

CHAPTER -VI

BANKING, TRADE AND COMMERCE

A. BANKING AND FINANCE :

(a) History of Indigenous Banking : As observed by the Assam Provincial Banking Enquiry Committee in 1920-30, the history of indigenous banking in Assam is shrouded in obscurity. During Pre-British days, Assam had a self-sufficient economy which was mainly based on the barter system. There was hardly any need for credit money itself was scarcely available to the public for day-to-day transactions except coins for smaller denominations and *cowries* or conchshells which were used in minor transactions. Such an economy would have never fostered the growth of any banking system or so-called indigenous banking as well as money-lending. People belonging to the higher echelon of the society were in the habit of hoarding money and valuable ornaments. On the other hand, "those in acute poverty could upon the help of their co-villagers in the shape of doles of paddy or facilities for cultivation".¹

W.W. Hunter in his *Statistical Account of Assam*, 1879, details the growth and development of Assam during the early British period. It was along with them that their coins and currency system came to circulation driving out gradually the old indigenous system. Meanwhile the British administration was consolidated in Assam and people became well acquainted with the new monetary system. Growth of the tea industry, and free trade and commerce resulted in their wake in the inflow of a number of business talents particularly from Rajasthan and Bengal as well as in the importation of employees and labourers. In rural Assam, the people had a surplus crop which they could dispose of in the local market in exchange of other necessities or to get the little money for payment of land revenue. In the permanently settled areas of Goalpara and Sylhet (then in Assam), the *Zaminders* often resorted to coercive measures like arrest and detention of defaulter tenants who were compelled to pay the arrear rents by borrowing from some subordinates or relatives of the *Zamindars* on execution of a stamped bond.²

Money began to accumulate in the hands of Marwari businessmen who dominated and still do so in the entire trade and commerce of the country

1. E.A. Gait, *A History of Assam*, Calcutta, 1967 reprint, p. 270.

2. W.W. Hunter, *A Statistical Account of Assam*, Vol. II, New Delhi, reprint, p.67,76.

by establishing commercial enterprises in all important trade centres, tea gardens and even in some remote areas. These Marwari merchants as well as other upcountry traders particularly from Bengal (Dhaccayaa) had ready money which they could afford to lend at a profitable rate of interest beside investing in trade. Thus, money-lending business came into vogue. "Accumulation of coin made by the lower classes are usually hoarded; the middle and upper classes employ their savings in trade and lend them out on usury."³

The divide and rule policy of the alien rulers succeeded in reducing the old hierarchy and in bringing forth new social order mostly dominated by landlords, big landowners and the business community who maintained the supply line or credit money. The Marwari shops and firms and other merchants used to issue short term loans for which they maintained a register. They also transacted a large business in *hundies*, cheques or drafts. This type of banking transaction was a secondary type of business of these people in those days. Some of the businessmen succeeded in mobilising the savings in the rural sector. They used to accept deposit from the villagers and some firms paid interest on such deposits. This is evident from the statements of Marwari merchants recorded in different towns by the Banking Enquiry Committee in 1929-30 "we accept deposits but pay no interest. There are Marwari traders who pay interest at 9 to 11 per cent on deposits which are used by them in business"⁴. The sense of security which these Marwari firms could instill in the minds of the depositors encouraged the latter to entrust those firms with their savings. The deposits were of the nature of deposits at call. Pass-books were rarely used though receipts were frequently granted to the depositors. The Marwari firms and other money lenders also made advances for short terms to agriculturists in the villages against their standing crops in stipulation to purchase at the market rate during harvest or at a stipulated price which would have been much lower than the harvesting season market price though, in fact, it meant a perpetual income and great profit to the lenders due to the under-estimation of the crop yield as the yield as the economically poor borrowers in most cases had never been able to repay the loan in time. The middle men or intermediate *beparis* who made such advances against crops at stipulated prices with borrowed money from big firms in the towns charged interests generally in terms of crops which in terms of money was exceedingly lucrative and such interest varied from 50 to 75 per cent.

(b) General Credit Facilities Available : It was only during the early part of the current century that the credit structure of Assam economy took some concrete shape. So long credit facilities were provided by the money lenders, indigenous banks, friends and relatives of land lords as already referred to.

3. W.W. Hunter : *A statistical Account of Assam*, Vol. II, New Delhi, reprint, p.81.

4. Report of Assam Provincial Banking Enquiry Committee, 1929-30, p 437

The money lenders had freehold upon the credit field and earned big profits on usury without check. Next is important as the sources of credit were friends and relatives of the borrowers. Government also provided loans in times on natural calamities but the proportion of such loans was quite insignificant. It is clear from Hunter's *Statistical Account of Assam* that there were no banking establishments in Assam where loans were conducted by the wealthy and holders and shop-keepers who combined their regular trade with money lending. The money lenders retained the predominant hold even after banking institutions like the co-operative credit societies and banks loan officers, etc., grew up. It was only in the forties of the current century that some commercial banks incorporated outside Assam opened branches in a few towns. The comparative position of the credit sources was money lenders who played the dominant role as financiers in rural areas. Contrary to common belief, the landowners (who are the owners of lands cultivated by the debtors) supply only a small portion of the credit need in the rural areas. The Government also played an insignificant part in supplying rural credit. Because of the poor development of the commercial banks in the State, they accounted for less than one per cent of the credit supply in most districts. Friends and relatives were the second (after money lenders) important sources of loan in rural Assam. It is, therefore, clear that four-fifth of the rural credit were supplied by the money-lenders, friends and relatives. The institutional credit was practically non-existent.⁵ The co-operative credit societies and banks also played very insignificant part in the credit field. The following table shows the comparative position of the credit sources as revealed by the series of the Rural Economic Surveys conducted during 1950-56 in the rural areas of erstwhile Darrang, Sibsagar, Nagaon and Karbi Anglong districts.⁶

Source of loan as percentage of total cash loans in Assam.

Source	Darrang	Sibsagar	Lakhimpur	Nagaon	Karbi Anglong	
					K.V.	(Non-K.V.)
1.Co-operative banks	0.4	2.3	0.01	4.0	—	—
2.Money Lenders	63.1	56.6	53.6	68.2	74.3	56.9
3.Landowners	2.3	.2	2.9	1.1	-	-
4.Government	4.4	4.5	0.5	0.6	-	-
5.Commercial banks	10.4	0.9	0.5	0.2	-	-
6.Others	19.4	32.6	42.5	26.0	24.7	43.

Note :-K.V -Karbi villages

Non-K.V -Non-Karbi villages._

5. P.C. Goswami : *The Economic Development of Assam*, Calcutta, 1963, p.62-63.

6. Ibid.

From the above table, it is clear that the people in need were to look for help or loans from the source 'others' which include friends and relatives as an alternative to avoid the extraction of money-lenders particularly in the hill districts. The All-India Rural Credit Survey Report gave the percentage of sources for All-India as follow – (1) Professional Money-lenders, 44.8; (2) Agricultural Money-lenders, 24.9; (3) Relatives, 14.2; (4) Traders and Commission Agents, 5.5 (5) Landlords, 1.5; (6) Governments, 3.3; (7) Co-operatives, 3.1; (8) Commercial banks, 0.9; (9) Others, 1.8.

With the change of time, the relative position of the credit sources also changes as a consequence of various control measures and Acts passed in regard to money-lending and expansion of the other credit facilities after independence. The co-operative credit societies have come in a big way to meet the credit requirements in the rural sector. With a view to ensuring steady flow of credit organisational set-up of the rural credit has been refashioned recently with the Assam Co-operative Apex Bank at the top and the Primary Co-operative Credit Societies at the base. Thus, the amount of rural credit (extended by the Primary Agricultural Credit Societies) which stood at Rs. 1.6 million in 1963-64 steadily grew up in the succeeding years and reached Rs. 28.7 millions in 1968-69, (including Meghalaya). In addition to increasing co-operative credit facilities, banking facilities which were so far confined to the urban areas only have been gradually extended to the semi-urban and rural areas of the State. After nationalisation of the 14 big commercial banks in July, 1969 and introduction of the Lead Bank scheme, there has been noticeable expansion of bank offices in the State though in comparison to other states it lags far behind. The number of bank offices in Assam reached 354 in 1977 against only 74 in 1969 showing a marked improvement in the coverage of population per bank office, the average number of population covered by each bank office being 41 thousand in 1977 against 188 thousand in 1969.⁷ Banking facilities are still inadequate in Assam and are mostly confined to urban and semi-urban areas.

