* business is still continuing and is generally confined to the business in the foodgrains and cloths.

The branches of the State Bank of India in the district work as the agents of the Reserve Bank of India, conduct transaction on behalf of Government, provide remittance facilities to the scheduled banks, extend exchange and remittance facilities to the public and pay, receive, collect and remit money and securities on Government account. The branches of other scheduled banks undertake all commercial business in the district.

Co-operative Credit Societies.

Before the adoption of the recommendations of the Rural Credit Survey Committee in 1958 the co-operative movement was treated merely as a non-official movement although sponsored by Government and little Governmental assistance was given. The departmental officers had only the power to inspect the societies and to suggest remedies for improvement. But after the adoption of the recommendations of the Rural Credit Survey Committee, the co-operative movement took a different form. Government began to give aid in the shape of contribution of share capital in the primary and apex institution and also managerial assistance. Since then the number of societies has increased. The following statement will show the number of different types of co-operative credit societies with their membership and share capital in the Patna district on 30th June 1965 :—

Type of societies.	Number of societies.	Membership.	Share capital (in rupees).
1. Multi-purpose Co-operative Society (Small-sized).	1,347	33,143	6,15,582
2. Multi-purpose Co operative Society (Large-sized).	26	8,953	2,96,203
3. Marketing (Primary)	59	3,154	12,14,633
4. Joint Farming	12	371	6,170
5. Other types	Not available.		

General and Life Insurance.

Life Insurance is a well-recognised and very useful mode of saving and safeguards against possible risks of life.

Before the Life Insurance Corporation was formed in 1956, there were a number of Life Insurance Companies.

Some of the Life Insurance Companies were doing good business while others were confined to very limited business. It may be noted that none of the Life Insurance Companies was registered in Bihar. These Companies worked through a chain of agents. The agents were, however, mostly confined to the urban areas.

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 under 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 Life Insurance Companies ceased to carry on Life Insurance business in India and all their business was taken over by the Life Insurance Corporation. As the security of the policy money was guaranteed by the Central Government, the interests of the insured persons were safe.

General Insurance work which includes fire, marine, accident, theft, burglary, motor vehicles, etc., has been left open to the concerns in the private sector as well. Some of the former Life Insurance Companies and Societies had, however, started their General Insurance business as well since 1938.

Life Insurance business has been expanding in the Patna district as is shown by the figures given below* :—

Name of office.	1964-65.				1965-66.			
	Proposed business.		Completed business.		Proposed business.		Completed business.	
	Number.	Sum proposed. (in rupees).	Number.	Sum assured. (in rupees).	Number.	Sum proposed. (in rupees).	Number.	Sum assured. (in rupees).
1. Patna	3,101	1,92,17,900	3,731	1,96,24,175	4,157	2,98,64,800	4,041	2,89,59,825
2. Patna City ..	1,505	78,76,300	1,786	89,31,900	2,233	1,36,68,050	2,145	1,30,14,800
3. Danapur	1,028	45,43,400	963	37,18,125	1,493	81,83,125	1,486	78,77,675
4. Biharsharif ..	1,980	86,66,750	1,400	71,08,100	2,843	1,30,87,250	2,836	1,28,63,250

* SOURCE.—Divisional Office of Life Insurance Corporation, Patna.

So far as the General Insurance is concerned which includes insurance of godowns, money in transit, goods in transit, fidelity guarantee, personal accident, fire, etc., the incidence is not so high in this district. General Insurance may broadly be divided into three categories: (1) Accidents Insurance, (2) Fire Insurance and (3) Marine Insurance. Motor vehicles are insured compulsorily against third party risk. The owners of new cars and some owners of even old cars take comprehensive policies with private insurers and subsidiaries of the Life Insurance Corporation of India.

The work being done for General Insurance cannot be said to be adequate. As a rule the godowns of the merchants are not insured against burglary or fire. The consignments of big valuations are often sent without any insurance. So far as households are concerned very few houseowners take out a policy for fire or destructions through other agencies. Household effects are seldom insured against theft or fire. It may, however, be mentioned that the Life Insurance Corporation has been allowed to take up the General Insurance work in the district only since April, 1964.

The General Insurance premium income for the period from 1st April 1965 to 31st March 1966, from all sources of the Corporation for the Patna district, is as follows* :—

Name of Branch office.	Fire.	Marine.	Motor.	Other miscellaneous accidents.	Total cumulative premium for all classes.
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Patna (including direct business of the Divisional office).	6,29,145.43	3,11,159.93	6,674.80	1,86,688.91	11,33,669.07
2. Patna City	2,259.50	236.00	2,763.69	1,755.08	7,014.27
3. Biharsharif	..	63.45	25.00	116.00	204.45

The Life Insurance Corporation started a scheme in 1962 known as "Own Your Home Scheme". Under this scheme the Life Insurance Corporation advances loans to its policy-holders and also to its individual employees for construction of houses, for extension of existing houses and for purchase of recently constructed houses. This scheme

*SOURCE.—Divisional Office of Life Insurance Corporation, Patna.

was enforced in Patna Division of Life Insurance Corporation in 1964. The following statements show the amount of such loans advanced in Patna* :—

Own Your Home Scheme for policy-holders.

Applications received.		Disbursement actually made from inception to the end of the period ending 31st October, 1966.	
Number.	Amount.	Number.	Amount.
	Rs.		Rs.
96	23,44,600	39	3,83,000

Own Your Home Scheme for individual employees of Life Insurance Corporation

Applications received.		Disbursement actually made from inception to the end of the period ending 30th November, 1966.	
Number.	Amount.	Number.	Amount.
	Rs.		Rs.
6	67,750	1	6,000

Loans also are advanced by the Life Insurance Corporation in lieu of mortgage. The statement regarding the loans advanced from the Patna Centre of the Eastern Zone of Life Insurance Corporation is as follows for the quarter ending 30th June, 1966:—

Application dealt with since inception.		
Number.	Amount.	Amount actually paid.
	Rs.	Rs.
27	20,12,000	2,25,000

SMALL SAVINGS.

