

# BANKING, TRADE AND COMMERCE.

## BANKING AND FINANCE.

### *History of Indigenous Banking.*

There was no established bank in the past. It appears that the village *mahajans* and landlords as money-lending sources were in existence from time immemorial. The first recorded reference of the persons engaged in the business of money-lending is found in the Settlement Report of Forbes published in 1875. Forbes, at the end of paragraph 434 of his report observes, "Not only the species of trading carried on by persons who are *mahajans* and traders by caste, but almost every landlord in the *perganah* is more or less engaged in it, rather in giving of what is called *kurja*, and in carrying a money-lending business known as *len-den*".

There was scarcely a single individual in Palamau at that time who did not apply to the *Sahu* for small loans. The *Sahu* ordinarily means a trader but in this case the *Sahu* need not necessarily be a *mahajan*. Many landlords were *Sahus*, and so were some wealthy *raiya*s. This system of money-lending by *Sahus* still continues.

Forbes further observes: "In the months of April, May and June, when food is scarce, the people apply to the *mahajans* and petty Graders for small loans; to enable them to live and to buy seed for the coming autumn harvest. Some of them mortgage only their cotton, and some the whole of their coming crops. But once a cultivator has resorted to the grain merchant, he is rarely able to shake himself free again; nor is this to be wondered at, when we consider the rates of interest at which these loans are taken. For instance, a cultivator borrows, we will say, one rupee on his cotton crop; for this he binds himself to deliver to the grain merchants, when this crop is ripe, one (*kachcha*) *maund* or *84 lbs.* of seed cotton the market price of which at the cheapest rate, 12 (*kachcha*) seers per rupee This interest demanded ranges from 8 annas to 3 per cent per mensem. Sometimes payment in kind at certain rate stipulated for; sometimes the conditions are that half is to be repaid in kind at certain rates and the other half in cash.

"The rates at which these advances were given are as follows:-

For one *maund* of either *bihan* or *khaihan* given, the tenant binds himself to deliver at harvest time two *maunds* of grain, if he fails then the following year he has to deliver one half more, and on a second failure he has to deliver a fourth more of what he has to deliver for second year or three or three quarter *maunds*, on further failure, the amount of grain is commuted in its money value, and the proprietor proceeds to realise the amount in the best way he can, either by talking a *boud* and suing for the amount or taking its equivalent in other grain or as is more often the case than not, by forcible distraint of grain or other moveable property." The above mentioned system of leading is called *Barhi*, *Derhi* and *Sawai*, and is still in vogue.

W. W. Hunter, in his book "A Statistical Account of Bengal", Vol. XVI, Published in 1877 gives an interesting description of the monthly-lending or of indigenous banking system prevalent during that time. His observation is as follows:-

"The old landed proprietors of Lohardagga District are not, as a rule, possessed of large saving and they do not enter into money transactions in the character of lenders. Such transaction are carried on by *mahajans* Or professional bankers and merchant, a few of whom are land holders as well as capitalists, These loans are of two kinds--those in which land is given as a security without possession, interest being charged at the rate of twelve per cent per annum; and those where the transaction takes the form of a mortgage with possession, and the interest is at the nominal rate of one half or one per cent. As, however, the mortgagee has complete possession of the property, the interest which he actually realises from his capital, is often very high indeed. In *Zar-i-peshgi* loans, given in consideration of a lease granted by the borrower, the current rate of interest is twenty four per cent payable from the rents of the estate, and the amount of advance is adjusted in proportion to the rent roll. Sometimes the precise rate of interest is not specified but the lender is allowed to realize whatever he can get from the collection of the estate.

