

BANKING, TRADE AND COMMERCE

Banking and Finance

In the ancient period, the region covered by the present district of Gorakhpur had flourishing trade, both internal and external. There were Srenis-corporations of men following the same trade, art and craft and resembled the guilds in medieval Europe. Every sreni had its rules and regulations, which ensured high standards and efficient service. The srenis also functioned as local banks. The people kept their deposits with them and earned interest. During the medieval period, which saw the rise of middlemen as financiers, the srenis disappeared from the economy of the district. However the business of dealing in money was highly developed in the medieval period, and money-lenders were found in all centres of trade.

Money was always available with merchants and middlemen, who were eager to invest in trade and industry. The exploitation of artisans by the officials and middlemen came to the knowledge of emperor Akbar, who abolished money taxes levied on artisans but local officials defied emperor's orders. In the seventeenth and eighteenth centuries the middlemen and merchants increased their financial control over the artisans, who migrated from place to place under the economic stress.

There were many treasuries in this period but in a bad state. Akbar introduced several reforms, and state treasuries were put under responsible officers. The main function of the treasuries was to collect state dues and incur expenditure on behalf of the government.

In the beginning of their rule the British also depended on treasuries to meet the financial requirements of the government. The Allahabad Bank, Ltd. was the first commercial bank to establish a branch at Gorakhpur in 1865. The Gorakhpur Bank, Ltd. was opened at Gorakhpur in 1895 and a few years later, the Kayastha Trading and Banking Company came into existence in the same town. However the last two institutions closed down later on. The following Banks were established in the district by the middle of this century:

<u>Bank</u>	<u>Year of the establishment</u>
District Co-operative Bank, Ltd. Gorakhpur	August 02, 1906
Central Bank of India, Gorakhpur (Branch)	November 22, 1932
The Hindustan Commercial Bank, Ltd. Gorakhpur (Branch)	November 08, 1943
Punjab National Bank, Gorakhpur (Branch)	November 18, 1944
United Commercial Bank, Gorakhpur	July 26, 1951

(Branch)	
State Bank of India, Gorakhpur (Branch)	Not available

The number of banks in the district has increased since 1970. At present there are branches of nine commercial banks in the district. In addition, the District Co-operative Bank Ltd., operates 16 offices in urban localities and 14 in the rural areas. The Land Development Bank Ltd., has also opened the branches at Gorakhpur, Pharenda, Mahrajganj and Bansaon.

The State Bank of India functions as a lead bank in the district. It has 16 offices in the district and majority of them numbering nine, operate in the rural areas. The other commercial banks have 17 offices in district and 11 of them operate in the urban centres and the remaining ones are located in rural areas.

Rural Indebtedness-- The economic condition of the people in the opening years of the twentieth century was quite depressing. It was mainly due to large-scale indebtedness. Aversion to manual work resulting in low production and excessive expenditure on marriages and various other social customs were two prominent causes of this malady.

Forced by circumstances people had to depend largely on the money lender, who was always eager to help the cultivator on his own terms. The rate of interest on petty loans for short periods was as high as 75 percent per annum on personal security. In large transaction, where jewellery or other valuable property was pledged, it was 18.75 percent per annum. If only personal security was offered it was 24 percent. On occasions when simple mortgage given by money-lender the rate of interest varied between 16 and 24 percent per annum. On loans among bankers the rate of interest varied from 9 to 18 percent per annum.

Borrowed seed had to be returned at 1.25 times of its quantity at the next harvest.

In the wake of the first world war (1914-18), cultivators generally benefited from the sudden spurt in prices of farm product and their financial condition improved. However, the economic depression of the thirties aggravated sufferings of the rural population as returns diminished sharply. The high prices which agricultural commodities fetched during the period of the second world war (1939-45), no doubt, brought more money into the cultivators' hands, but a corresponding rise in the price of other consumer goods left him without gains. With the introduction of land reforms, modernisation of agricultural practices and increasing demand for farm products, the agricultural community has prospered to a great extent but

not in equal measure. The small farmer and the landless agricultural labourer continues to have a sub-marginal existence in the throes of spiraling prices and more mouths to feed.