With expansion of Life Insurance schemes in rural areas in recent years the rural population of the district is getting insurance-minded and thus the number of insured persons is increasing. These insured persons have to pay regular premiums and thus are obliged to save regularly.

*SOURCE.—Divisional Office of Life Insurance Corporation, Patna.

As for those who are not engaged in any trade, profession or commerce, but are only small cultivators or agricultural labourers, they form the bulk of the population of the district and are not in a position to save anything substantial, for their incomes fall far below their minimum needs and thus they are usually in debt. The big cultivators alone can save something, but their social obligations like sacred thread ceremony, marriages, *sradhs*, etc., take away a substantial portion of their savings. Generally they spend on purchase of ornaments for their women-folk or advance loans to the needy, the latter yielding them better dividends than any of the saving schemes hitherto provided.

Barh and Biharsharif subdivisions grow cash crops like chillies, tobacco and potato; and the cultivators there are in a position to save a good amount. The cultivators in the Sadar and City subdivisions grow vegetables in abundance, which, however, on account of their perishable nature cannot be stored to be sold in future at high prices and thus they do not leave much margin to growers. Danapur subdivision no doubt grows sugarcane on extensive scale, but the prices of cane being rather unstable, cultivators do not have much saving.

During the Second World War and the period immediately following it the weavers in Biharsharif subdivision were better off than the cultivators and other artisans of the district, for due to scarcity of cloth, their products fetched them high prices. But later on, the price of their products declined with the availability of mill products and change in fashion and in spite of the strenuous efforts of the Khadi Board they are now hard hit by competition. It has become very difficult for them to save anything these days.

In urban areas the earning population consists of service-holders under the Government, local bodies, private firms or traders and artisans. The Government servants except in high salary scales save but little and are usually in debt unless they have lands or additional sources of earning. The lot of the employees of local bodies is similar. The rank and file of lawyers have lost much of their practice after establishment of *gram panchayats* where they have no audience. Due to free medical services provided by Government through the Development Blocks, medical practitioners have lost their private practice which they enjoyed through rural clientele. It is only the big traders and merchants who have capacity to save and they employ their savings in furtherence of their trade and business, which brings them better dividends.

With the spiral rise in the price of essential commodities, one has to pay much more now for food, cloth, footwear, medicines and other necessities of life. In spite of lesser opportunities for saving, facilities have to be provided for some saving being made for future. This may be in shape of subscribing to the provident fund or buying a life insurance policy or going in for purchase of saving certificates.

Small savings of average man have a great role to play in the economy of the country. Besides the banks, which willingly accept small deposits, the Postal Department has been extending such facilities even in the remotest rural areas. At present (1965-66), out of 497 post offices in the district 265 do savings bank business.

The Patna district has two Head Post Offices, namely, G. P. O. and Bankipur, both situated at Patna. The statement below shows, monthwise, the number of accounts and amount of savings bank deposits and withdrawals under the jurisdiction of the above two Head Post Offices in 1965-66 :—

G. P. O. Head Post Office.*

	Deposits.		Withdrawals.	
	Number.	Amount.	Number.	Amount.
		Rs.		Rs.
April, 1965	10,144	26,85,519.61	7,752	26,54,967.04
May, 1965	10,173	24,33,360.73	8,744	27,36,929.06
June, 1965	9,846	32,45,815.33	9,425	40,70,640.78
July, 1965	14,180	87,65,425.49	8,465	21,66,012.19
August, 1965	20,523	50,98,381.63	8,025	36,34,033.02
September, 1965	11,804	31,69,112.84	8,553	24,82,829.86
October, 1965	9,952	28,50,058.35	8,902	19,16,876.11
November, 1965	10,449	29,39,439.69	9,796	22,46,960.39
December, 1965	10,566	28,06,673.39	9,585	32,27,437.29
January, 1966	9,516	22,75,025.16	8,754	37,07,368.32
February, 1966	10,297	27,54,210.60	9,315	38,54,756.99
March, 1966	11,905	41,79,285.78	7,488	35,36,537.84

*SOURCE.—G. P. O. Head Post Office, Patna.

*Bankipur Head Post Office**.

	Deposits.		Withdrawals.	
	Number.	Amount.	Number.	Amount.
		Rs.		Rs.
April, 1965	3,615	5,69,213.80	2,972	5,90,042.91
May, 1965	3,758	6,47,145.70	3,233	6,80,982.99
June, 1965	3,668	7,48,856.20	3,754	8,33,212.58
July, 1965	4,423	7,46,856.96	3,446	5,87,973.68
August, 1965	3,417	7,14,261.24	2,238	5,08,689.61
September, 1965	4,331	6,71,391.00	3,060	4,63,975.21
October, 1965	3,225	6,08,744.76	2,504	4,33,022.17
November, 1965	3,951	6,45,928.48	3,820	5,28,884.27
December, 1965	3,628	6,54,423.09	4,179	5,93,330.09
January, 1966	3,413	5,66,180.61	3,250	5,55,252.34
February, 1966	6,472	6,35,946.80	3,301	6,29,947.15
March, 1966	4,295	7,99,111.66	3,709	7,41,955.02

Besides these small savings, people have invested in the National Defence Certificates and National Savings Certificates. A statement regarding such certificates, monthwise, for the year 1965-66 is given below :—