As a result, a vast majority of the rural population are still in the grip of money-lenders. The *Kabuliwalas* are still found engaged in their usurious business of money-lending all over Assam. With the expansion of various credit facilities, the demand for credit has also steadily gone up. It is difficult to ascertain the proportion of credit provided by different sources for want of data.

The Planning Commission observed that easier credit facilities should be extended to small and marginal farmers in order to utilise the infrastructural

7. *Economic Survey of Assam, 1975-76* by the Directorate of Economics and Statistics, Govt. of Assam, Guwahati, 1979, p.62.

facilities like irrigation, transport, ware-housing, technical methods employed in modern farm practice, etc. Credit is the critical requirement to purchase farm implements, fertilisers, and other agricultural inputs in the rural areas of Assam. Banks spreading to the rural areas extend credit only against security but the majority of the cultivators have no such tangible assets to mortgage as security. The nationalised banks provide only long term loans and are reluctant to give short term loans except on security. Consequently, the poor and marginal farmers are to approach the money-lenders for credit on usurious rates of interests. Recent *moratoria* and control measures have though brought some effects, the money-lenders cannot be eliminated from the credit field so long the real gap in the line of credit supply persist and the big traders act money-lenders. It is suggested that the rural banks should take the risk of lending on the basis of crop-loans and to realise the loan in kind through the marketing agency to achieve the desired end.

(c)Indebtedness :

Rural Indebtedness : There is considerable burden of indebtedness in the rural sector of the State. "Growth of population and stagnation of rural productivity with limitation of employment opportunities are sure to lead to greater indebtedness".⁸ B.C. Allen described in the old District Gazetteers of Assam, 1905 Series, that a considerable portion of the villagers were in debt but doubted that indebtedness could assume serious proportions in any district though a certain amount of petty borrowing went on. As time rolled on, the State of Assam began to lose self-sufficiency in production. Economic condition in the rural areas began to deteriorate due to various factors such as loss of occupation due to decay of cottage industries, increasing pressure of population on the soil, non-development of resource based industries in the State and the like. Imprudent habit of the people villages of incurring debt for performance of social ceremonies like marriage and *srAdha* by mortgaging the agricultural land which once mortgaged, caused greater indebtedness particularly after the First World War, the after effects of which led to the great economic depression since 1929. The magnitude of the problem was revealed by Provincial Banking Enquiry Committee's Report in 1929-30 which estimated the total volume of indebtedness in Assam at Rs.220 million. Indebtedness would have assumed a further dimension if all sorts of credit facilities had existed. According to the findings of the said committee, the average debt per family in Assam in 1929-30 was Rs.205, and per indebted family Rs.242. These figure would have been at a variance as 50% of the surveyed villages were in Sylhet district which went to Pakistan in 1947 and which showed higher indebtedness (Rs.243 per family) caused by unprec-

8. P.C. Goswami : *The Economic Development of Assam*, Calcutta, 1963, p.60.

-edented floods in the district in 1929.

After the said Enquiry there was, however, much improvement in respect of proportion of indebted families to total families during the next twenty years ending in 1949 when a series of State surveys into rural economic conditions in the districts of Assam were conducted. Even then, two-fifth of the total number of rural families were in debt in 1948-49. Though the average debt per indebted family appears to remain at much the same level as in 1929, there was some improvement if the rise of the price level is considered. The following table gives a comparative idea of the extent of indebtedness in 1929-30 and 1948-49.⁹

Statement showing the extent of indebtedness in Rural Areas of Assam.

District	%of indebtedness to total families in the sample	Average debt per family (Rs.)	Average debt per indebtedness family (Rs.)
A. Provisional Banking Enquiry, 1929.30.			
Darrang	81.5	108	229
Nagaon	78.9	183	235
Jorhat Subdivision	83.5	120	145
Goalpara	62.0	111	180
Cachar	90.0	179	200
B. Rural Economic Surveys.			
Darrang	42.2	96.0	227.0
Sibsagar	39.1	66.1	173.2
Lakhimpur	31.0	57.7	186.5
Nagaon	39.2	74.4	189.7
Karbi Anglong			
(a) Karbi villages	63.9	26.2	40.9
(b) Non-karbi villages	48.9	49.4	103.1

From the above, it appears that in 1929-30 among the districts, Goalpara occupied a better position in respect of incidence per indebted family while Darrang showed the highest percentage of indebted family. In the series of rural economic surveys, Karbi Anglong showed the highest percentage of indebted families while Darrang district topped the list of average debt incidence. No

rural economic survey was done in the districts of Goalpara, Kamrup and Cachar while Kamrup was left out from all sorts of economic survey. The All-India Rural Credit Survey fixed the average debt per family in Assam at Rs.219. The All India Rural Debt and Investment Survey conducted by the Reserve Bank of India revealed that in Assam, 20.1 per cent of the rural households reported borrowing during the period from July, 1961 to June, 1962 against 49.1 per cent for all India. The amount borrowed during the period was Rs. 163 per borrowing rural household and the average amount borrowed per rural household was Rs.33, the average for cultivators and non-cultivators being Rs. 36 and Rs. 23 in Assam as against the corresponding all India average of Rs. 180, Rs.205,and Rs. 111 respectively. During the period,the proportion of households reporting repayment was 20.2 per cent and the amount of repayment per involved household and rural household were Rs.131 and Rs. 26 respectively. The following table shows the position of borrowings and repayment during the period.¹⁰

	Borrowings		Repayment			
	% of households reporting	Average per reporting household Rs.	Average per household Rs.	%of households reporting Rs.	Average per reporting household Rs.	Average per household Rs.
1	2	3	4	5	6	7
1.Cultivators	20.5	174	36	21.5	132	28
2.Non-cultivators	18.8	124	23	16.1	126	20
3.All rural households	20.1	163	33	20.2	131	26

The survey further revealed that in all states except Assam and Orissa, more than 50 per cent of the households reported outstanding loans. In Assam, the percentage of households reporting outstanding loans was 39.5 against 62.1 for all India. The following table shows the position of outstanding loans in Assam at the end of June,1962.¹¹

10. *Economy Survey of Assam*, 1970, by the Directorate of Economics and Statistics, Govt. of Assam, p.111,112.

11. *Ibid.*

	% of households reporting	Amount percentage reporting household	Amount percentage household
1.Cultivator	41.18	330	138
2.Non-cultivator	31.3	409	132
3.All rural households	39.5	346	137

Since then, rural indebtedness is believed to be mounting high due to credit revitalisation programme of the Co-operative Department and expansion of branch offices of the commercial banks in Assam. The increasing credit trend in the rural areas of Assam is more apparently noticed after nationalisation of 14 big commercial banks in 1969. As per Banking Statistics of Reserve Bank of India, outstanding credit of scheduled commercial banks in Assam stood at Rs. 882.88 lakhs in December, 1974 against Rs. 6360.66 lakhs in December, 1972. Agriculture and allied activities accounted for 52.4 per cent and industry for 29.1 per cent of the outstanding bank credit in the State. This coupled with outstanding credit from other sources shows the gigantic problem of increasing indebtedness in the rural areas of Assam.