"The more important forms of small transactions in cash or grain between cultivators and their landlords or their *mahaians* are the following:-

- (1) *Len-den* or petty loans to raiyats, which are generally given in cash in the month of June when prices are at their highest, and repaid in grain after the winter harvest when prices are very low. Interest is charged at the rate of one-third of anna for each rupee per mensem, and is also paid in kind. So that for every rupee advanced in June, a raiyat has to pay in December a rupee's worth of grain at the price then ruling, in addition to the worth of two or three annas on the rupee as interest.
- (2) *Chara* is a simple form of loan which resembles the foregoing, except that the interest is not estimated in terms of money. The principal is paid in December with one maund of grain at the market rate of the day, as interest.
- (3) *Khepi* is a form of loan made to persons taking a journey (*khep*) to purchase grain. Interest is paid at the rate of one anna per rupee for every journey that is made. Thus, if a man borrows Rs. 25 at *khepi*, makes two trips for grain and repays the principal at the end of a month, he will have to pay fifty annas or Rs. 3-2-0, being interest at the rate of 150 per cent per annum.
- (4) *Seri* is So form of loan peculiar to the south-western portions of Palamau and the western *parganas* of Chutia Nagpur proper. In the month of June the land-holder advances to each of his tenants a *set* of salt, which is repaid in December by one maund of grain. Sometimes tobacco is given instead of salt, and is paid for in the same manner and at the same time. The custom of giving *seri* loans is fast dying out and is now chiefly interesting as illustrating the mode in which Hindu landlords used to deal with aboriginal tenants.

"In small transactions where ornaments or household vessels are pawned as security for the loan, the rate of interest varies from 25 to 37 per cent per annum or from 1/3 to 1/2 an anua for each rupee per mensem. Such loans are never given for more than half the intrinsic value of the article pawned; and "if the money is not paid on the date specified, the property is, *ipso facto*, forfeited to the lender."

The *Sahus* or village merchants usually took exorbitant rate of interest. Once a person became involved in debt, it became very difficult for him to get rid of himself from the debt. An extract from Forbes, report will fully illustrate the system pursued by the *Sahus*. It reads as: "Punctually as the harvest comes round, the *Sahu* or hill agent appears with his pack bullocks to carry off the cotton. If the quantity agreed upon is forthcoming, all is well but woe beside the unfortunate cultivator if it is not. Should a small portion only be forthcoming, it is seized, and sometimes charged against the debtor as lost upon the profit which the *Saku* would otherwise have made. The loan remains over till next harvest on the same conditions, only that interest is added. Sometimes the deficiency in the weight of cotten is made up by seizing other grain, proportionate to the market value of the cotton. Thus, supposing a loan of Rs. 4 has been taken on condition of delivery of 27 seers of cotton per rupee, the quantity to be delivered would be 2 maunds 28 seers, the market value of which at 61 steers per which is the cheapest rate, would be Rs. 16. If only 27 seers, Jalue of Rs. 4, and representing Re. 1 of loan be delivered, the *Sahu* will help himself, not to Rs. 3 worth of other grain, but to Rs. 12 worth. In case of *till* at Rs. 2, 3, 6 per maund this would be 5 maunds 16 seers; and if only 2 maunds 28 seers of *til*, value Rs. 6, were forthcoming, the balance of Rs. 6 is put down as the princes and the same transaction is repeated the following years."

Forbes mentioned that Government took listen attitude to curb exactions from the poor raiyats in the hands of the *mahajans*.

The institutions of *Chara*, *Khepi* and *Seri* loans mentioned above are not current now. But the *mahajans*, whether big or small have continued to exist and form the easiest source for finding credits. Whether known as *mahajans* or *Sahus* their activities were very widespread and they formed the institution of the indigenous bankers. The moving Afgan money-lenders who generally lend on very high interest and with very little Security could also be said to be a later element in the institution of indigenous banking. There has been a recent advent of Sikh traders *in* the district and they also advance loans occasionally.

The general credit facilities available in the district at the moment include the village *Sahus* or *mahajans*, registered money-lenders, joint stock banks, co-operative banks, central co-operative bank, Kabulis and Sikh money-lenders and loans from Government. It may be mentioned here that in order to improve the general economic condition of the raiyats and particularly the simple minded aboriginals, so that their need for credit will be reduced, Government have passed, from time to time, laws and regulations. An important measure was taken when the Chotanagpur Tenancy Act was amended in 1955 to debar alienation of an aboriginal's land without the permission of Deputy Commissioner. The spend thrift Adibasi was an easy prey to the speculative

money lenders or middle class men who take away the land of the aborigines through advance of loans. The need for credit has also been sought to be minimized by the starting of grain *galas* which act as seed banks. Government help is given through distribution of loans under various Acts for improvement of land, purchase of bullocks, etc.