G. P. O. Head Post Office†.

	Number and amount of National Defence Certificates and National Savings Certificates issued.		Number and amount of National Defence Certificates and National Savings Certificates discharged.	
	Number.	Amount.	Number.	Amount.
		Rs.		Rs.
April, 1965	274	3,93,955	Not available	1,70,245
May, 1965	397	7,25,880	Ditto	1,94,660
June, 1965	397	2,02,080	Ditto	38,445
July, 1965	240	3,64,145	201	3,01,703.74
August, 1965 ..	297	3,03,115	159	1,18,080
September, 1965	616	3,19,975	605	1,80,610
October, 1965	470	4,01,150	512	3,29,390
November, 1965	1,510	2,14,750	470	12,060
December, 1965	1,581	1,87,910	655	1,84,079
January, 1966	1,379	3,21,420	496	2,10,185
February, 1966	1,116	4,10,285	528	49,429.65
March, 1966	678	3,89,505	430	35,425

*Source—Bankipur Head Post Office, Patna.

†Source.—G. P. O. Head Post Office, Patna.

*Bankipur Head Post Office**.

	Number and amount of National Defence Certificates and National Savings Certificates issued.		Number and amount of National Defence Certificates and National Savings Certificates discharged.	
	Number.	Amount.	Number.	Amount.
		Rs.		Rs.
April, 1965	103	29,910	242	1,16,114.87
May, 1965	44	36,280	95	56,904.40
June, 1965	30	31,425	132	51,263.23
July, 1965	50	1,35,570	32	30,191.40
August, 1965	120	47,635	143	63,329.31
September, 1965	64	19,050	92	1,00,866.05
October, 1965	105	52,235	106	55,569.28
November, 1965	85	20,650	77	43,325.70
December, 1965	136	44,405	79	35,002.20
January, 1966	31	7,935	35	21,069.40
February, 1966	50	16,490	151	47,337.70
March, 1966	147	72,140	56	48,495.70

STATE ASSISTANCE TO INDUSTRIAL DEVELOPMENT.

Under the Bihar State Aid to Industries Act , 1956, Government grant loans and other help to persons carrying on or intending to start industries in the State. This aid has given a fillip to the growth of small-scale and cottage industries in the Patna district.

Under the Bihar State Aid to Industries Act, 1966 financial assistance can be given as :—

(*a*) grant of loan. (*b*) grant of subsidy, (*c*) loan for taking of shares or debentures, (*d*) guarantee of minimum return on

*SOURCE.—Bankipur Post Office, Patna.

the whole or part of the capital of a joint stock company, (*e*) grant on favourable terms of land, raw materials or other property vested in the State, (*f*) supply of machinery on hire-purchase terms, (*g*) supply of electrical energy at concessional rates, (*h*) guarantee of cash credit, overdraft or fixed advance with a bank.

To facilitate quick and easy distribution of loans, power to sanction them has been delegated to various authorities. Loans up to Rs. 5,000 for any single industry are sanctioned by the Project Executive Officer of the Community Development Block or the S. D. O. concerned. The sanctioning authority for loans up to Rs. 10,000 is the Collector or the Additional Collector and for loans up to Rs. 20,000 in any single case is the Director or the Additional Director of Industries.

Loans beyond this amount are sanctioned by Government in the Department of Industries and Co-operation. The interest chargeable on these loans up to Rs. 50,000 is 3 per cent and 5 per cent for any amount beyond this amount. The maximum period of repayment is 10 years. The repayment starts after the lapse of two years from the date of the grant of the loan. In the matter of interest special concessions have been allowed to industrial co-operative societies and they pay interest at 2½ per cent only.

The statement below shows the extent of loan advanced to the different industries of Patna district up to 31st March, 1966*:—

No. of units.	Amount of loan advanced.
1	2
	Rs.
485	18,62,171.43

CURRENCY AND COINAGE.

The district switched over to decimal coinage system in 1958, and by now people have become accustomed to it.

*SOURCE.—District Industries Office, Patna.

TRADE AND COMMERCE.

Regarding trade and commerce of Patna district W. W. Hunter in his 'A Statistical Account of Bengal' quotes from a memorandum specially prepared in the Bengal Secretariat as follows :—

"In the district of Patna the principal mart is Patna City, a place of considerable importance as a commercial depot. Its central position at the junction of the three great rivers the Son, the Gandak and the Ganges (now Ganga) where the traffic of the North-Western Provinces meets that of Bengal and where the traffic branches off to Nepal gives it in this respect great advantages. It is conveniently situated for the purpose of transport either by river or railway having a river frontage during the rains of from seven to eight miles and in the dry months of four miles.

"The city proper comprises the large business quarters of (1) Marufganj, (2) Mansurganj, (3) the *kila*, (4) the *Chauk* with Mirchaiganj, (5) Maharajganj, (6) Sadikpur, (7) Alabakshpur, (8) Gulzarbagh, (9) Colonelganj and other petty *bazars* too numerous to mention extending westward as far as the Patna branch line of railway immediately adjoining which is Marufganj by far the most important of any of the marts in the city.

"The influx of goods into Marufganj, Colonelganj, Gulzarbagh, and the *kila* (in respect of cotton) is from North Behar, the North-Western Provinces and Bengal with which these marts possess direct and easy water communication and thus command a far larger supply than the inland marts of Mansurganj, Maharajganj, Sadikpur and Alabakshpur, or any of the other numerous petty *bazars* remote from the river bank. The trade of these latter is more intimately concerned with the produce of the districts of Patna, Gaya and Shahabad which transmit large supplies of oil seeds and foodgrains by means of carts and pack bullocks. Oilseeds are disposed of wholsale to the few large export merchants of Marufganj; the supply of foodgrains which consist principally of rice is sold retail in the *bazars* for local consumption.*"

**A Statistical Account of Bengal* by W. W. Hunter, Volume XI, Districts of Patna and Saran (1877), pp. 154-155.

Imports.