As has been already mentioned, the debt burden of the people in the rural areas of Assam increased considerably along with the great economic depression in 1931-33 and Government of Assam took several measures to relieve the rural people from the burden of indebtedness. With a view to reducing money-lenders extortions from debtors, the Assam Money Lenders Act was passed in 1934. This prohibited compound interest and restricted simple interest to $9\frac{3}{8}$ per cent and $12\frac{3}{8}$ per cent depending upon the security of the loan. In 1936, the Assam Debt Conciliation Act was passed and other it several Debt Conciliation Boards were established to help the debtors in setting old debts. The Second World War opened ample avenues of employment and vastly improved the trade and commerce of the province. The burden of debt in the rural sector have been materially affected by the soaring prices. Although the rise in price of agricultural products had to some extent relived the agriculturists in reducing their debt burden, the general price inflation that set in during the post war period offset the benefits and, as such, demand for credit in the rural areas began to increase. The average debt per indebted family as revealed in the series of rural economic surveys in Assam conducted by the State Government since 1948-49 appeared to be lower in comparison to that in the Assam Provincial Banking Enquiry Committee's Report, 1920-30; but it was actually not so in terms of the price hike in the latter period. Government had to take several measures to curb the usurious activities of the money-lenders. Government gave stress on the development of the commercial banking facilities and strengthening of the co-

operative credit structure. Besides, Government also provided various kinds of loans, loans to flood and drought effected persons, etc. Though the credit facilities are gradually expanding to the rural areas, they fall far short of meeting the credit requirements in the rural areas of the State as the price inflation is going on unabated adversely reducing repaying capacity of the borrowers. Consequently, the volume of outstanding loans and overdues in the rural areas are cropping up year after year it is believed that the volume of indebtedness in the rural areas of the State has in recent years assumed very serious proportions.

The debt in the rural sector is incurred for various purposes, viz., repayment of old debt, marriage and *sradha* ceremonies, purchase of farm cattle, implements, seeds and other inputs, purchase of land or its improvement, education of children, medical expenses, litigation and famine and failure of crops. As regards proportions of loans incurred for different purposes in Assam P.C. Goswami observed :Social ceremonies like marriage, *sradha* (funeral ceremonies), etc., account for one tenth to one-fifth of the total loans and productive purposes like purchase of cattle, seeds, implements, etc. and improvement of loans only for 15 to 30 per cent. The proportions of loans for education of children and medical expenses are quite insignificant. Famines and crop failures are the general causes of loans".¹² The proportion of loans for unproductive purposes is always higher than that for productive purposes. The proportion of unproductive loans would be more pronounced if the grain taken during famine and crop failure and credit purchase of consumer goods are also added to it. P.C. Goswami also quotes the proportion of debt from all India Rural Credit Survey Committee's Report for different purposes as follows :- (a) Capital Expenditure on farm, Rs. 27.8%, (b) Current Expenditure on farm, 9.3%; (c) Non-farm Business Expenditure, 6.6%; (d) Family Expenditure 50.2%; (e) Other Expenditure, 5.7%; (f) More than one purpose, 0.4%.¹³ But a striking contrast is noticed in case of Assam where loans under unproductive purposes such as purchase of flood articles, preference of social ceremonies, etc., claim the highest proportion varying from 70 to 80 per cent from district to district as revealed in various State Sample Surveys. Such high proportion of debt under unproductive head is the national outcome of the low productivity of soil and crop failure due to frequent floods and other natural calamities. In recent years, indebtedness in the rural areas on such accounts has assumed alarming proportions due to flood shortage and ever increasing prices.

12. P.C. Goswami : *The Economic Development of Assam*, Calcutta, 1963, p.62.

13. Ibid, p.242.

Generally, the debt burden is higher for the non-cultivating families than the cultivating ones and in both cases, the labourers bear heavier burden than the landless due to better credit worthiness of the landowners.

Urban Indebtedness : The sources of credit in the urban areas of Assam are the same as those in the rural areas, but the role of each of those agencies is different in the two sectors. While in providing loans *Mahajans* or the landowners play insignificant role in the rural areas, the businessmen particularly wholesale dealers and *Kabuliwallas*, occupy an important place in this respect in urban areas. They allow credit to trusted retailers. No interest is usually charged on the outstanding amount for a certain period. In most cases, the transaction is completed on the basis of some entries in their registered, usually called *Rocker*. The total amount of credit proved in this way is believed to be more than what the petty dealers secure from other sources. The commercial banks have set up branches mostly in the urban areas. Various types of loans are advanced by banks for industry, trade and commerce and are availed by different sections of the people. The total loans advanced by all banks in the semi-urban and urban areas of Assam amounted to Rs. 16.31 lakhs and Rs. 16.62 lakhs respectively in December, 1973 against Rs. 1.74 lakhs in the areas. This shows how much greater is the volume of urban indebtedness in Assam on banking account alone and taking into account of credit from other sources including Government, Life Insurance Corporation, etc., which also provide different kinds of loans such as building loans; the total volume of urban indebtedness will reach by this time a gigantic form. The present inflationary trend is believed to have seriously affected the repaying capacity and the purchasing power of the people in the middle and lower income groups in the urban areas enhanced their debt burden .

Prevalence of Usury :- As has been already pointed out usury was the common practice of the private money-lenders who resorted to various extortions upon the debtors in exacting repayment of the loans and that Government had various legislation including Usurious Loans Act to curb such usurious activities. The rate of interest varied from 10 per cent to more than 50 per cent and sometimes to 150 per cent. "The Provincial Banking Enquiry Committee, 1929-30 found 37½ per cent as the most usual rate of interest charged for loans in rural areas".¹⁴ The high rates of interest charged by the money-lenders seriously affected the economic conditions of the rural people, many of whom had no tangible assets to give as security against the loan. As a result, most people once falling in the clutch of money-lenders and *mahajans*, had to give way to further poverty and become prey of their debtors who would engage them as clean labourers. The proportion

14. P.C. Goswami : *The Economic Development of Assam*, Calcutta, 1963, p.64.

of loans bearing high rates of interest was also very high. " Twenty two per cent of the debt in Darrang, 38 per cent in Sibsagar, 55 per cent in Lakhimpur, 51 per cent in Nagoan, 89 per cent in the Karbi villages of the Karbi Anglong and 25 per cent of the non Karbi villages of the Karbi Anglong bear interest above 20 per cent per annum.¹⁵ As a result of the control measures, prevalence of usury had shown a declining trend. However, the rates of interest in case of loans taken in kind or in cash as advanced from the *Kabuliwallas* are exorbitant but the terms of repayment appear to be alluring to the villagers. These professional money-lenders famous for their usurious interest and extortions in repayment, were formerly confined to the tea-gardens but gradually they have extended their business to the interior villages all over Assam. These people not only charge high rates of interest but also do not pay the full amount of the loan and the loanee receives the principal less the interest thereon for the first year.

In order to eliminate the usurious of the money-lenders, the real gap in the credit field should be bridged. In this respect, the nationalised banks can play a big role by extending their branches in the rural areas providing easier credit facilities. Recently, the Planning Commission suggested that the rural banks should take the risk of issuing crop-loans to achieve the elimination of usury of the private money-lenders. The rates of interest on loans issued by the Industries Department, co-operative banks, nationalised banks and other commercial banks varies from 4 to 10 per cent.

The Role of Private Money-lenders and Financiers : It has been already pointed out that the private money-lenders, professionals and semi-professionals. Played predominant role in rural finance. In the past, they were the only persons to whom the people in distress could look for credit though friends and relatives too helped to some extent. In spite of legalisation for controlling the usurious activities of the money-lenders, expansion of banking institutions and co-operative credit societies, and various financial agencies, the money-lender continues to be the most important source of credit particularly in the rural areas. As revealed by the sample survey in the jute growing areas of Assam in 1963, the money-lenders, agricultural money-lenders and middlemen, and wholesalers in jute trade together accounted for 60.81 per cent of the total loans. Even at present, the money-lenders retain their predominant hold upon the society. This is due to the privileged position of the money-lender who is always at the door of the needy people whose requirements he fulfills immediately without much formality and security required by the banks or other sources. On the other hand, a viable network of the banking institutions is yet to grow up in the rural areas. As revealed by the Banking Statistics of June 75 there were only 214 banking offices

15. P.C. Goswami : *The Economic Development of Assam*, Calcutta, 1963, p.62.

all over Assam in 1975 the population coverage under each being 68,000 against 32,000 in India. It is difficult for the rural people to obtain loans from banks or other agencies in times of urgency due to ignorance or inability to go through the complicated procedure or for want of security. Thus, the money-lender is the saviour of the people in their urgency. The Planning Commission remarked that unless and until the gap in the credit structure was bridged by a viable network of banking institutions and used crop loan system, it would be very difficult to eliminate the predominant hold of the private financiers, agricultural money-lenders and landowners upon the rural society.