Credit is usually required by the average man to tide over the present difficulty. Loans are also taken occasionally with a long view of a far-reaching improvement to the land or a bigger enterprise. The average cultivator wants money quickly for immediate necessity, e.g., to buy a bullock or a plough, to purchase seeds or manure or it may be to get a marriage performed in the family. He knows that he may get a loan from the Deputy Commissioner's office if it is needed for agricultural purposes. Yet he seldom approaches the Department. The time-lag, the several trips he has to make to the headquarters, the complacency of the subordinate official machinery through which his application is to go usually scare away the prospective creditor. He would, therefore, approach the *mahajan* who exactly knows and appreciates his nature of the need and would quickly advance the money. Even if the *mahajan* deducts a portion of the loan in payment of the future interest he would not mind. This is why the *mahajans* still exist till better circumstances are evolved.

### **INDEBTEDNESS COMMON TO THE RURAL AND URBAN AREAS AND THE EXTENT TO WHICH USURY IS PREVALENT.**

There has been no systematic study of the problems of indebtedness in this district. The general economic condition of the common man has been commonly accepted to be poor in this district which was, at one time considered to be the most backward in the Chotanagpur Division. The Settlement Officers and the various other Revenue Officers who have had to enquire into the living conditions of the people at different times have passed observations which indicate the general features but such observations cannot be said to be based on a thorough and exclusive problem. Some of the institutions and customs peculiar to this district like the *kamiauti* system (bonded labour), *buha* loans (borrowing of a pair of bullocks on stipulation of a quantity of grain when gathered), etc., show that the people were generally very poor. Sunder, in his *Report on Settlement Operations* (1894-97) had particularly mentioned the poor condition, general improvidence, and indebtedness of the Cheros and Kharwars. Bridge in his *Report on the Settlement Operations* (1913-20) has mentioned about the *Kamiauti* system and short cash loans. In the Revised *District Gazetteer of Palamau* (1926) by P. C. Tallents, there was a reference to, this small scale loans and often in kind that were prevalent. Tallents held that the fact that cash debts were usually on small scale did not mean that they were quickly or easily repaid. In the recent years Government has felt the necessity of controlling the money-lenders to some extent and thereby to control the ceiling of the interest. The Moneylenders Act was passed in 1938. In 1952-53, there were 24 licensees under this Act registered in rural areas and 14 in the urban areas. At the end of 1952-53 there were 129 licensees in the rural and 133 licensees in the urban areas. The total amount of loans advanced, by them came to Rs. 3,56,056 as mentioned in the *Bihar Statistical Hand-Book*, 1955. Such detailed figures for the year following the year 1952-

53 are not yet available. But we have the figures of fresh licenses issued to the money-lenders from 1952-53 onwards. They are as follows:-

Year.				No. of licenses issued.
1951-52	...	...	...	52
1952-53	...	...	...	39
1953-54	...	...	...	53
1954-50	...	...	...	53
1955-56	...	...	...	35
1956-57	...	...	...	36
1957-58	...	...	...	45
1958-59	...	...	....	59

The very fact that there has been need for more registered moneylenders will show that the need for credit is not on the decline.

The following statement shows the amounts advanced under the Land Improvement Loans Act, 1883 and Agriculturists Loans Act, 1884:-

### **LOANS ADVANCED.**

Year.	Under Land Improvement Loans Act (in rupees).		Under Agriculturists Loans Act (in rupees)	
1951-52	...	59,257	...	13,68,132
1952-53	...	72,829	...	17,68,768
1953-54	...	77,791	...	18,00,934
1954-55	...	8,825	...	45,00,000
1955-56	...	1,450	...	9,99,800
1956-57	...	4,610	...	8,75,000
1957-58	...	9,700	...	14,41,227

Regarding these figures of loans taken by agriculturists it may however said that the entire amount may not have been utilized for the purpose for which the loans have been taken. Nevertheless, these figures do indicate a definite trend, and particularly when the figures could be associated with drought or other natural calamities. It is understood that the *buha* system still persists in Latehar Subdivision although it is on the decline. If the original price of the bullock is

Rs. 100 the poor cultivator pays almost half of the price in kind for taking loan of the bullock for one agricultural season. It may be safely observed generally that the problem of indebtedness has not been fully appraised in this district. The banking organisation has yet to develop along with the habit to invest and before investment comes in there has to be created a margin for it. The commercial banks are allergic to give loans to the agriculturists because of the provisions of the Chotanagpur Tenancy Act. The co-operative movement has so far given benefit to a very small percentage of the needy.