In the 19th century the principal imports into Patna were oil-seeds, salt, *khari*, sugar, *gur*, wheat, pulses, gram, rice, paddy and other cereals; of metals, iron, copper and brass were main items. There was a large import of gunny bags and it was said that about two-thirds of these were re-exported with grain; under the head cotton manufactures, the import of European cotton manufactures were large. With regard to articles of lesser value, imported mainly for local wants were fuel and fire-wood, hay and straw mats, bamboos and rattans. There was a considerable manufacture at Gulzarbagh of *pitaras* or cane-boxes, which were made from rattans. The import of cocoanuts was large, they were principally of the dry kind, and imported as such for the shell which was manufactured into *hukas*.

Irrespective of the imports detailed above, large quantities of salt, indigo-seed and various other kinds of merchandise were imported by rail, by merchants who had no agents or business connection in the city, and were residents of some other district. These articles were loaded into boats direct from the goods-sheds, and could not be considered as forming a part of the regular import trade of the city. In a similar manner, there were considerable exports of goods which had no connection with any of the business houses in the city, but were landed into wagons direct from boats.

The largest importing mart was Marufganj, the merchants of which place had a monopoly of the oil-seed trade of the city. The next mart of importance was Mansurganj. Being more of an inland mart, the supplies of Mansurganj were drawn for the most part from Patna district and other districts to the south. The trade was chiefly in food-grains. Colonelganj, a riverside mart, stood next in order. The main items of trade were oil-seeds, rice, paddy and other cereals. These were brought wholly by boat from the districts of North Bihar and from Bengal. Other smaller marts for oil-seeds and cereals were Sadikpur and Maharajganj.

Omitting the imports into the numerous petty *bazars*, there remained the central business quarters of the *Chauk*, connected with which was Mirchaiganj. The importance of the *Chauk* as a mart consisted in the varioty and value of its imports. The principal import was cloth, of which a considerable trade was carried on by the Marwaris. The whole of that came by rail.

There were about twenty persons in the city to whom the term 'merchant' could be applied—that was wholesale dealers with head-quarters in the city and agencies at out-stations, who carry on an import and export business entirely on their own account. On the other hand, the bulk of the so-called merchants were commission agents, and the general practice was for *beparis* to bring merchandise to those agents, at a store-house, termed an *arhat*, where the grain was sold, the agent, or *arhatdar*, merely receiving a certain percentage. In that manner, a considerable import trade passed through the hands of the *arhatdars* into those of the wholesale exporting merchants. It was said that nine-tenths of the oil-seeds and foodgrains, when brought into the city, were deposited in some *arhat*, where they were taken over by the *arhatdar* on his own account at the then prevailing rates. Most of the articles were passed on through the city from one mart to another.

The city had an advantage in the way of water communication, so the imports by river were much in excess to those of by rail and road. Importers of goods, to whom time was of little consequence, selected water carriage as being cheapest and most convenient, and there were of course certain classes of goods, such as bamboos, timber, fire-wood, hay and straw, rattans, mats and *golpatta* which were usually sent by boats.

Following were the marts from which the imports were derived: Oil-seed—Gaya, Daudnagar, Arwal, Muzaffarpur, Lalganj, Darbhanga, Arrah, Sasaram, Bettia, Motihari, district marts of Patna district, North-Western Provices, Kanpur, Varanasi, Zamania, Jaunpur, Gorakhpur, Azamgarh, Nawabganj etc.: Salt—Calcutta and Multan; Sugar—North-Western Provinces, Gorakhpur town and Azamgarh; *Gur*—Gorakhpur, Muzaffarpur, Arrah and Gaya; Wheat—Gorakhpur, Azamgarh, Revelganj, Chapra, Arrah, Danapur, Fatwa and Hilsa; Pulses and gram—Masuarhi, Biharsharif, Paliganj, Monghyr district and Noakhali; Rice-Eastern districts of Bengal, Gaya, Revelganj, Chapra, Muzaffarpur district and local marts of Patna district; Paddy—Bengal, Bettia, Gorakhpur, Nawabganj and Azamgarh; Other cereals—Revelganj, Bettia, Hilsa, N.W.F. Provinces and Bhagalpur; Cotton—Kanpur, Mirzapur and Etawah; Iron—Calcutta Gaya and Mirzapur; *Ghi*—Ranchi, Gorakhpur, Gaya and Hilsa; Bamboo—Rohtasgarh and Gorakhpur; Cocoanut—Calcutta and Dacca; Gunny bags—Calcutta, Purnea, etc.; Rattans—Rajshahi and Bettia.

Exports.

The most important article of export in the 19th century was oil-seeds. The trade in that staple was in the hands of about a dozen merchants. Two European agencies in the city, viz. Messrs. Ralli Brothers and Messrs. N. J. Valetta & Co. used to export more than half. Gunny bags were re-exported packed with grain. The railway had been very successful in attracting to itself the bulk of the export traffic. Oil-seed, wheat, *ghi*, *khari*, sugar and tobacco were brought in considerable quantities by boat from the northern and western districts of Bihar, direct to Patna Ghat Station, and thence despatched by rail.

Following were the marts to which the export were consigned: Oil-seed—Calcutta, Burdwan, Jangipur and Murshidabad; Salt—Birhej, Bettia and Gaya; Wheat—Calcutta, Dacca and Khagaria and Tobacco—Bombay and Calcutta.*

Present import and export.