(d) Joint Stock Banks and Loans and Investment Companies : In Assam, the growth of joint stock commercial banks is of comparatively recent origin. Before 1920, there was no organised banking sector in Assam except only two banks viz., the Sylhet Loan Company (Registered in 1881) and the Sylhet National Company (Registered in 1863) which were little more than loan offices receiving deposits and in a very few cases providing for withdrawal by cheques. By 1926, a few more 'loan offices' registered with head offices in different places of Assam and nine private joint stock companies all except one being located at Shillong started functioning. The Provincial Banking Enquiry Committee 1929-30, found during its course of enquiry some such loan offices functioning in the districts of Assam. These loan offices in some cases extended their operational jurisdiction beyond the district of its incorporation. As for example, the Dhubri Loan Office incorporated within the district covered under its jurisdiction the Assam Valley Division and Bengal to some extent. In addition to these banks or loan offices, a few other non-scheduled commercial banks grew up in Assam viz., the Tezpur Industrial Bank was established at Tezpur in 1918 as a private limited company and then converted to public limited company in 1921. Gauhati Bank was established at Guwahati in 1926. This Bank opened branches at some important towns of Assam. It may also be mentioned that Co-operative Central Banks and urban banks were established at most of the headquarters towns of the districts mostly around 1920. Gradually, more sophisticated scheduled banks incorporated outside Assam extended their branches to Assam. In this context, special mention may be made of the Imperial Bank of India, which had two branches in Assam, one at Shillong and the other at Dibrugarh which, in addition to its normal commercial functions, used to serve as the bank to the government. This Bank was nationalised in 1955 with its new name as the State Bank of India. The Cummila Union bank Ltd. Which later merged into the United Bank of India also opened a few branches at some district headquarters. The United Bank itself opened a branch at Dhubri on 26-9-38. Some other Banks such as the Sunlight Bank, Tripura Bank, Surma Valley Bank, Nath Bank, etc., had a few branches but these Banks had to close their doors due to run in the Banks in the aftermath of the Second World War. Assam remained during the pre-independence period a predominantly agricultural province, agriculture being purely based on the

traditional methods. Such an economy did not foster the growth of the sophisticated banking institutions. During this period, except the non-scheduled Gauhati Bank as already mentioned not a single scheduled commercial bank was incorporated in Assam. It was only after the independence that Assam saw the growth and expansion of banking institutions. The State Co-operative Apex Bank, a non-scheduled bank was set up in 1948. In the meantime, the Banking Legislation, 1949 ushered in a new era in the history of banking in the whole country and the launching of economic planning switched on the growth of bank and expansion of branches.

It is, however, observed that the growth of banking and institutional credit system in Assam had been tardy till nationalisation of the 14 big scheduled banks in July, 1969. By the end of the Third Five Year Plan only seven scheduled commercial banks were working in Assam with or without branches. The total number of branches of all these banks stood at 42 in 1965, which were located in important towns of the State. Of the seven banks, the State bank of India had the largest number of branches (19) closely followed by the United Bank and the Assam Co-operative Apex Bank had 18 branches in the district and subdivisional headquarters towns of Assam. In 1966, the number of branches of the scheduled banks in Assam (excluding Meghalaya and Mizoram) increased to 47 which increased to 74 in June end 1969 in the eve of bank nationalisation. With a view to expanding banking facilities in the hitherto unbanked areas, the Reserve Bank of India introduced the 'Lead Bank Scheme' in December, 1969. This accelerated the pace of expansion of banking offices in the country including Assam but in comparison to other states such expansion in Assam has been rather a tame affair. Under the scheme, districts were allotted to the State Bank group (State Bank and its 7 subsidiaries), the 14 nationalised banks and 2 other Indian Banks. The districts of Assam have been allotted to the three major banks viz., the State Bank of India, the United Bank of India and Commercial Bank of India and accordingly the districts of Goalpara and Darrang have been allotted to the United Commercial Bank, the districts of Nagaon, Sibsagar, Lakhimpur, Dibrugarh and Cachar to the United Bank and the other district to the State Bank of India. As a result, the number of banking offices in Assam rose to 106 at the end of September, 1970, the new offices being generally opened in the hitherto unbanked areas.

The total number of bank offices in Assam rose to 354 in June end 1977 from 74 in June end 1969 displaying a rise of cent over 1969, the coverage of population per bank office being 41 thousand and 188 thousand respectively. The table below shows the number of bank offices and population per bank office in Assam and All India from 1967 to 1977.

Year (June end)	Number of office		Average population per bank office in thousand	
	Assam	All India	Assam	All India
1967	72	6,985	199	73
1969	74	8,262	188	65
1971	122	12,013	120	46
1973	168	15,362	87	36
1975	214	18,730	68	29
1977	354	24,802	41	22

It may be mentioned that banking facilities available in the State are still inadequate and far below India average. A vast majority of the population in the rural areas are still unable to take advantage of the banking facilities due to absence of bank office within an accessible area. In 1977, average population covered by a bank office in Assam was 22 thousand while it was below 20 thousand in most of the states of India like Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Tamilnadu, Kerala, etc. It shows that there is enough scope in Assam for expansion of banking facilities.

Growth of deposits and expansion of Credit :- The volume of deposits of scheduled commercial banks and their advances to different sectors of the economy of the State have increased considerably over the past few years. Their deposits which stood at Rs. 66.54 crores in December, 1972 rose to Rs. 82.19 crores in December, 1973 and then gradually rose to Rs. 102.50 crores and Rs. 124 crores in December, 1974 and 1975 respectively. Similarly, advances of these banks had also increased from Rs. 30 crores in December, 1972 to Rs. 46 crores in December, 1974 and then to Rs. 56 crores in December, 1975. However, advances made to the rural sector had shown little increase. The following table shows deposits and advances of the scheduled commercial banks in Assam districtwise for the past few years.

(In Rs. Crores)

Districts	December 1973		December 1974		December 1975	
	Deposits	Advances	Deposits	Advances	Deposits	Advances
1	2	3	4	5	6	7
1. Goalpara	4.78	1.28	5.04	1.65	7.22	2.73
2. Kamrup	29.10	17.58	36.67	24.91	46.80	31.20
3. Darrang	5.90	1.42	6.34	1.47	8.09	1.72
4. Nagaon	4.49	1.33	5.04	1.61	6.57	2.14
5. Sibsagar	8.61	2.22	10.25	3.09	13.38	3.71
7. Dibrugarh	21.20	9.27	30.43	11.39	30.22	11.49
8. Lakhimpur	1.08	10	1.14	14	1.96	18
9. Cachar	6.34	1.43	6.80	1.98	8.59	2.72
10. Karbi Anglong	34	3	36	2	51	1
11. N.C.Hills	35	1	43	1	44	1
Assam Total	82.19	34.67	102.50	46.27	123.78	55.91

In has been observed that "agriculture and allied activities (including plantation)" and industry are the two notable sectors receiving major share for credits from the commercial banks of the State. These two sectors accounted for 48.2 per cent 33.1 per cent respectively of the total outstanding bank credits in the State in December, 1975, against 52.4 per cent and 29.1 per cent respectively in December, 1974. The following table shows the occupation wise classification of outstanding credit of scheduled commercial banks in the State since 1972.

(Amount in Rs. Lakhs)

Occupation	1972	1973	1974	1975
1	2	3	4	5
1. Agriculture and allied activities including plantation	27.01.73	3705.71	4618.84	49.73.00
2. Industry	2314.79	1815.86	2566.38	3418
3. Trade	797.73	882.52	1065.10	1047
4. Personal loans (including consumers durables)	99.07	125.13	140.64	166
5. All Others	448.34	513.41	430.92	711
Total Bank Credit	6360.66	7041.63	8820.88	10315

Although agriculture is the biggest recipient of bank credit, the major amount has been absorbed by plantation sector (about 95 per cent of the total other agricultural credit) while in other major plantation states like West Bengal, Tamilnadu, Andhra, etc., such discrimination to rural cultivation does not exist. This shows that agriculture and other allied occupations in the vast rural areas of the State have been very badly neglected by the national scheduled and commercial banks in the field of credit advancement. It is necessary to put greater emphasis on the expansion of banking facilities in the rural areas so as to develop the agricultural economy of the State. Similarly, outstanding credit under small scale industry sector accounted for 44.9 per cent of the total industrial credit in 1974 against 70.9 per cent and 49.1 per cent in 1973 and 1972 respectively. In this sphere also Assam experience total neglect from scheduled and nationalised banks, as it is evident from the table. The following statement will show that though deposits in scheduled commercial banks in Assam have been gradually increasing from year to year, advances by these banks have not increased so much and it is still below the accepted principle of 100:60 between deposit and advances.