If any intelligent guess on a certain amount of random field investigation and discussion could be made, it may be hazarded that the majority of the agriculturists in this district are indebted. On some calculations it was suggested that 75 per cent of the villagers are in debt and the amount varies between Ra. 30 to 100 according to the borrowing capacity.

## **STATE BANK, JOINT STOCK BANKS, OTHER LOANS AND INVESTMENT COMPANIES.**

Banking was pioneered in this district by the Chotanagpur Banking Association with its Head Office at Hazaribagh. This bank opened a local branch at Daltonganj in 1911 and became extremely popular particularly among the middle class men. Unfortunately, the bank went into liquidation in 1957. The closure of the bank was a calamity to the middle class people who had put their hard earned savings in the bank.

The Bank of Bihar with its Head Office at Patna set up a branch at Daltonganj in 1948. The bank advances loans against moveable and commercial commodities. The rate of interest charged on the advances varies between 6 to 7 per cent.

The Punjab National Bank with its Head Office at New Delhi opened a branch at Daltonganj in 1951. The bank advances loans against commercial commodities.

A branch of the State Bank of India was opened in Daltonganj in August, 1956. The bank mostly deals in Government transactions. It may be mentioned that prior to 1956, there was no Government bank in the district and all Government transactions were dealt by Government treasuries.

The figures of the total deposits in the banks are not available. Regarding the rate of interest per annum usually it is  $\frac{1}{2}$  per cent on current deposits,  $1\frac{1}{2}$  to 2 per cent on savings bank deposits,  $2\frac{1}{2}$  to  $3\frac{1}{2}$  per cent on fixed deposits. About 6 to 7 per cent interest is usually charged on advances against cash credit accounts, gold ornaments, and *hundis*.

Banking has yet to take its roots in this district.

## **CO-OPERATIVE CREDIT SOCIETIES AND BANES.**

The history of the co-operative movement dates back since 1919. The last *District Gazetteer of Palamau* by P. C. Tallents, published in . 1926 observes: "The history of the movement in Palamau begin, from the year 1919 when Thakur Bhol Nath Sinha began to organise, societies in Panki, and tile Rev. A. C. Watters in Latehar. In 1924 a, Central Bank was formed with a capital of Rs. 45,000. The working capital of the bank is double

what it was then, and loans have been made to 97 societies in the villages at the usual rate of 12 per cent per annum. The societies are most numerous in the neighborhood of Latehar, Lesliganj, Satbarwa, and Panki a few are also in existence, near Daltonganj and Chattarpur. The members number between 2,000 and 3,000. It is anticipated that a number of other societies will shortly be opened."

The Daltonganj Central Co-operative Bank registered a phase of prosperity. Its business increased with the growth of the number of societies. In 1939, there were 142 co-operative societies. But the financial position of the bank deteriorated since then. The Government<sup>1</sup> had to intervene and enquire into the matter. On the findings of the enquiry the Bihar Government undertook to bear the losses incurred in reconstructing the bank and further it agreed to subsidize the bank for a period of five years against the net losses of the bank. The bank was resuscitated in 1945. The bank took up the business of the controlled commodities from 1946- 1953 with its affiliated societies but it sustained losses in the said business. Therefore, the bank gave up the trading activities and now financing was made to the deserving societies.

The bank now deals with the agriculturists of the district only. It advances loans to the agriculturists against the produce of the land. The bank has advanced loans to its affiliated societies amounting to Rs. 82,703 during the period 1st July 1958 to 30th June 1959. The present position of the bank is indicated in the statement given below:-

***The present financial position of the Daltonganj Central Co-operative Bank.***

	(30th June 1958.)		(30th June 1959.)
	Rs.		Rs.
1. Share Capital	78,784	...	
2,59,006			
2. Reserve Fund	7,231.41	...	
3. Special Reserve Fund.	5,000.00	...	
4. Fixed Deposit	28,734	...	28,734
5. Savings Bank and current deposit.	1,82,034	...	
3,77,553.29			
6. Total Reserve Fund	36,768	...	29,265
7. Medium Term loan	94,938	...	72,765
8. Short term loan	65,795	...	40,568
9. Working Capital loan	5,320	...	5,016
10. Share Capital loan	1,350	...	...