The principal items of import are coal, kerosene, petrol, iron and steel, wheat and flour, rice, gunny bags and cotton piece-goods. The principal exports are gram and pulses, mango, potato, cauliflower, linseed, oil-cake, sugar and wheat. The decline of Patna and Barh as trade centres are due to the introduction of railways which have taken away almost the whole of their river-borne trade. It is cheaper to book goods direct to Calcutta than, as formerly, to rail them to Patna, and thence to send them down by river.

The main items of goods exported from Patna, Fatwa and Bakhtiarpur are grains, pulses, mangoes and vegetables. Besides, Fatwa exports fish and *chhena* also to Calcutta. The inward goods traffic to these places consists of coal, minerals, oil products, cloth, medicine, salt, timber, etc.

Patna has contact with North Bihar through water communication with the terminal points at Pahleza Ghat on the other side of the Ganga and Mahendru Ghat. The main commodities exported from Pahleza Ghat to Mahendru Ghat are handloom and powerloom cloths, tobacco, sugar, etc. The outward goods traffic from Mahendru Ghat are newspapers, grains meant for Government godowns, machineries, mill cloths, medicines, glasswares, tea, etc. Both inward and outward goods traffic also deal in various miscellaneous goods.

The private steamer *ghat* at Bansghat, Patna and at Pahleza Ghat have good turnover of goods traffic. The main commodities exported from Bansghat are coal, grains, stones, miscellaneous goods, etc. The main commodities imported to Patna from Pahleza Ghat are goats, bullocks, vegetables, milk, grains, straws, handloom and powerloom cloths, tobacco, and miscellaneous goods.

Trade Centres.

Besides Patna City, other important trade centres in the district are Danapur, Barh, Mokameh, Fatwa, Islampur, Hilsa, Biharsharif and Masaurhi. The principal trading communities are *Telis*, *Suris*, *Agarwals*, *Mahuris*, *Marwaris* and *Panjabis*.

*W.W.Hunter: *A Statistical Account of Bengal*, Vol. XI (1877), pp. 164—171.

The results of our studies of some of these markets are summarised below:—

Mokameh.—A study was made in August, 1965 at Mokameh market to ascertain the incidence of market arrivals in the town. This town is well connected by road, rail and river. The town had 33 wholesalers, 15 millers, 35 commission agents and 75 retailers in 1965. Besides, there were many big cultivators in adjoining villages, who directly exported foodgrains to different places within and outside Bihar. On an enquiry it was ascertained that the market arrivals in some of the commodities had dwindled because of direct export by cultivators. For instance, Agriculture Department in Patna and Ranchi districts had purchased 4,000 maunds of gram and pulses from one cultivator in Mokameh area at the rate of Rs. 36 per maund. The big cultivators stocked grains and maintained private godowns. It was ascertained that there were about 20 private godowns in the adjoining villages of Mokameh area.

Due to industrialisation of Barauni, the importance of Mokameh market has much increased. About three thousand quarters including the office of Barauni Oil Refinery have been constructed at Hathidah and the employees of Barauni Oil Refinery come to Mokameh to purchase their necessaries. They have started a big Consumers' Co-operative Store and come twice a week to Mokameh to purchase the articles. Besides, Mokameh market also feeds Barauni areas generally.

To regulate the purchase and sale of agricultural produce, the State Government started a regulated market in 1963 at Mokameh under section 3 of the Bihar Agricultural Produce Markets Act, 1960. It extends over an area of 4 square miles including Mokameh town. The commodities, viz., *masoor*, *khesari*, gram, pulses, maize, wheat, castor seed and chillies are dealt with in this market.

The figures of arrivals and disposals are given below* :—

Year.	Rice.	Wheat.	Maize.	Gram.	Castor-seed.	Rape-seed.
			Arrivals in quintals.			
1965	27,108	Nil	1,698	24,421	2,658	3,142
			Disposals in quintals.			
1965	23,556	Nil	Nil	18,352	2,270	1,875

*Source.—Market Secretary, Mokameh.

Rice is imported mostly from Shahabad district and Barbigha. Maize is imported from Rajasthan, Madhya Pradesh and Naugachia in the Bhagalpur district. Gram is imported from Begusarai and local cultivators. Linseed is imported from Naugachia and mustard seeds from Uttar Pradesh. The movement of the commodities is both by road and rail. On enquiry it was ascertained that though the traders have to pay much more for hiring trucks yet the quick movement saving time compensates it. During 1958-59 the stocks in the *arhats* varies from 1,200 to 2,500 quintals of grains, but in 1965 there was much increase in the stock of the commodities.

The major developments in the recent years have largely been in the field of inter-State trade. Mokameh in the past used to draw much supplies of cereals from the markets in West U.P., Punjab, Orissa, Madhya Pradesh and even West Bengal. The imposition of embargo on inter-State movement of foodgrains on private account has restricted the activities of the traders in the Bihar markets including Mokameh. The traders openly complained about this, for they had regular connections with the up-country markets. In fact, there is evidence to suggest that in spite of these restrictions a considerable volume of supplies still comes to Mokameh market from these States. The traders also pointed out regarding the shortage of funds in the market as a result of restrictions on bank credit and advances. As regards the combination of marketing with production by the large farmers, it seems that there has been in many cases a link between the traders and the big producers for the purpose of securing a command over foodgrains at village level. Trade credit and advances to the producers may also have increased to some extent, because the traders have tried to secure more supplies from the villages through the help of the producers. It was gathered that there is an increasing tendency on the part of the large producers to engage in trading activities. What has happned so far is largely the increase in their activities in the direction of purchasing the supplies of the small producers and holding them at the village.