The table below shows credit deposits ratio in other states, and in Assam in 1973.¹⁶

State	Year	Deposit	Advance
Assam	1973 Dec.	82,19	34,67
Andhra	1973	402,37	336,66
Karnataka	1973	483,36	433,35
Tamilnadu	1973	715,89	757,61
Madhya Pradesh	1973	272,60	144,44
Uttar Pradaesh	1973	878,93	362,92
Kerela	1973	317,10	224,50
West Bengal	1973	1294,91	1061,44
Rajasthan	1973	193,35	107,04

The following table shows the development in banking and finance in Assam during the period 1980-1996 (March)

16. Banking Statistics by the Reserve Bank of India, December, 1973.

	Unit	1980	1985	1990	1995	1996
Scheduled Commercial Banks						
Banks branches	Nos.	488	805	1137	1228	1232
Deposit	Rs. crore	340	785	1891	3929	4393
Credit	Rs. crore	156	453	1050	1495	1726
Population per bank office	Thousands	40.8	27.1	21.5	19.9	20.3
Deposit per bank office	Rs. crore	0.70	0.97	1.66	3.20	3.57
Deposit per person	Rs.	171	360	772	1606	1758
Credit per bank office	Rs. crore	0.32	0.56	0.92	1.22	1.40
Credit per person credit/deposit ratio	Rs. per cent	79 46.0	208 57.8	429 55.5	611 38.0	691 39.3
All financial institutions sanctions	Rs.crore	6.77	38.35	226.0	143.40	720.10
Disbursements	Rs.crore	6.94	25.16	64.40	98.70	127.30

Source :- Centre for Monitoring Indian Economy March 1997.

The following table shows the number of branches of commercial banks, regional rural banks (RRB) and co-operative banks in Assam in 1996.

Commercial Bank	RRB	Co-operative Bank
827	404	67

The credit deposit ratio in these banks is as follows.

Commercial Banks	: 35.81
RRB	: 49.20
SCB	: 61.23

Source : Report On Currency & Finance, RBI, 1996-97.

The data are sufficient to show that advanced in Assam is not as satisfactory as it is in case of other states. Rather it represents a dark picture of neglect.

Joint Stock Companies : Jorhat Stock Companies generally grew up in the private sector in Assam. On the other hand, growth of such companies in the public sector has been very slow. In 1956-57, there were 369 Joint Stock Companies, 109 Public Limited Companies and 260 Private Limited Companies at work in Assam. The number of companies showed some decrease in the next three years and came to stand at 351 in 1958-59 due to liquidation of some companies though 17 new ones were registered in that year in the private sector. The total number of companies registered an increasing trend since 1961-62 in which year it stood at 364 and gradually it was increasing to 404 in 1965-66. During the period, the increasing trend was maintained by annual registration of new companies in the private sector though some old ones went on liquidation. Registration of public limited companies was very except in 1962-63 (6 new ones being registered) which in the private sector it maintained a level between 13 and 19 nos. However, there was a set-back in the registration of few companies during the next years till 1969-70 and as a consequence affecting the growth of the total number of Joint Companies at work in Assam.

In 1970-71, total number of Joint Stock Companies at work stood at 423-96 Public Limited Companies and 327 Private Limited companies. During the next year, the number of companies in both sector decreased but since 1972-73, both sectors shows increasing trend, the rate of growth in the private sector being much higher due to large number of new registration. The total number of Private Limited Companies increased by 103 in 1974-75 over 1973-74. Thus, the total number of Joint Stock Companies reached 689, of which 123 were public and 566 private in 1977-78. During 1976-77, altogether 54 new companies were registered in the State against 32 in 1975-76. Out of 54, 38 were Private Limited and 16 were Public Limited Companies. The total authorised capital of these new companies amounted to Rs. 533 lakhs in 1976-77 and 94 lakhs in 1977-78. The total authorised capital of all the Joint Stock Companies numbering 364 at work in Assam in 1961-62 stood at Rs. 805.1 millions which increased to Rs. 1062.0 millions in 1969-70, the share of Public Companies being only $\frac{1}{4}$ th of the total capital. The following table shows the number of Joint Stock Companies at work in Assam over the past few years.

Year	No.of Public Ltd. Companies	No.of private Ltd.Companies	Total
1956	109	260	369
1960-61	92	261	353
1961-62	93	271	364
1963-64	95	284	379
1965-66	95	309	404
1969-70	95	314	407
1970-71	96	327	423
1971-72	86	314	400
1972-73	90	334	424
1973-74	97	395	492
1974-95	105	498	603
1975-76	107	528	635
1976-77	115	543	658
1977-78	123	566	689
1990-91	390	1603	1993
1991-92	392	1720	2112
1992-93	404	1879	2283
1993-94	413	2040	2453

Source : Director of Economics & Statistics, Assam.

The following table shows the authorised and paid-up capitals of the Joint Stock Companies at work in Assam since 1961-62.

Year				(Rs .In Millions)		
	Authorised Public Rs.	Capital Private Rs.	Total Rs.	Paid up Public Rs.	Capital Private Rs.	Total Rs.
1960-61	210.2	594.9	805.1	55.3	253.1	308.4
1963-64	219.6	623.8	843.4	60.5	263.7	324.2
1965-66	227.1*	667.4*	874.5*	64.2	1272.2	1336.4
1967-68	228.1	654.8	882.9	64.4	284.6	349.0
1968-69	228.1	659.1	887.2	67.2	293.3	360.5
1969-70	-----	----	1062.0	N.A.	N.A.	481.5
1973-74	534.8	23.1	557.9	35.0	10.0	45.0
1974-75	104.6	28.9	133.5	1.0	1.6	2.6
1975-76	6.00	53.37	58.37	5.09	.31	5.40
1976-77	42.00	11.32	53.32	8.12	N.A.	N.A.
1977-78	.35	9.00	9.95	13.21	.31	13.52

Note: *Less authorised capital of the liquidated companies.

N.A. :Not available.

Co-operative Credit Societies and Banks :- The State of Assam is now served by the Assam Co-operative Central Bank Ltd., Guwahati at the top and nearly 4000 primary Co-operative Credit Societies including both agricultural and non-agricultural societies and banks at the bottom. There were seven District Central Co-operative Banks at Dhubri, Guwahati, Nagaon, Tezpur, Jorhat, Dibrugarh and Silchar which were merged the Assam Co-operative Apex Bank Ltd. by the end of July, 1976.

The growth and development of the Co-operative Credit Societies in Assam can be traced back to 1904 when the Co-operative Societies Act was passed. Under this Act, a number of rural agricultural credit societies (*Gaolia Banks*) were organised all over Assam. To cater to the needs of the urban areas Co-operative Town Banks were also organised in some towns. So long, the Act provided for formation of credit societies only and therefore, the Co-operative Societies Act of 1912 was passed to cover non-credit aspect within the co-operative fold. The societies both credit and non-credit generally worked with the share capital of the members in the initial years. There was no central organisation in any district for financing and coordinating the activities of the societies and as a result the societies could not make much headway. Soon afterwards, the District Central Co-operative Banks were organised in each district for financing the primary co-operative credit and non-credit societies. But these societies and banks passed through various stresses and strains during the pre-independence period. The co-operative movement in general received a serious set-back particularly since the depression of the thirties. By the time the country achieved her political independence, the entire movement was on the verge of decay and the credit societies, particularly the agricultural credit societies, were in moribund condition groaning under overwhelming burden of outstanding loans and overdues.

After independence, efforts were renewed in Assam to recognise the co-operative societies. The Assam Co-operative Apex Bank was set-up at Shillong in 1948 (now transferred to Guwahati) and was entrusted with the onerous task of supplying credit to the primary co-operative credit societies through the district central banks. The Assam Co-operative Societies Act, 1949 was passed repealing the old Act.