The district is comparatively poor. The per Capita income was estimated at Rs 400 per annum at current prices in 1971-72, the state average being Rs 504. It is one of the ten districts of Uttar Pradesh where average size of land holdings is below one hectare. The land holdings above 1 hectare constitute only 24 percent of the total holdings in the district, of which only 1.8 percent are above 5 hectares. The yields of principal crops are lower than state averages. In 1973, the per capita indebtedness of the farmers in the district, was Rs 300. In Bansaon tahsil the floods cause so much devastation that a large number of agriculturists have to depend on aid received from their relatives working in places outside the district.

Debt-relief legislation

Legislative measures have been adopted since the first quarter of this century to regulate the terms and conditions of money lending.

The Usurious Loans act, 1918, authorized the courts to examine transactions in which they had reasons to believe that the interest charged was 'excessive' and transaction as between the parties thereto 'unfair' and to relieve the debtor of all liability in respect of excessive interest. By an amendment in 1926, the act was made applicable to all parties seeking relief from mortgage. But the act did not provide a satisfactory definition of the terms 'excessive' and 'unfair' which made it difficult for the courts to determine whether a transaction was 'unfair' or the interest 'excessive'. By amendment effected in 1934, the act was made applicable generally to all debtors and debts and also provided definite limits beyond which the interest should be deemed to be excessive. In the wake of the economic depression of the thirties a number of statutory steps were taken to scale down and adjust the debts. They are the United provinces Agriculturists' Relief act, 1934. The U.P. Temporary postponement of execution of Decrees Act, 1937, and the United Provinces Debt Redemption Act, 1940.

Role of Private Money-Lenders

In the urban areas of the district private credit is provided by local mahajan's and money-lenders. Well-to-do punjabis have also taken to this business. In the rural areas different kinds of credit agencies function; relatives, professional money-lenders, traders and co-operatives. The rate of interest charged by urban money-lenders is at times exorbitant, ranging from 100 to 150 percent per annum. In the rural areas the rates of interest

vary from 25 to 37 1/2 percent per annum. Most of the loans are given against personal securities and only a small percentage against a guarantee by the third party.

Government Loans

It has been the practice of all government in this country to extend monetary help to the agriculturists in times of distress occasioned by flood, famine and other calamities.

The British continued to follow the practice. On the recommendation of the famine commission of 1880, the Land Improvement Loans Act, 1883 (Act XII of 1883) and the Agriculturists Loans Act 1884 (Act XIX of 1884), were passed and grants and loans have since then continued to be provided to agriculturists under these Acts.

Loans are advanced generally against the security of immovable property. Particulars of the amounts of loans distributed in the last five years are given below:

<u>Year</u>	<u>Purpose</u>	<u>Amount of loan</u> <u>(in Rs)</u>	<u>Rate of interest</u> <u>(percent per annum)</u>
1969-70	Distress, cattle, cane-crushers and pans	6,38,725	8 1/4
1970-71	Distress, jute cultivation, cattle	43,310	8 1/4
1971-72	Distress, seed and cattle, construction of houses	37,88,200	8 1/4 to 9 1/4
1972-73	Distress, seed and fertilizers, cane development, construction of houses	21,92,980	8 1/4 to 9 1/4
1973-74	Distress, seed and cattle, cane development, construction of houses, dairy farming	30,01,430	8 1/4 to 9 1/4

Co-operative Movement

The co-operative movement was introduced in the district with the formation in 1902, of the Kasia Agricultural Bank, Ltd. which was converted into the Kasia Central Bank Ltd. in 1906. The bank advanced Rs 1,043 to 120

persons in 1902 Rs 2,261 to 262 persons in 1903 and Rs 2,900 to 377 persons in 1904. The rate of interest was one paise per rupee per month or 18 3/4 percent per annum, which was increased to 2 1/2 paise per rupee per month in 1907. Later on this bank became a branch of the District Co-operative Bank Ltd., Gorakhpur and with the formation of district Deoria the bank functions in that district.

The co-operative movement was officially introduced in 1906 with the establishment of the District Co-operative Bank Ltd. at Gorakhpur. The emphasis was on organizing agricultural co-operative credit societies which could provide loans on easy terms to the members. The village money lenders regarded the working of the co-operatives with disfavour and they refused to have any dealings with farmers transacting with these institutions.