Barh.—It is well connected by rail, road and river. The principal arrivals in the market are *masoor*, *khesari*, rice, mustard seed, etc. *Masoor* and *khesari* are imported from Patna, Gaya Fatwa, Monghyr and the neighbouring markets. Rice is imported from Nokha and Sasaram in the Shahabad district and Forbesganj and Jogbani in the Purnea district. Barh is not a rice-growing area. Cash crops such as chillies and tobacco are grown extensively. Mustard seed is imported from different places in Uttar Pradesh. Timber from Jogbani and Galgalia (Purnea) : cloth mainly from Bombay ; petroleum products from Barauni, Calcutta and Assam and *biri* leaves from Chota Nagpur and Madhya Pradesh are imported. The main goods exported from Barh are *masoor dal, khesari dal*, castor-oil, castor-seed, chillies, tobacco and *biri* to Calcutta, Bombay, Assam, Patna, Gaya, etc.

In 1965 there were 21 *arhats* of grains. The prices of grains and other commodities were ascertained at the time of investigation. It was gathered that there was vast difference between the prices of 1962 and 1965. The details of the wholesale and retail prices of the commodities in 1962 and 1965 are as follows :—

Commodities.	Wholesale price per maund.		Retail price per maund.	
	1962	1965	1962	1965
	Rs.	Rs.	Rs.	Rs.
1. Rice	20 to 23	48 to 50	24	52 to 60
2. Wheat	18 to 20	N.A.	19 to 22	N.A.
3. Gram	13	36 to 37	14 to 15	40
4. Maize	13 to 14	34	15	35 to 36
5. *Khesari*	11 to 12	29	13	34 to 35
6. *Masoor*	13 to 14	38	15 to 25	33 to 34
7. *Khesari dal* ..	20	40	22	42
8. *Masoor dal*	18	38	20	42
9. *Rahar dal*	22	42 to 43	24	48
10. Mustard oil	2 per seer.	3.50 per seer.	2.25 per seer.	3.75 per seer.

The Station Master of Barh Railway Station reported that about 10 wagons of *chhanti dal* (about 5,000 maunds) was exported daily to Calcutta, Assam and Bombay. About 500 maunds of tobacco was exported to Gaya, Patna, Kanpur and Calcutta daily during March-April. Vegetables such as *palwal* and tomato were mainly sent to Calcutta, Kanpur, Allahabad, Dhanbad and Patna. About 35 maunds of fish was exported to Calcutta and Asonsol daily during the rainy season.

Barh is located in an area which is rich in *rabi* crops, tobacco and chillies. The stock in the godowns of the wholesalers and retailers is partially made up of the local produce. Many of the rich cultivators in the villages of Barh subdivision have their own godown , and they hold the stock till the prices shoot up. On an enquiry it was gathered that due to the high prices the cultivators had built up a considerable financial reserve and could withhold part or most of the produce for a considerable time.

As a feeder to Patna market, Barh has its importance for the supply of chillies, vegetables and small quantity of tobacco.

Hilsa.—The market arrivals, despatches and stocks were studied in the Hilsa market in 1965. It may be mentioned that the village is mainly rice-growing area. The main commodities imported are *masoor* and other pulses and miscellaneous goods. Rice and *khesari* are mainly exported from this place to Fatwa and from Fatwa they are exported to different parts of India. During the investigation it was ascertained that the market arrivals at Hilsa had increased considerably. The traders have their middlemen in the villages and from the villages the agents bring rice to the *goladars* on some commission basis. In 1965 there were 45 *arhats*, but few retail shops. For their mutual benefit the traders had organised a *Vyapar Mandal.* On enquiry it was gathered that during 1963-64 the stocks of grains in the *arhats* varied from 2,000 to 3,500 quintals of grains. In 1965 there was increase in the stock of the commodities.

The prices of grains and other commodities were ascertained at the time of investigation. There was vast difference between the prices of 1963 and 1965. In spite of that rice was cheaper than in other places in the district. The wholesale prices of the commodities in 1963 and 1965 were as follows* :—

Commodities.	Wholesale price per maund.		
	1963.	1964.	1965.
	Rs.	Rs.	Rs.
1. Rice	25	32	44
2. Maize..	15	16	33
3. *Khesari*	10	18	24
4. Gram	16	22	35
5. *Masoor*	16	40	32
6. *Rahar*	·20	40	32

*SOURCE.—Price Reporter, Hilsa Block and personal investigation.

The Station Master of Hilsa Railway Station reported that about 1,000 quintals of rice were exported daily to Fatwa. In addition rice is transported by innumerable bullock carts to Fatwa. The road between Hilsa and Fatwa being very narrow, culverts or bridges rather weak, trucks are not permitted to ply on this road.

The stock in the godowns of the wholesale dealers was made up of the local produce brought to the market. Many of the rich cultivators in the villages of Hilsa area had their own godowns and held the stock till the prices shoot up.

Masaurhi.—The market arrivals at Masaurhi were studied in September, 1965. Masaurhi is situated in a rich rice-growing area. The main articles imported at Masaurhi are timber, salt, chemical manures and foodgrains for the Fair Price Shops sponsored by Government. The commodities exported are grains and pulses to Patna, Gaya, Calcutta, Varanasi and Bombay.

In 1965 there were 35 *arhats* and 10 rice and *dal* mills in the village. The average stocks of grains of some of the big *arhatias* varied from 2,000 maunds to 10,000 maunds. The *arhats* get rice and *dal* from different villages through their village agents. The prices were almost the same as in Hilsa market. Rice sold at the rate of Rs. 40 to Rs. 45 per maund in 1965. The Station Master of Masaurhi Railway Station reported that 1,000 maunds of rice were exported daily to different places in Bihar. He also reported that about 10 maunds of milk and 1 maund of butter were exported daily to Patna and Gaya.

Melas.