The bank has received a long-term loan of Rs. 5,000 from the Government, through the apex bank for construction of Godown payable in 20 years. It has repaid Rs. 750 to the Government. The bank is also repaying an old reconstructed loan of Rs. 17,058 on *pro rata* basis. The bank took the medium-term loans for purchase of bullocks, and short-term for purchasing crops, bricks and fertilisers, etc.

The bank collected Rs. 1,07,915 from the societies during the year 1958-59 , which were given to them as loans. Out of the total demand of Rs. 2,21,453 collection from members came to Rs. 1,03,692 having a percentage of collection.43.8 per cent. The bank earned a profit of Rs. 2,720 during the year which decreased its total loss by Rs. 17,723 as against the total loss of Rs. 20,443.

### **Co-operative Societies.**

The Chapter "Other Departments" has also dealt with the registered co-operative societies in the district which are 763 in March, 1960. Their total number of membership is 22,147. The following statement shows the financial position of the Co-operative Societies running in the district of Palamau :-

#### **Financial position of the Co-operative Societies in Palamau.**

Year.	No. of the Deposits. co-operative societies.	Share capital.	Working Capital	Reserve fund.	
1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
30th June 1955	.. 325	..	..	..	..
30th June 1956	.. 404	35,143	1,65,276	27,938	4,574
30th June 1957	.. 535	71,968	2,67,846	31,603	6,417
30th June 1958	.. 674	78,784	3,27,747	36,768	10,648
30th June 1959	.. 76S	2,69,006	5,21,535	39,265	10,648

### **GENERAL LIFE AND INSURANCE.**

The district had only one branch office of the Metropolitan-Insurance Company, Ltd. This was before nationalisation of insurance business. Agents and inspectors of various other insurance companies secured business of life, fire, motor, and transit insurances. The Companies represented were the Aryasthan Insurance Co. Ltd., the



Hindustan Co-operative Insurance Co. Ltd., the Oriental Government, New Asiatic, New India Fire and General, Bihar United and Insurance Co., Ltd., the Sun Life and Non-Tarrif Insurance Companies.

Since the nationalisation of Insurance in 1956, these companies have ceased working, and the "Life Insurance Corporation of India" came into being. But the Corporation has not opened a separate unit in this district. However, the field officers and agents of the Corporation operate in the district.

For insurance against fire, theft, or for motor vehicle etc., there is no restriction on the different companies who specialize in them. Agents of several such companies operate in this district.

## **TRADE AND COMMERCE.**

*Old time trade routes.*- The topographical position of Palamau in the State of Bihar has a special significance. It is a district at one border of the State and adjoins some districts in the State of Bihar, namely, Gaya, Hazaribagh and Ranchi and some districts in Uttar Pradesh and Madhya Pradesh. From a study of the old documents and enquiries it appears that before the opening of Barun-Daltonganj Railway in 1902 and the extension of the modern means of communication such as roadways, railways, waterways, etc., the trade and commerce of the district was controlled by rather primitive circumstances. There were cart tracks connecting Palamau with the districts on the border and Surguja which was a feudatory estate before. But locomotion on these tracks was risky as the areas were infested with dacoits and wild animals. Bullock-carts, elephants, horses, pack ponies or bullocks were the chief sources of conveyances while transport by head-load was also common. The rivers were unbridged. Some river, while in spate, was navigable to some extent and carried a lot of merchandise, particularly timber. The rainy season, however, meant almost a complete paralysis for transport of heavy goods by roads or by existing cart tracks. When locomotives were unknown the chief centres of trade and commerce were the *hats* and *melas*. There was more of internal consumption of the commodities produced within the district.