The number of agricultural co-operative societies has been growing steadily since 1906, when their number was only 10 in the district. In 1960, 1,208 such societies were functioning. After 1961, these societies were reorganized, the smaller ones being reconstituted to form bigger multi purpose societies, so that there were 949 societies in 1970 and 952 societies in 1973. The following table indicates the growth in the number of societies in the district:

Year	Number of Agricultural Co-operative Societies
1906	10
1910	62
1920	97
1930	114
1940	385
1950	603
1960	1208
1970	949
1973	952

The membership and credit distribution programme of the societies has also been expanding as is clear from the following statement:

Year	Membership of Agricultural Co-operative Societies	Amount of Loans Distributed (in Rs)	Rate of Interest (per annum)
1960	1,39,486	1,02,24,726	5 per cent

1970	2,36,930	2,73,54,163	8 per cent
1973	2,53,986	2,91,07,463	9 per cent

The State Bank of India carried out a survey of the activities of the agricultural co-operative societies in the district in 1970-71 and some of the results are tabulated below:

Average deposit of money with each society	Rs 380
Average amount of loan advanced by each society	Rs 16,025

The agricultural co-operative societies are financed by the District Co-operatives Bank Ltd., Gorakhpur, which advanced Rs 1,63,16,000 to them at 7 1/2 percent per annum in 1969-70.

The co-operative movement has yet to reach saturation point as regards enrolment of members and became viable so far as recycling of funds concerned. In 1971-72 they covered only 55 percent of the agricultural families and of these only 20 percent were borrowing-members. The average loan per member hardly amounted to Rs 30.

Of the 952 agricultural co-operative credit societies functioning in the district in 1973, 131 were uneconomic. Such institutions created bad debts, total outstanding debt of the co-operative societies in 1973 amounted to Rs 2,08,11,000.

Co-operative banks:- There are 10 branches of the District Co-operative Bank operating in the district and 90 percent of them are located in the rural areas. The bank, itself is situated in the city of Gorakhpur. The bank raises its finances per deposits and loans taken from financial institutions. The total deposits of the District Co-operative Bank Ltd. have shown a steady increase as the following statement would reveal.

lakh)	No of accounts		Amount of deposits (Rs in	
	1969	1970	1969	1970
Current	1,090	1,125	17.64	20.87

Savings	2,385	2,715	33.52	33.71
Fixed	2,520	2,954	32.60	36.55

Total	5,995	6,794	83.76	91.13

The district Co-operative Bank mostly finances the agricultural co-operatives. In 1969-70 out of a total advance of Rs. 163.92 lacs an amount of Rs.163.16 lacs was diverted to agricultural co-operative societies. On an average a primary agricultural co-operative society received Rs.13,700 in 1968-69 from the bank. The advances of the bank also registered an increase of 49 percent since 1968-69, when the total money advanced was Rs. 163.92 lacs.

In 1974, the working capital of the bank amounted to Rs 3,61,84,000, and it had 17 branches in the district, located at Anandnagar, Maharajganj, Bansgaon, Siswa Bazar, Gola Bazar, Nautanwa, Sahjanwa, Sikriganj, Chauri Chaura, Barhalganj, Nichlaul, Partawal, Pipraich, Kauriram, Sadar(in Gorakhpur town), Laxmipur and Ghaniyara.

The bank had advanced a total sum of Rs. 3,09,60,000 to the agriculturists and Rs.1,82,000 to the weavers of handloom cloth by the end of July, 1974. The rates of interest on advances vary from Rs. 8.25 to Rs 11.00 percent per annum. The bank gives interest at the rate of Rs. 4.00 to Rs. 7.50 percent per annum on deposits.

The Land Development Bank Ltd., has been steadily liberalizing its policy of advancing loans with a view to enable the agriculturist to bring improvement to his holding and farm production. Loans are generally provided on a long-term basis against the security of land. The following statement would give a comparative idea of the performance of the bank in 1968-69 and 1969-70:

Purpose	1968-69		1969-70	
	No.of Loans	Amount (in Rs)	No.of Loans	Amount (in Rs)
Buying of tractor	5	63,000	1	8,450
Buying of pumpsets	9	15,700	312	9,30,150
land improvement	19	21,040	1	600
construction of wells	--	--	296	2,98,750
Redemption of old debts	3	6,200	---	---
Buying of Persian wheels	--	--	49	57,700
Construction of irrigation	--	--	5	14,250

channels

In 1970-71 the bank advanced 4,205 loans of the value of Rs. 1,03,65,000.