The following *melas* of commercial importance are held in the district:—

Samda (Paliganj P. S.).—It is an old cattle fair held twice a year on the day of *Makar Sankranti* and *Chaitra Sankranti*. The business to the extent of about Rs. 40,000 (Rs. forty thousand) is transacted on the occasion of each fair. People also congregate there to take bath in the holy Punpun river on these sacred days.

Sehra (Paliganj P. S.).—It is a cattle fair held twice a year once in the month of *Ashwin* and again in the month of *Jesth* and lasts for about a week. Besides cattle, wooden furniture and iron utensils are also sold.

Akhtiarpur (Bikram P. S.).—It is an old cattle fair held twice a year on the eve of the *Ram Nuvami* and during the *Mrigsira Nakshtra*. The business to the extent of about Rs. 25,000 (Rupees twenty-five thousand) is transacted on the occasion of each fair.

Ainkhan (*Bikram P. S.*).—It is a cattle fair held twice a year—once on the *Basant Panchami* day and then on the eve of *Baisahk Saptami*.

Bihta.—It is an old cattle fair held twice a year on the day of *Falgun Shivaratri* and on the 13th day (*Tryodasi*) of *Baisakh*. People also come to worship Shree Bishweswar Nath Mahadev. Business to the tune of about Rs. 75,000 (Rupees seventy-five thousand) on each occasion is transacted.

Bangauria (*Bihar P.S.*).— It is an old weekly cattle fair held on every Wednesday.

Arpa (*P.S. Hilsa*).—It is a cattle fair held on the occasion of *Ram Navami* and lasts for about 15 days. Although held on the *Ram Navami* day it is a commercial fair.

Rajgir (*Silao P. S.*).—A triennial *mela* known as *Malmas mela* is held in the leap year in the extra month of the Indian Calendar. The Hindus attach a very great importance to bathe in the *Saptadhara Brahmkund* and other time-honoured *kunds* in the Rajgir Hills. The popular belief is that during this month all the gods and goddesses of the Hindu pantheon congregate at Rajgir and thus to visit the place at that time is a rare opportunity of appeasing all gods and goddesses in one single act of worship. Though primarily of religious importance the *mela* also adds to the local economy. It draws people from all over the province. Shop keepers and entertainers come even from outside. The total number of visitors is between 8 to 12 lakhs. The *mela* lasts for full one month.

Another *mela* is held annually on the occasion of the *Makar Sankranti* for the last few years. Its duration is for about 3 to 4 days. Attemps are being made to give a commercial bias to it.

Sombari (*Patna*).—It is held in the immediate vicinity of the Patna Civil Court building on each Monday in the month of *Shrawan*. This *mela* is mainly meant for business in furniture, utensil and plants of fruits and flowers. Shop keepers of different localities of Patna also bring their shops in the *mela* campus to sell their goods.

Trade Associations.

The important trade associations in the Patna District are listed below:—

Bihar Chamber of Commerce, Patna; Bihar Paper Merchants' Association, Patna; Bihar Pipe Distributors' Association, Patna; Bihar Provincial Cold Storage Owners' Association, Patna City; Bihar Rajya Hosiery Utpadak Ebm Vikreta Sangh, Patna City; Mokameh Merchants' Association, Mokameh (Patna) and Bihar Industries Association, Patna.

Excepting Bihar Industries Association, Patna, all other associations are registered. They play an important role as their membership covers bulk of the traders in their respective 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 an average businessman to know their implications. The Bihar Chambers of Commerce, Patna and also other associations mentioned above provide a link and help and guide their members. These associations also take up their causes to the local officials and Government and try to get their grievances redressed.

Bihar Chamber of Commerce, Patna.—It was established and registered in 1926, its main object being to promote and protect the trade, commerce, industries and manufactures in the private sector in India and particularly in Bihar. In 1966 it had membership of over 800 commercial and industrial units spread all over the State of Bihar and some members from outside the State, i.e., West Bengal, Uttar Pradesh and Bombay. Being an apex body of trade and industry in Bihar it has got representations in various public bodies, Central and State Governments. It publishes a fortnightly News Bulletin, 'Bihar Chamber of Commerce News Bulletin', which contains matters of commercial and industrial interest of the country in general and Bihar State in particular. It also publishes Souvenirs and brochures on special occasions. It has got a library containing about 3,000 books of reference concerning economics, trade, industries, technical know-how and legal matters.

Co-operative Marketing and Trade.—The Bihar State Co-operative Marketing Union, Ltd., Patna, came into being in 1954. At that time, its activities were confined to distribution of consumers' goods. In the year 1958, under the advice of the Reserve Bank of India, the Bihar State Co-operative Marketing Union also took over the trading activities of the Bihar State Co-operative Bank, Ltd., Patna. These activities were (*i*) monopoly distribution of chemical fertilisers throughout the State of Bihar, (*ii*) Monopoly distribution of brick kiln coal in North Bihar, (*iii*) monopoly distribution of text-books published by the Text-Book Committee and (*iv*) distribution of agricultural quota of iron. The Bihar State Co-operative Marketing Union is still doing all this business except that a few months ago, a decision was taken to wind up the coal trade. The main idea in taking this decision was that the Bihar State Co-operative Marketing Union should give more and more attention to the marketing of agricultural produce.

The Board of Directors of the Bihar State Co-operative Marketing Union comprises of 17 members, of whom 11 are elected, three are nominated by the State Government and two, namely, the Managing Director of the Bihar State Co-operative Bank and the Bihar State Co-operative Marketing Union are *ex-officio* members. The Chairman is also nominated by the State Government.

A decision has recently been taken that foodgrains worth rupees two crores would be procured by co-operative societies at various levels. Out of this, the Marketing Union is to procure foodgrains of the value of rupees 50 lakhs as outright purchases and to assist the *Vyapar Mandals* in the procurement of foodgrains worth rupees one crore and 50 lakhs.