Regarding the character of trade and commerce before the present century the following observations of L. S. S. O'Malley in the *District Gazetteer at Palamau* published in 1907 throw considerable light:-

"Merchandise is still almost entirely carried by pack-bullocks, the drivers of which are, indeed, the chief traders. These *beparis* wander about, picking up supplies wherever they can find them, and taking them from one *hat* or market to another, until they can get rid of their loads, The local traders are men with scarcely any larger sphere of operations, their practice being to buy paddy by the bullock-load from the *beparis*, employ women of the village to husk it, and then retail their purchases in the form of rice. As a class, in fact they are petty hucksters with a very small capital, whose dealings do not, as a rule, extend beyond the adjoining districts and States. This commercial backwardness seems doomed to disappear now that the railway has tapped Palamau."

The commercial backwardness which O'Malley mentions has now been removed to a great extent. As mentioned before the construction of Barun-Daltonganj Railway in 1902 was a definite land-mark in more than one ways. In order to supply sleepers for the laying of the railway lines, jungles were considerably cleared and tracks made for the movement of carts with the timber. This led to the tracks being made better afterwards, The old records indicate that before the railway line was opened the cattle and other commodities used to be carried by carts or head-loads to points on Sone river and from there carried by boats. There was a further extension of the railways in 1929. The present century has seen a considerable development of the roadways. The contribution of the District Board towards the construction of the roadways throughout the district has been considerable and reference may be made to the Chapter on Local Self-Government. It may briefly be mentioned here that at present the district has a sizeable network of roads connecting it with the neighbouring districts both within Bihar and outside. The district is now connected by road with Mirzapur and the construction of the Rihand Dam in Mirzapur district will also help in the trade and commerce of Palamau district. Garhwa Road railway station is assuming more importance because of the neighbouring districts of Surguja in Madhya Pradesh and Mirzapur in Uttar Pradesh. There are bans at the moment for free movement of certain commodities to this district and *vice-versa* but there are other commodities which can move and Garhwa Road station at the moment happens to be the nearest railway station for some of the areas in those districts.

It cannot, however, be said that the roads within the district serve all the purposes. As a matter of fact, most of the villages are so scattered and have such small habitation that it is not known as to when every village would have a feeder road to the neighbouring broader trans-district road. This is why the system of primary trade in the hands of *Vyaparis* and village *Baniyas* still continues and as circumstances indicate shall continue for a considerable time to come. The *Vyaparis* buy the grains and other commodities from the growers at their villages or at a little more central place where the commodities are brought by the villagers either on carts or as head-load. Pack-bullocks are still a common feature in this district while they are disappearing in some of the more advanced districts in Chotanagpur. The commodities are first taken to some big villages where there are some stores and from there they ultimately go to a larger market. The rustic *hats* still continue to be the primary source for the turn-over of commodities. True. *Vyaparis* or the village *Baniyas* earn a very large share of the middleman's profit but with the present economy there does not appear to be any other alternative. The primary cultivator has no means to hold back the grains nor are there storage facilities near by. Public carrier trucks or privately owned trucks call at such of the *hats* which are situated at motorable roads and *Vyaparis* coming in these trucks buy up the vegetables, *ghee*, grains, etc. In the same way catechu and lac also find their market outside the district.

## EXPORT AND IMPORT.

### *Export.*

The export of the district consists mainly of forest produce, minerals, agricultural produce, live-stock and *ghee*. Some of them are coal, cement, lac, catechu (*katha*), grains, timber, bamboo, *ghee*, bones and hides, *kendu* leaves for *biri*, honey, vegetables, goats, etc. The bulk of the export trade passes through Daltonganj, Chhipadohar, Garhwa and Hariharganj. The railway stations that have a commercial importance within the district are Barwadih, Latehar, Daltonganj, Garhwa Road and Japla. A brief description of some of these commodities may be given.

Lac.- Before 1918 the main market of export of lac was Mirzapur where lac had to be carried on bullock-carts. The first shellac factory was opened at Shahpur (Daltonganj) in 1918 followed by other factories. The bulk of the lac is locally handled now and is ultimately sent to Calcutta. Lac is exported both by railways and roadways. Carrier trucks are becoming popular for the transport of lac. The lac market has been suffering from vicissitude. The total produce of lac has been discussed elsewhere. Practically the entire quantity of lac is exported.