Commercial Banks:- The number of commercial banks in the district has increased considerably from 1970 onwards. The average population served by an office of commercial bank was 3,00,000 in 1968, which decreased to 1,16,000 in 1970. The state average is 1,23,000 (in 1968) and the all India average is 69,000 (in 1968). There are 33 offices of commercial banks in the district and about half of them operate in the rural areas. The following statement gives the location of branches of various commercial banks functioning in the district:

Commercial Banks Located in district Gorakhpur

1. State Bank of India, Gorakhpur
2. State Bank of India, Nautanwa
3. State Bank of India, Siswa Bazar
4. State Bank of India, Medical College, Gorakhpur
5. State Bank of India, Sardarnagar
6. State Bank of India, Pharenda
7. State Bank of India, Peppeganj
8. State Bank of India, Engineering college Gorakhpur
9. State Bank of India, Maharajganj
10. State Bank of India, Laxmipur
11. State Bank of India, Kauriram
12. State Bank of India, Gola Bazar
13. State Bank of India, Chauri Chaura
14. State Bank of India, Brijmanganj
15. State Bank of India, Barhalganj
16. State Bank of India, Bansaon
17. United Commercial Bank, Gorakhpur
18. United Commercial Bank, Campierganj
19. United Commercial Bank, Uruwa Bazaar
20. The Hindustan Commercial Bank Ltd., Gorakhpur
21. The Hindustan Commercial Bank,LTD, Barhalganj
22. Allahabad Bank, Gorakhpur
23. Allahabad Bank, Bhathat
24. The Varanasi State Bank,Ltd., Sahabganj, Gorakhpur
25. Bank of Baroda, Gorakhpur
26. Central Bank of India, Gorakhpur
27. Central Bank of India, Nautanwa
28. Central Bank of India, Jogla
29. Punjab National Bank, Gorakhpur

30. Punjab National Bank, Pipraich
31. Punjab National Bank, Partawal
32. Punjab National Bank, Nichlaur
33. Union Bank of India, Gorakhpur

The banking pattern of the Commercial Banks has shown some definite trends. The deposits and advances have been growing but the rate of growth of deposits has outstepped the advances.

The following statement gives details of total number of accounts and deposits in all the banks of the district:

	No of accounts		Amount of deposits (in lacs of Rs)	
	December 1969	December 1970	December 1969	December 1970
current	3,848	4,975	283.62	279.33
Savings	34,169	39,282	455.97	475.70
fixed	12,711	13,007	598.07	772.58
Total	50,728	57,264	1,337.66	1,527.61

On the other hand only Rs.775.29 lacs were advanced in 1969 and Rs.1,129.75 lacs in 1970. However the advances show much increase in 1970.

In 1969, as many as 776 persons and parties received money while 2,265 persons and parties accepted advances in 1970. It is noteworthy that about half 33 offices of the commercial banks operate in the rural areas.

In June 1972, one office of the commercial banks on the average, served 72,337 persons. In this period the total deposits amounted Rs.13,15,00,000 and value of total advances was Rs.10,08,00,000. Therefore the credit deposit ratio was 55.5 percent.

The central region of the district is more developed in comparison to the northern and southern regions. The northern region comprises the tahsils of Pharenda and Maharajganj, the central Gorakhpur tahsil and the southern Bansaon tahsil. The following statement shows the average number of persons served by one office of the commercial banks in each region in 1972:

post-office recurring deposits	8,14,700
post-office cumulative time deposits	1,39,700

Total	1,40,59,800

Life Insurance:- The life insurance corporation of India established its office at Gorakhpur in 1956. There has been spectacular rise in life insurance business during recent years, as the following statement would show:

Particulars	1968-69	1969-70
No. of policies issued	4,069	4,035
Amount insured(in RS)	3,10,00,000	3,43,00,000
Premium collected(in Rs)	44,00,000	50,70,000

Currency and Coinage

As far back as the sixth century B.C. dust of gold or ingots of gold and silver served as currency. The actual coins, i.e, pieces of metal of regular shape, whose weight and fineness was guaranteed by a recognized authority became legal tender. These coins were issued by merchants, guilds and corporations besides the government of the of the day. These coins were known as punchmarked coins because one or more figures were marked as symbols of the issuing authority. However they bore no names and no legends. The imperial Guptas issued a series of coins, which are considered to be of high artistic standard.