The introducing of national planning in 1951 brought about a spurt in the co-operative movement. The first plan emphasis on rehabilitation of the shattered structure and the second plan on systematic development of the co-operative sector on the basis of the recommendation of the Rural Credit Survey committee of the Reserve Bank of India and the State plan programme on co-operative structured on four distinct features viz., (1) State participation on different levels, (2) promotion of institutional credit, (3) formation of large size credit societies, (4) integration of different branches of co-operative

activities through organisation of multipurpose societies. In pursuance of the policy decision of the National Development Council in 1958, the State co-operative movement underwent a further and the emphasis was shifted from viability to close contact, social cohesion and mutual obligation among members. Accordingly, 3,361 co-operatives (including those converted from primary credit societies) were formed during the last part of the second plan. During the third plan, the scheme for nationalisation of credit structure was taken up in 1963 and under it weak and uneconomic units were amalgamated and dormant societies were liquidated. As a result the number of agricultural credit societies came down from 5,225 in 1960-61 to 4,088 in 1965-66. Further, stress was laid on rural credit being made production oriented instead of being security and with this end in view, crop-loan system of credit was introduced in the areas of operation of revitalised Nagaon, Tezpur and Cachar Co-operative Banks.

As a result of plan efforts, the co-operative movement in Assam has extended to various fields including the non-credit aspect during the past few years. But Assam lagged far behind in this respect in comparison to other states like Maharashtra and Karnataka. In the credit sphere, the progress was handicapped by rough edges like conspicuously weak deposit base and alarmingly high overdues in relation to outstanding loans. The deposits of the primary agricultural credit societies constituted only a meagre 6.5 per cent of the working capital in 1968-69 while overdues at the levels of central banks and agricultural credit societies mounted to 74.1 per cent and 74.6 per cent of the outstanding loans respectively. To tide over these difficulties, the Rural credit Survey Committee (1969), constituted by the Reserve Bank of India recommended measures like putting stress on the need for viability of primary credit societies, rehabilitation of weak central banks, and active administrative and policy measures. It further suggested to mould the lending policy and procedure so as to make it small cultivator oriented. To achieve this objective a number of measures were suggested like (1) granting of loans to small cultivators equal to full entitlement on the basis of cropwise scales of finance, to medium cultivators only to the specified proportion; (2) higher rates of interest on large loans; (3) to oblige large cultivators make proportionately large contribution to the share capital of co-operatives while allowing small cultivators to contribute in installments.

The following gives a brief account of the working of the credit societies and banks in 1976-77.

Working of Co-operative Credit Societies in Assam during 1976-77.¹⁷

17. *Economic Survey of Assam, 1977-78*, by the Director of Economics and Statistics, Govt. of Assam.

Name of Co-operative Society or Bank	No. of Societies or bank	Membership	Working capital	Loan Advances	Loan outstanding	Loan over dues
1	2	3	4	5	6	7
1.State Co-operative Bank	1	3.3	3934	3158	1844	1040
2. Central Co-operative	7	3.6	1245	113	865	811
3. Primary agricultural credit societies	3389	2199.0	1302	151	722	592
4. Primary non-agricultural credit societies.	399	3.9	836	438	461	165
5. Primary Land Development Bank	16	123.0	135	26	102	10

State Co-operative Bank : The Assam Co-operative Apex Bank Ltd. was set up at Shillong in 1948 and now stands transferred to Guwahati after creation of Meghalaya in 1970. This Bank has been shouldering the responsibility of financing rural credit through the District Central Co-operative Banks. Its working capital went up to Rs. 64.62 million in 1962-63 with a total membership of 1898. Its working capital increased to Rs. 110.1 million in 1966-67, to Rs. 176 millions in 1968-69, to Rs. 250.2 millions in 1973-74 and then to Rs. 393.4 millions in 1976-77. The assets of the bank at the end of 1968-69 consisted of Rs. 22.6 millions in the form of cash and bank balances, Rs. 15 million in investments, Rs. 141.6 millions as loans outstanding and Rs. 2.7 millions in other assets. The Bank released Rs. 212.0 millions as credit including cash credit and overdrafts in 1968-69 as compared to an amount further increased to Rs. 315.8 millions in 1976-77. It has been providing financial assistance to various organisations such as Assam Co-operative Apex Marketing Society Ltd., Assam Co-operative Sugar Mills, the Assam Co-operative Central Mortgage Bank, the wholesale consumers co-operative stores, etc., and a number of tea gardens.

Central Co-operative Banks : The number of central banks stood at 9 in 1962-63 with a total working capital of Rs. 25.03 millions and a total membership of more or less stable while their working capital slightly rose to Rs. 25.66 millions. The number of central banks decreased to 8 in 1968-69 and went down further to 7 in 1975-76, but their working capital gradually increased to Rs. 124.5 million in 1976-77 from Rs. 48.8 millions in 1967-

68. The loans (including cash credit and overdrafts) advanced by these banks amounted Rs. 39.2 millions in 1968-69 ,against Rs. 30.3 millions in 1967-68 and Rs. 25.8 millions in 1966-67 respectively. Formerly,the position of loans advanced by these Banks was not encouraging as the total loans advanced by them stood at Rs. 4.86 millions in 1964-65 against Rs. 2.87 millions in 1963-64. The position again deteriorated after 1970 and loan advances gradually declined to Rs. 16.6 millions in 1973-74 and then to Rs. 11.3 millions in 1976-77. Loans outstanding and loans overdue in the account of this bank in 1976-77 was Rs. 86.5 and Rs. 81.1 millions respectively indicating financial stringency of the bank.

Agricultural Credit Societies : Before the beginning of the first plan the number of agricultural credit societies in Assam stood at 676 in 1950-51 with a total membership of 18 thousand and a working capital of Rs. 9 lakhs. The advance made by these societies stood at Rs. 1 lakh only. At the end of the first plan in 1955-56 their number rose to 1,973 and then to 5,225 at the end of the second plan in 1960-61 with a corresponding rise in membership from 43,087 to 266,805. The total amount of loans advanced by these societies went up from Rs. 4.2 millions during the first plan period to Rs. 45.2 millions during the second plan period. The working capital of these agricultural credit societies amounted to Rs. 24.7 millions at the beginning of the third plan in 1962-63. As a result of intensive efforts in the direction of credit rationalisation during this plan the number of credit societies showed a declining trend and came to stand at 4,088 in 1965-66 and further declined to 3,777 in 1967-68 but rose to 3,764 in 1968-69. On the other hand, membership went up to 383 thousand during the period. The total amount of working capital of the societies also rose to Rs. 64.3 millions in 1968-69. The total amount of rural credit advanced by these societies had gone down to Rs. 15 millions during the third plan. This decline was attributed to considerable drying up of the channel of rural credit due to heavy accumulation of overdues at primary and intermediate levels. It was in 1963-64 that rural credit extended by the agricultural credit societies slumped to the lowest level of Rs. 1.6 millions. Since then,rural credit began to register a steady recovery during the succeeding years and reached the level of Rs. 22.3 millions in 1967-68 and Rs. 28.7 millions in 1968-69. The following table shows the credit extended by these societies since 1950-51 to 1965-66.

(in thousand rupees)

Year	Credit
1950-51	75
1955-56	3,089
1956-57	7,517
1957-58	13,106
1958-59	13,650
1959-60	6,688
1960-61	4,190
1961-62	2,945
1962-63	2,938
1963-64	1,636
1964-65	3,521
1965-66	3,900

During 1968-69, the total loans advanced by these societies amounted to Rs. 28.6 millions and outstanding loans to Rs. 53.4 millions, of which Rs. 39.8 millions was overdue. The total number of co-operative credit societies stood at 3812 during 1976-77 with membership of over 23 lakhs of people. During the year, an amount of Rs. 39 crores was advanced as loan. Total credit advanced by these societies increased from 5 lakhs in 1973-74 to Rs. 151 lakhs in 1976-77. Loans outstanding and loans overdue showed some improvement during 1976-77.