Catechu.- Catechu is exported to Varanasi, Kanpur and Patna. In March, 1960 the wholesale price of catechu was found varying from Rs. 250 to Rs. 320 a maund. Almost the entire quantity of catechu produced is exported. It is difficult to get at the approximate figure of the quantity exported.

*Oilseeds.*- Among the oilseeds mustard and *til* occupy a prominent position. Previously Calcutta used to be the main centre for export. But with the establishment of oil mills in the neighbouring districts, the export to Calcutta has naturally decreased. The bulk of the oilseeds is now sent to Gaya and Varanasi, which are nearer to Palamau district. The chief exporting centres of oilseeds are Daltonganj and Garhwa. The wholesale price of mustard seeds in March, 1960 was nearabout Rs. 26 per maund and that of *til* Rs. 27.

*Mahua* seeds are also exported to Calcutta. *Mahua* oil is mainly consumed as the base soap. An enquiry in the market at Daltonganj suggests that the annual average export from Daltonganj is about 20,000 maunds a year. The wholesale price of *Mahua* seeds at Daltonganj was Rs. 20 a maund in March, 1960.

*Ghee.*-The excellent grazing fields of Palamau district have maintained a large cattle population from before. Forbes in his *Report on the Survey and Settlement Operations* published in 1875 mentioned that *ghee* was one of the most important articles of Palamau produce. Forbes estimated that 15,800 maunds of *ghee* used to be exported from Palamau at that time. It is interesting to observe that the price of *ghee* was Rs.12 per maund. Even if the figure of export may not be absolutely correct, it will show that *ghee* occupied a very prominent place in the economy of the district.

Local enquiry suggests that the onetime flourishing *ghee* trade has considerably declined. There was a widespread slaughter of cattle during the Second World War for the consumption of the military. The introduction of hydrogenated oil has also considerably affected the *ghee* trade. A local enquiry reveals that *ghee* is sent to Ranchi, Jamsedpur, Chaibassa, Banaras and Calcutta. The main centre of export of *ghee* is Garhwa from where it is sent out by the wholesale dealers. The retail price of *ghee* fluctuates from Rs. 4-4-0 to Rs. 5-4-0 per seer. In March, 1960 the ruling wholesale price was Rs. 198 per maund.

*Forest produce.*-The forest products of Palamau like timber, *bamboos*, *biri* leaves, crude gum, bee wax and honey are mostly exported. Bamboos are mostly dispatched from Chhipadohar, Daltonganj, Kechki and Rajhara to the paper mills. About 2,000 maunds of bee wax is reported to be exported to Calcutta from Daltonganj. Crude gum to the extent of 2,000 maunds per year is exported to Katni and Bombay. The produce of honey has not been properly developed and a very small quantity is generally sent to Patna. Daltonganj grows practically all the vegetables and there is a heavy demand on the meagre vegetable belts in Palamau for consumption at Ranchi, Jamshedpur, Japla and Dehri-on-Sone. With the industrialization of Ranchi, which has already started, there will be a further pressure on the vegetable market at Daltonganj, Hariharganj and other places. The quick moving trucks regularly call at the roadside markets for purchasing vegetables and their quick transport elsewhere. It has already been mentioned elsewhere that there is a brisk trade in goats in this district. *Dabkars*, a professional Muslim section dealing in goats, have kept the goat trade almost entirely in their hands. It is a common sight to see truck-loads of goats being taken to the railway stations, for export to bigger stations like Patna, Jamshedpur or Calcutta.

### ***Import.***

The district imports a large number of essential commodities from the neighbouring districts, some of which are. Food grains, piece goods, sugar, kerosene oil, yarn, salt, cotton piece goods, tobacco, medicines, spices, etc. Palamau does not grow sufficient rice for the internal consumption of the district. It is mostly imported from Sasaram in Shahabad district and Doudnagar in Gays district. Surguja was a great source for the import of rice. At the moment the State Government of Madhya Pradesh have banned the export of rice from Surguja. Palamau used to get a considerable quantity of rice from Gumla in Ranchi district. Gumla rice is now mostly diverted to Ranchi and other places. A local enquiry in the market suggests that about 50,000 maunds of rice are annually imported in the district. This is in addition to the bulk supply from the Supply Department.