The weight of the earliest coins was based on the system laid down in Manu-Samhita. Generally coins of single metal, copper or silver were in circulation. The silver purana or dhurana of 32 ratis and their various multiples and subdivisions have been discovered all over India.

In the medieval period there were mainly three type of coins, the dam, the rupee and the mohar. A rupee comprised 40 dams and 10 rupees were computed as equal to a gold mohar. The silver rupee was introduced by Emperor Sher Shah and Akbar added manu new feature to it.

The use of Gorakhpur paise, which was minted at Butawal in Nepal was in extensive use before the British rule and remained so till about 1930. This coin was infect a token, cut from narrow flat bar of copper and without any

inscription or devise. In the famine of 1875 it was found necessary to import these coins from Butawal. These coins were so popular that the explicit order of the district officer of Gorakhpur in 1899, to popularise British government coins was a total failure. Two Gorakhpuri paise made a government paise which was therefore known as dabal paise. About 80 to 100 Gorakhpuri paise constituted a rupee.

The British issued their own rupee, which comprised 16 annas, and an anna subdivided into 12 paise or 4 paise. The Reserve Bank Of India was established in April, 1935, as a shareholders' bank. It was taken over by the Central Government in 1949 and it functions as a central bank and acts as a note issuing authority, banker's bank, and banker to the government.

The decimal system of coinage was introduced on October 1, 1958. The rupee has been divided into 100 paise. There are coins of 1 paise, 2 paise, 3 paise, 5 paise, 10 paise, 25 paise and 50 paise in circulation. However, the old coins of 8 annas are still in vogue in the district.

The currency of India consist of one rupee notes and coins, issued by the Government of India and bank notes issued by the reserve bank of India. However the distribution of the rupee notes and coins is under taken by the Reserve Bank of India as the agent of the Central Government. In October 1969, a restricted number of ten rupee Mahatma Gandhi's' Centenary silver coins were issued.

Trade And Commerce

In the reign of nawabs of Avadh the trade of the district was very hard hit and perhaps it was at its lowest ebb. In the British rule the trade was revised particularly with Nepal and the adjoining district. In the first decade of the nineteenth century food-grains were imported from Pratapgarh, Rae Bareilly other district of Avadh, elephant and copper utensils from Nepal, sugar and tobacco from saran and brass and bell-metal from Patna. The export trade of district was negligible. But timber was exported as anyone was allowed to cut a tree on payment of duty. Trade was hampered by exorbitant extractions on the borders of Nepal and transit dues had to be paid at the boundary of every pargana. However by 1816, considerable traffic in salt, sugar and saltpetre developed with (Benaras) Varanasi, then known as Benaras. In 1820 duty of 5 percent, a precursor of the modern octroi, was levied on all goods coming into Gorakhpur. There was also a flourishing trade in Lac at Bansi.

The trade in food-grains sugar and timber became prosperous by 1830, the pace being slow as packbulls and bullock-carts were the main modes of

transport. Large quantities of rice were sent to Nepal and adjoining districts. Copper vessels and coins were imported from Nepal. Great impetus was given to trade and commerce by the reorganization of police in 1835. The commodities were moved by road and river, which were ensured safety by the police. The exports were sent to Bihar and this trade continued till the construction of the railway in 1885. The export of sugar, food-grains and timber increased not only to Bihar, but also to (Benaras) Varanasi and Allahabad. The import of cloth also went up and textile pieces worth more than Rs 5,00,000 were brought annually.

Export:- Sugar, molasses, fertilizers, gunnies, rice, fish, bones and skins, timber, handloom cloth, jaggery, alcohol and oil-seeds comprise the main items of export from the district. Sugar, which is produced in the sugar-mills of the district, is exported to other States of the country. Paddy and rice are exported to Varanasi and Faizabad. Bones and skins are exported to Kanpur. Oil-seeds are sent to Varansi and Jaunpur. Fertilizers, gunnies and alcohol are exported to Varansi, Lucknow, Kanpur and Bihar.