Primary Non-agricultural Credit Societies : These societies include urban co-operative banks salary-earners' societies and other non-agricultural credit societies. The number of all these societies in Assam stood at only 162 at the end of the first five year plan in 1955-56, and rose to 359 at the end of the second plan in 1960-61. The number increased gradually and it stood at 3466 and 3898 in June 1973-74 and 1976-77 respectively. The membership of the societies increased from 17 thousands at the end of the first plan to 28 thousands at the end of the second plan and subsequently rose to 30 thousands in 1964-65. There was not much improvement in the number and membership of these societies. Rather in 1967-68, their number actually declined to 339 with membership of 29 thousands. In 1968-69, their

number and membership increased again to 388 thousand respectively having a total working capital of Rs.51.2 millions. The working capital of Rs. 51.2 millions. The working capital of the societies was Rs. 13.6 millions in 1962-63,and increased to Rs. 39 crores in 1976-77 against Rs. 14 crores in 1973-74. The amount of advance by these societies was Rs. 17.8 millions in the second plan against Rs. 7.3 millions in the first plan. During the first four years of the third plan,the amount of advance rose up to Rs. 25.1 millions and came to stand at Rs. 20 millions in 1966-67,Rs. 42.9 millions in 1967-68 and Rs. 388 millions in 1968-69,(including figures of Meghalaya and Mizoram). Amounts of credit advanced by these societies 1950-51 up to 1976-77 are shown below.

<u>Year</u>	<u>Credit in Lakh rupees.</u>
1950-51	1.54
1955-56	17.45
1956-57	30.16
1957-58	24.02
1958-59	44.36
1959-60	44.94
1960-61	34.51
1961-62	42.05
1962-63	61.84
1963-64	72.14
1964-65	75.27
1973-74	73.01
1976-77	438.00

Land Development Banks : The Central Land Development Bank was functioning with a total working capital of Rs. 2.5 millions and membership of 915 at the end of 1968-69. The Bank advanced Rs. 333 thousands as loans in 1968-69 against Rs. 626 thousands in the previous year. There were 16 primary land development banks all in the plain districts of Assam with a total membership of 6,742 in 1968-69,in which year their working capital stood at Rs. 216 millions and credit extended by them about amounted to Rs. 374 thousands. Its working capital rose from 71.33 lakhs in 1971-72 to Rs. 81.18 lakhs in 1972-73. The Bank generally advance long-term credit. Loans advanced by the Bank amounted to Rs. 13.21 lakhs in 1972-73 against Rs. 12.11 lakhs in 1971-72 and Rs. 12.55 lakhs in 1970-71. a disquieting feature of performance of the Bank was the increasing trend of loans overdue. The outstanding loans increased from Rs. 41.05 lakhs in 1970-71 to Rs. 51.21 lakhs in 1971-72 and Rs. 62.09 lakhs in 1972.73, the corresponding figures of overdues being Rs. 2.41 lakhs,Rs. 3.25 lakhs and Rs. 5 lakhs respectively.

In 1972-73, the number of primary land development banks in Assam stood at the same level but membership increased to 10,253 and the working capital also rose to RS. 79.10 lakhs from Rs. 63.21 lakhs in 1971-72. An amount of Rs. 15.85 lakhs was advanced as loans by these banks in 1972-73 as against during 1972-73 were of the order of Rs. 61.76 lakhs and Rs. 61.76 lakhs and Rs. 6.49 lakhs respectively at against Rs. 49.00 lakhs respectively in the previous year.

Under the scheme for reorganisation of co-operative credit structure in the State, the seven central co-operative banks, viz., the Goalpara District Central Co-operative Bank, the Nagaon Central Co-operative Bank, the Cachar Central Co-operative Bank, the Dibrugarh Central Co-operative Bank, the Sibsagar District Co-operative Bank and the Tezpur Central Co-operative Bank have been merged with the Assam Co-operative Apex Bank Ltd. by the end of July, 1976.

In view of the 20 point Economic Programme, the responsibilities of the Co-operative societies have gone up further. To attain the various objectives of the new economic programmes, mass involvement is necessary. The State Government, therefore, intended to make the Co-operative embraced the entire population with target of 100 per cent coverage of about 25 lakh households of the State. It was expected to bring each and every family of the State within the fold of the Co-operative movement by the end of 1976. Within these ends in view, 664 *Gaon Panchayat* level multipurpose co-operative societies were set up during 1973-74 to shoulder the responsibility of channeling rural credit, distribution of essential commodities to consumers in the rural areas and rendering help in procurement of paddy and wheat by agencies of the State Government. Their share capital and working capital were augmented so as enable them to discharge their functions effectively. Liquidation of rural indebtedness and moratorium on recovery of debts from the landless poor and the enactment of the Assam Rural Indebtedness Relief Act, 1975 made the money-lenders reluctant to advance loans to the weaker sections of people. In view of this, it became more imperative on the part of State Government to streamline in multipurpose G.P. Level co-operative so that they might accept deposits and provide loans to the needy people.

The fifth plan laid special emphasis on enrollment, consolidation and strengthening of co-operatives at all levels. Various measures were taken up to remove structural and managerial inefficiencies. The total expenditure under co-operative during the fourth plan period in the State was the order of Rs. 388 lakhs for general areas and Rs. 75 lakhs for hill areas against Rs. 675 lakhs and Rs. 75 lakhs respectively as per plan provisions during the fifth plan.

In 1994, the share capital of the Assam Co-operative Apex Bank accounted to Rs. 321 lakhs of this the State government contributed 55 per cent and the

co-operative institutions contributed 35 per cent. The total deposits of the bank stood at Rs. 18024.09 lakhs, of which 82 per cent was held by individuals. The borrowing of the bank was to the tune of Rs. 213.52 lakhs.

The Banks short term advances to GPSS/LAMPS went down by 25 per cent over 1989-90 level. The short term advances to the tea sector registered a rise of about 40 per cent. During the period from 1989-90 to 1992-93, the short term agricultural advances declined by about 60 per cent. This was due to the high overdues at the primary level which lowered the absorption capacity of the GPSS/LAMPS.

The co-operatives are not in a position to cater to the needs of a larger number of individuals and families as the average recovery percentage is very low. In four out of five districts where a survey was conducted, the recovery percentage was between 1 and 15 and in one district it was 34.

Upto March, 1994, the loans disbursed by the Assam State Co-operative Agricultural and Rural Development Bank (ASCARDB) amounted to Rs. 21.33 crores. In 1992-93, ASCARDB's loan outstanding was Rs. 13.53 crores. Loan recovery position is discouraging with overdues touching 95 per cent.¹⁸

(e) General and Life Insurance : General Insurance : Prior to nationalisation of the general insurance industry in India, only a few private companies were doing general insurance business with or without branches in Assam. General insurance business against risks, theft, pilferage, etc., in respect of tea in transit and all tea garden factories and other buildings were generally done in Calcutta with foreign concerns. Local petty cases of fire and motor insurance were, however, accepted by private companies like the New India Assurance Company, Ruby General Insurance Company of India, Henover Insurance Company, Hindustan General Insurance Society Limited, etc., which had their branch office at Guwahati and generally field-staff in order district headquarters. The Scottish Union and General Insurance Company, a foreign concern with an Officer-in-Chief for India, stationed in Calcutta had been doing life and general insurance since the end of the 19th century. This company appointed an Inspector at Sibsagar only in 1954 for mobilisation of business in Assam and in 1960, opened a sub-branch office at Jorhat to render efficient and prompt service to tea concerns, Assam Oil Company and other private and semi and semi-government enterprise. The total business done by this company in Assam amounted to Rs. 1.55 lakhs (net premium) in 1963. Other companies had their branches or divisional offices at Guwahati with fieldstaff in other districts.

After nationalisation, the General Insurance Corporation of India has been set up. It is an Apex body under which, Government of India has set up 4 subsidiary unit companies for operation all over India. The Unit companies are :-

18. *Study of Co-operative Credit Structure in Assam*, Agricultural Finance Corporation Ltd., Bombay, 1994.

- (1) The Oriental Fire and General Insurance Company Ltd.
- (2) The New India Assurance Company Ltd.
- (3) The Unit India Fire and General Insurance Company Ltd.
- (4) The National Insurance Company Ltd.