Wheat.- Wheat is also imported from Shahabad district. Besides the quantity supplied by the Supply Department not less than 10,000 maunds of wheat a year are

average is imported in normal circumstances. In this connection it has to be mentioned that drought is quite common in this district leading to scarcity conditions. The following statement showing receipts of rice and wheat in the district of Palamau has been taken from the District Supply Office:-

*Statement showing Receipt of Rice and Wheat in the district of Palamau.*

Year	Rice.			Wheat.	
	Md.	Sr.	Ch.	Md.	Sr.
1952	15,981	39	0	40,287	21
1953	12,150	7	6	21,688	31
1954	9,725	37	4	4,450	27
1955	21,004	0	0	1,717	0
1956	58,844	33	12	67,803	38
1957	5,900	11	0	86,147	14
1958	32,157	25	0	3,56,556	2
1959,(Up to August)	—			27,929	37

*Arhar* and gram are usually imported from Sasaram in Sbahabad district and Daudnagar in Gaya district, Aligarh, Etawah and Agra. Not less than 50,000 maunds of gram a year is imported in normal condition. In 1958, which was a difficult year, about 2,000 maunds of gram had been imported from Punjab. Sugar is imported from Dalmianagar in Shahabad district and other places as guided by the Supply Department. Kanpur and Bombay are the main places from where cloth is imported. It is difficult to ascertain the value of the cloth that is imported in a year. A local enquiry in Daltonganj market suggests that not less than Rs. 20,00,000 worth of cloth is imported within the district. Tobacco comes mostly from the neighbouring district of Gaya which is noted for the manufacture of good tobacco. Salt, spices, kerosene oil, petrol, diesel oil, etc., are also imported.

### **TRADING CENTRES.**

There is no regulated market in the district. As already mentioned be primary markets are the village *hats* and *basars* and the secondary markets are places like Garhwa,

Daltonganj, Hariharganj, Japla, etc. The wholesale agents usually maintain *Arhats* or godowns and take a commission per maund of the commodity for storage as their fees. The condition of storage facilities are rather primitive and lead to a lot of wastage, State warehousing activities have not yet been extended to this district.

It may be generally observed that there is no wholesale business other than lac, catechu and forest products. Grain *mandis* in the popular sense do not exist. The *Arhatias* who are concentrated at Garhwa and Daltonganj act as wholesale dealers and form the link between the small producers and retailers. The retail marketing centres are Daltonganj, Garhwa, Nagar, Ranka, Ramna, Godarmana, Panki, Lesliganj, Tarhasi, Satbarwa, Latehar, Chandwa, Chhipadohar, Barwadih, Chanki, Chhattarpur and Mahuadanr. The *melas* in the district have very good turnover of the produce of the district and also for imported goods. A list of rural markets covered by the *hats* is given as an appendix to this text. The list is quoted from the last District *Gazetteer* as there has not been any particular change excepting that some of them have become more important.

### **FAIR-PRICE SHOPS.**

The number of fair-price shops in the district varies according to the circumstances. These shops are manned fully whenever there is scarcity and the food grains are pushed in by the Supply Department to keep down the prices. In 1958-59, a period of scarcity, there were 109 fair price shops. In March, 1960 there were 81 fair-price shops working in the district. The fair-price shops during the normal times have a steadying influence on the market.

It may be said that co-operative marketing has made very little headway in the district.

### **MERCHANTS ASSOCIATION.**

An enquiry discloses that there are six trade associations mostly with offices at the district headquarters. They are *Vyapar Mandal*, *Sugar Association*, *Thoke Chini Bikreta Sangh* (Wholesale Sugar Dealers Guild) *Traders Association*, *Retail Cloth Dealers Association* and *Wholesale Cloth Dealers Association*. Not much could be ascertained about the activities of the associations and a local investigation suggests some of them exist on paper only. There are no consumers associations.

### **WEIGHTS AND MEASURES.**

The All-India standard regarding weights and measures has been adopted. It may, however, be said that the standards are not in use, as a rule, ill the interior of the district. Grains are still measured out in *Pailas* (small basket) on the borders of Hazaribagh and Ranchi districts. There are also time-however pieces of stones used as weights which, however, conform to the standard weights. The necessary rod is not always of the standard length in the interiors.