The district is also an important rerouting centre for goods exported to Nepal. These goods are generally routed through Nautanwa. Cloth, general merchandise, salt, mobil-oil and petrol are exported to Nepal. The following statement shows the list of goods exported from district Gorakhpur in 1973. The figures are approximate:

Commodity	Quantity Exported (in quintals)
Sugar	6,00,000
Timber	2,80,000
Food-grains	2,00,000
Sugar-cane	1,04,300
Molasses	40,000
Oil-seeds	32,000
Skins and bones	16,000
Alcohol	14,000

Fertilizer are also exported to other districts of the State. The district is marginally surplus in food-grains and therefore some of the grains find their way to the adjoining districts of Basti, Deoria and Azamgarh after being routed through the mandis by the traders. The commodities are generally transported on trucks and bullock-carts.

Imports - The main imports of the district are rice, salt, coal, cloth and general merchandise. Cloth and general merchandise are imported from Kanpur, Ahemdabad and Bombay, coal from Bihar, salt and gunnies from Kanpur and rice from Tulsipur in district Gonda. The following statement gives the approximate quantity of the main imports in 1973:

Goods	Quantity (in quintals)
Salt	8,80,000
Coal	5,20,000
Cloth	24,000
General merchandise	9,600
Rice	3,600

Trade Centers

The main market of the district is located at Gorakhpur and it was founded by Mr. Halsey, an assistant magistrate at Gorakhpur in the beginning of the twentieth century. Later on Mr. Halsey sponsored the construction of Collectorganj market at Kanpur. The market at Gorakhpur is know as Halseyganj market.

This mandi (wholesale market) is the main assembling centre for oil-seeds, rice and wheat in the district. It is a regulated market and administered by the municipal board, Gorakhpur.

In 1972-73, the arrivals at the market were rice 2,01,000 quintals, oil-seeds 5,00.000 quintals and wheat 1,67,000 quintals.

There are 3 wholesale markets in tahsil Gorakhpur and they account for more than 60 percent of the trade in food-grains and oil-seeds in the district. The other two markets are situated at Chauri Chaura and Sahjanwarespectively. The following statement gives the arrivals (in quintals) in the mandis at Gorakhpur, Chauri Chaura and Sahjanwa in 1972-73:

	Rice	Wheat	Paddy	Oil-seeds
Gorakhpur	2,01,000	1,67,100	--	5,00,000
Chauri Chaura	56,500	26,000	45,000	---
Sahjanwa	14,500	16,300	--	---

Total	2,72,000	2,09,400	45,000	5,00,000
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At Chauri Chaura raw leather, arhar and oil-seeds are also sold. About 40,000 quintals of raw leather is sold annually in this market. Pulses and jute, besides the food grains are sold in the mandi at Sahjanwa. The wholesale mandis at Gorakhpur, Chauri Chaura and Sahjanwa are regulated markets.

The other wholesale markets of the district are situated in the northern region comprising the Mahrajganj and Pharenda tahsils. These markets are situated at Anandnagar, Nautanwa, Nichlaul, Bridgmanganj, Garura, Partawal and Pepeganj. All the mandis, with the exception of those at Nichlaul, Bridgmanganj and Pepeganj are regulated markets. Rice, wheat, Paddy, Oil-seeds, Jaggery, ghee and cloth are sold in the markets. Nautanwa is close to the Nepal border and it is the collection and distribution centre of food grains, ghee, cloth and stones. The following statement gives the arrivals of wheat, rice and paddy in the mandis in the northern region in 1972-72:

Mandis	Arrivals(in quintals)		
	Rice	Paddy	Wheat
Anandnagar	37,100	25,100	29,200
Nautanwa	18,500	25,000	14,400
Nichlaul	6,800	8,200	4,100
Bridgmanganj	10,700	---	6,500
Garura	10,000	7,800	4,400
Partawal	67,600	29,900	14,600
Pepeganj	2,300	---	1,500
Total	1,52,900	96,000	74,700

Gol Ghar, a new marketing centre at Gorakhpur, has developed considerably after 1960. Consumer goods and agricultural implements are available in this market as well as in the Urdu Bazar.