In 1966 the Marketing Union had 23 godown buildings of its own. The storage capacity was 12,000 metric tons. The remaining storage need was met by hiring private godowns of the capacity of 1,09,800 metric tons. For maintaining buffer stock it had a programme for the construction of 12 godowns of the capacity of 12,000 tons. Out of these 12 godowns, financial assistance was available to the Marketing Union from the Central Government under Crash Programme in respect of eight godowns. The assistance was in the shape of 25 per cent subsidy and 75 per cent loan.

The financial particulars were as follows* :—

	As on	
	30th June 1964.	30th June 1965.
	Rs.	Rs.
1. Share capital of the Marketing Union	10,68,380	10,69,430
2. Shares held by the Marketing Union	6,050	7,050
3. Investments—		
(*a*) Government loan	9,10,425	9,10,425
(*b*) Fixed deposits	2,522	2,552
(*c*) Call deposits	4,75,000	5,00,000
4. Funds—		
(*a*) Reserve fund	7,597	7,652
(*b*) Bad debt fund	1,044	1,044
(*c*) Building fund	38,000	38,000

SOURCE.—Office of the Bihar State Co-operative Marketing Union, Ltd, Patna.

Purchases and sales during 1962-63 to 1964-65 were as follows*:—

	30th June 1963.		30th June 1964.		30th June 1965.	
	Purchase.	Sales.	Purchase.	Sales.	Purchase.	Sales.
1	2	3	4	5	6	7
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Agricultural implements	3,85,770.16	50,236.40	11,05,075.25	2,90,058.70	6,88,549.31	3,38,518.51
2. Burma potato seeds	35,435.26	44,509.53	92,336.53	1,15,887.95	89,864.12	1,14,610.32
3. Wheat seeds	25,235.52	41,506.07	..	..	..	..
4. Paddy seeds	252.48	18,186.92	..	56.31	..	..
5. Rock salt	89,878.74	38,398.50	..	4,452.00	..	..
6 Maize	..	..	..	..	9,10,770.64	..
7. Text-Books	10,41,051.69	11,89,070.80	37,34,350.83	23,66,629.54	38,08,097.84	24,76,115.89

SOURCE—Office of the Bihar State Co-operative Marketing Union, Ltd, Patna.

Fair Price Shops.

In 1966 there were 969* fair price shops in the district and 351 were functioinng in Patna town. These fair price shops were opened by Government to sell wheat, rice, wheat flour, *suji*, etc. at reasonable prices to consumers and exercise a moderating influence against the rising prices of these commodities due to scarcity and inflation.

WEIGHTS AND MEASURES.

This district presented a variety of weights before the introduction of the metric weights in 1959. Besides the standard weight there were weights of 12 *gandas*, 13 *gandas*, 14 *gandas*, 16 *gandas*, 19½ *gandas*, 21 *gandas*, 21½ *gandas* and 22 *gandas* equivalent to a seer. In the standard weight *panseri* was usually of 5 seers but not always, as for instance at Athmalgola, it was of 5 seers 12 chattaks. Under *katcha* system the *panseri* varied from place to place, e.g., of 5 seers 5 chattacks, 5½ seers, 5¾ seers, 5 seers 14 chattaks, 6 seers, 6½ seers, 7 seers and 8 seers. In the Bukhtiarpur market the weight in use was the standard weight but an allowance of 6 per cent was given, i.e., 85 *tolas* made one seer instead of usual 80 *tolas*. This weight was used in the *bazar* itself while in the *diara* villages another kind of weight was in use called '*mal*' which was different from standard weight. Five seers of '*mal*' weight would make 6 seers of weight of 85 *tolas*. *Banias* and purchasing agents bought in '*mal*' weight and except where the cultivators were intelligent they did not offer increased rate. At Pokharpur, a village only 7 miles away from Biharsharif, 68 *tolas* seer was prevalent with a *panseri* of 6 seers or 408 *tolas*. At Silao the seer was of 52 *tolas* and the *panseri* of 6 seers. Certain commodities, e.g., potatoes were sold by 84 *tolas* weight. There was a different system of weighment for tabocco in which an allowance of 10 seers per maund or 25 per cent was allowed. The weights prevalent in the main markets of the district, before the enforcement of the Bihar Weights Act, 1947 is given below :—

Patna City and Bankipur	80	*tolas*
Mokameh	88	,,
Barh	87½	,,
Biharsharif	84	,,
Bukhtiarpur	85	,,
Phulwarisharif, Bikram, Malsalami and Fatwa.	80	,,
Masaurhi, Punpun and Pali	44	,, or 11 *gandas*.

*SOURCE.—Office of the Rationing Officer, Patna.

Masaurhi, Hilsa and Silao ..	52	*tolas*	or	13	*gandas*.
Naubatpur, Bikram, Maner, Wena, Asthawan and Bihar.	48	,,	or	12	,,
Asthawan and Bihar	56	,,	or	14	,,
Barh (Part)	64	,,	or	16	..
Bihar P.-S. (Mai, Mathurapur, Chilkpur and Pharinda).	72	,,	or	18	,,

The Bihar Weights and Measures Act, 1947 had standardised the maund series weights in the district and this standard system was in vogue till the introduction of Bihar Weights and Measures Act, 1959.

Due to confusion and uncertainty in trade, the State Government at first enforced Bihar Weights and Measures Enforcement Act of 1959 in municipal and notified areas in the whole State of Bihar to replace the old weights by metric weights. Since 15th November 1962 the State Government enforced Bihar Weights and Measures Enforcement Act, 1959 both for rural and urban areas and with the introduction of metric system of weights and measures the age old system of maunds, seers and chhattaks as also inch, foot and yard have now almost come to an end.