The mandis feed about 287 small markets (known as hats and bazars). Each market has held on two fixed days in a week and caters the villagers with food grains, oil-seeds, cloth, vegetables and other consumer goods. Each

market usually commences early in the morning and closes late in the afternoon, so that the villagers may return to their homes by nightfall. The following statement gives the number of hats in each tahsil of the district:

Tahsil	No.of hats(markets)
Maharajganj	90
Bansgaon	81
Gorakhpur	76
Pharenda	40
Total	287

The retail traders get commission on sales as well as gain from the difference in wholesale and retail prices.

Fairs

The biggest of the district is held on the first Sunday of Jyaistha on the occasion of Urs of Saiyed Salar Masud at Gorakhpur. More than 1,00,000 assemble and utensils, toys, glassware, hosiery and cloth are sold in the fair.

The other important fair is held at Narainpur on the Rama Navami day (Chaitra shukla 9). This fair attracts about 80,000 persons and metal utensils, toys and cloth are sold. A number of cattle fairs are also held in the district.

Price Control and Rationing

The Second World War brought in its wake a steep rise in prices of all commodities and in order to arrest their further rise, so as to give relief to the consumers, chiefly in the urban areas, the price of a large number of commodities were controlled and the supply of many of them to consumers was rationed. Some of the more important commodities thus controlled or rationed were food-grains, cloth, matches, drugs and petrol. Dealers in these commodities had to take licenses from government. Various schemes for the rationing of food-grains, mainly wheat, and its products, gram, rice, sugar and kerosene oil, has however persisted ever since, with varying spheres of applicability and at present there are 103 fair-price shops in Gorakhpur city for the sale of wheat, rice and sugar. There are 594 fair price shops located in the rural areas and 25 in other urban centres besides Gorakhpur.

Weights and Measures

In this district the local standards were complicated, to a greater extent perhaps than in any other district of the state. The most important cause of this situation was due to the circulation of Gorakhpur paise in this district and in the areas adjoining Nepal. Gorakhpur paise was more of a token than a coin. It was a small billet roughly square in shape, cut out from a narrow flat bar of copper and without any inscription or device. These were minted at Butawal in Nepal. They continued to be legal tender for a long time even after the introduction of the Company's paise.

Throughout the district the local standards of weight were in use and the government seer was only used at the railway stations, octroi posts and the jail. The ultimate unit of weight was the ganda. The local seer varied from place to place, as the number of gandas comprising a local seer changed. Matters were further complicated by the presence of other standards besides the seer. The seer was a measure of weight but the raziya was a measure of capacity and used only for grain. Raziya was extensively used in northern tracts where rice is the staple crop. At the settlement of 1803-04, it was estimated that 16 different seers, seis and raziyas were in use, apart from the nambari or government standard. They varied from a seer of 8.50 gandas of paise, whose equivalent was but 6.18 chattaks in standard measure, to a raziya of 44 gandas of paise, which weighed two government seers. The seer of Gorakhpur city consisted of 36 gandas of rupees or 144 tolas. As elsewhere 40 seers made a maund, but 16 seis made a mani and 16 maris made a gon. However, the government maund was of 40 seers and each seer comprised 16 chattaks.

The metric system of weights and measures was introduced in the district with effect from October 1, 1960. For the proper enforcement of the new system, the U.P. Government established an office under a deputy controller of weights and measures at Gorakhpur in the same year. Subsequently another office was opened at Anandnagar under an inspector. Every trader has to submit his weights and measures for inspection and every such unit is stamped after being found accurate. Camps are held in different mandis and traders are able to obtain accurate weights and measure. In December, every year a publicity week is held in the district, in which new measures are publicised through films, placards, hoarding and pamphlets. Traders are advised to seek the co-operation and guidance of the officials of the department of weights and measures. These efforts have borne positive results as the following statement indicates:

Year	No. of traders whose weights and measures were stamped	No. of traders who sought settlement and correction of their the weights and measures	Amount (in Rs) released by Govt. for rendering advice and correcting
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weights and measures

1969-70	3,917	215	9,660
1970-71	3,812	249	9,017
1971-72	4,392	316	16,950
1972-73	5,700	954	43,856
1973-74	6,100	744	42,855

However a large number of traders still use such weights and measures, which are inaccurate and do not conform to the metric system. The following statement indicates the number of traders using substandard weights and measures in the last five years.

Year	Number of traders found using substandard weights and measures	Number of traders prosecuted
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1969-70	929	714
1970-71	326	77
1971-72	442	126
1972-73	1,500	546
1973-74	1,406	662