Life Insurance : Before Independence, there was no proper organisation of any company in Assam to take up life insurance business. Only a few agents of private companies incorporated outside Assam carried out life insurance business in Assam. Mention may be made about the Bombay Mutual Life Insurance Society, Oriental life Assurance Company, Empire of India, National Indian, National Brawbans Life and some others which were doing life insurance business in Assam through agents or field staff. Even after independence, life insurance business remained sluggish in this State and the masses in the vast rural areas were quite ignorant about business covering the risk of life. On 31st August, 1956, life insurance was nationalised in India and the Government of India set up the life Insurance Corporation.

Thereafter, for organising life insurance in the north-eastern region, a divisional office was established at Guwahati and under it branches offices were set up at every district headquarters and in some cases at subdivisional headquarters which are generally served by sub-offices. Requisite number of Development Officers, Inspectors and other fieldstaff were recruited in every district for mobilising the life insurance business. A number of agents on commission basis have now been engaged all over the State to spread the message and persuade people to make life insurance policies.

At Present, life insurance business is making satisfactory progress in the State under the Guwahati which covers all the seven states in North Eastern Region. The performance of the life insurance business in the state of Assam in respect of business introduced and business completed over the past few years may be seen in the table below.

Year	Business introduced		Business completed	
	No. of Policies	Sum assured (Rs. Lakh)	No. of Policies	Sum assured (Rs. Lakh)
1972-73	43090	3083	41860	2959
1973-74	45153	3459	44481	3395
1974-75	45213	3613	44494	3553
1975-76	56532	4483	55417	4350
1976-77	64605	5399	63504	5238
1977-78	55927	5036	54971	4895

The performance of the corporation in respect of investment and credit is also noteworthy. The total investment of the corporation in Assam during 1976-77 was Rs. 4.50 crores which was, however, lower than the previous year's Rs. 9.97 crores. The following table shows the item-wise investment of the corporation in Assam for the past few years.

Head	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78
1	2	3	4	5	6	7
1.State Govt. Securities	1.77	2.83	2.97	2.52	1.49	2.29
2.Debt of Land Development Banks	0.01	—	—	—	—	.14
3.Bonds of State Electricity Board	1.30	1.49	1.25	2.97	1.98	3.07
4.Loans to State Electricity Board	1.70	1.50	—	3.45	—	1.80
5.Bonds and shares of State Financial Corporation	—	0.10	0.20	0.22	0.49	—
6.Loans to State Govts. For housing scheme	0.25	—	1.60	0.18	0.20	—
7.Private Sector (Shares, debentures and loans to comprises)	—	1.01	(N)	0.63	0.34	0.31
Total	5.03	6.93	5.92	9.97	4.50	7.61

N.B. (N) = Negligible.

Small Savings : Since launching of the first five year plan, collection of small savings schemes has been in operation throughout India. This scheme aims at including the habit of savings amongst the people particularly in the rural sector and mobilising dormant capital for utilisation in planning and development. For successful operation of the scheme District Organisers with other staff have been posted in every district of Assam. Assam has achieved in respect of net collections more than the plan-wise targets fixed for the State. The following table shows the plan-wise targets and achievements of small savings in Assam.

Collection of Small Savings in Assam.

(Rs. in crores)

Plan	Target		Achievement (Net Collection)	
	Assam	All India	Assam	All India
1	2	3	4	5
First	5	225	5	242
Second	10	500	13	402
Third	18	600	22	574
Fourth	25	1000	35	1350
Fifth	65	2022	50	1562

(Four Years)

The following table shows the collection of small savings by type in Assam during 1974-75 to 1977-78.

(Rs. in crores)

Type of savings	1974-75		1975-76		1976-77		1977-78	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	2	3	4	5	6	7	8	9
1. Post Office Savings Bank	23.48	0.71	20.17	2.93	19.40	0.31	24.37	2.71
2. Commulative Time Deposits	1.26	0.62	1.25	0.53	1.48	0.51	1.67	0.61
3. Post Office Recurring Deposits	0.37	0.33	0.53	0.39	0.88	0.58	1.26	0.73
4. Post Office Time deposits	1.82	1.53	3.16	2.17	10.42	7.97	18.12	15.88
5. National Savings Certificate (7 years 11,111,IV,V issue)	7.30	7.03	6.06	5.70	2.49	0.93	2.00(-)	2.0
6. POSD Interest on standing balance	1.60	1.60	1.97	1.97	N.A.	N.A.	N.A.	N.A.

(B) CURRENCY AND COINAGE :

Assam is proud of her ancient treasures. She is rich in old sculpture, architecture and stone and copper-plate inscriptions. But it is unfortunate that no concrete numismatic evidence of our ancient kings, prior to the Ahom to the Ahom king Suklenmung (1539-1552 A.D.) has yet come to light. This does not mean that ancient kings did not have their own coins. The art of melting metals and impressing seals on clay or melted metals was known at least during the time of Bhaskarvarman of the seventh century A.D. as evidenced by the Nalanda seal

and copper-plate inscription. Gold and copper could be obtained within the kingdom. So this mighty king must have struck coins of his own.

But that medium of exchange at the time of Bhaskarvarman was *cowries* is evident from *Harsacharia* which mentions the heaps of white and black *cowries* presented to Harsa by Bhaskara. The earlier reference to silver coins reported to be used by the people of Assam is found in *Arthasastra*. There silver coins were known as *Gauliken*. The gold coins *Kaltis* were probably minted by the Kalitas of Assam.¹⁹ In the Silimpur stone slab inscription of the time of Jayapala (1115-1125 A.D.), the last king of the Brahmaputra dynasty of Assam, it is mentioned that the king (Jayapala) offered to make a large gift of gold equal to his own weight (*tulapurusa*) to a learned Brahmin, Prahasa by name, over and above 900 gold coins. This proves that this Kamarupa king minted coins of gold if not of silver and copper, though unfortunately no such coins have yet been discovered. The inscription of Ratnapala mentions the existence of copper mine within the kingdom which the king worked with profit. Ratnapala might have issued copper coins.

Ahom Coins : Although coins of Ahom kings prior to Suklenmung, as started above, have not been discovered as yet, historical evidence are there that as early as the fourteenth century A.D. Sudangpha alias Bamuni Konwar (1398-1407) A.D. struck coins in his own name on his accession to the throne. Since then, the practice has grown with the subsequent monarch of issuing coins while ascending the coronation building known as the *Singarighar* which contained a throne of gold for new monarch to occupy. So the credit of mining the first Ahom coins goes to Sudangpha and not to Suklenmung as opined by A.W. Botham who might have based his opinion on the view of Sir Edward Gait. In his connection, it is worth mentioning that in England too, the first gold coin, the Gold Neble, was initiated by Edward 1 in 1344 A.D. which was only earlier by fifty three years than Sudanghupa's coinage of gold. It is interesting to note that the Ahom coins, unlike other coins, have the particularly of being octagonal in 4 shape. There are different interpretations as to the octagonal shape of the Ahom coins. One interpretation is that the ancient Assam was octagonal in shape as narrated in *Jogini Tantra* and hence the Ahom kings adopted octagonal shape in their coins. But the Ahom kingdom was not octagonal and as such this geographical interpretation is unconvincing. There is a reference in Ahom *Buranji* that Pratap Singha alias Susenghupa (1619-1649 A.D.) conquered eight kingdoms and accordingly struck octagonal coins. But this interpretation also does not hold good because such coins were struck from the time of Suklenmung, if not earlier. The earliest Ahom coins so far discovered are those of Suklenmung issued in 1543. He was contemporary of Naranarayana, the Koch

19. P.C. Choudhury : *The History of Civilization of the People of Assam to the Twelfth Century A.D.*, p. 378-89.

king who also struck coins in his name. The coins of Suklenmung bear inscriptions in the Tai language and character. The earlier coins with exception to those of Suklenmung bear the dates of accession to the throne of the kings who minted them. It is interesting to note that Jayadhvaj Singha and his successor Chakradhwaj Singha used Sanskrit inscription in place of Ahom inscription, while Garadhar Singha again reintroduced Tai characters in his coins. The reason is not far to seek. A mere peep into the history of the Ahom kings will show that Sutamla was the first Ahom king to become a convert to Hinduism and assume the Hindu name Jayadhvaj Singha, but Gadadhar Singha was not converted to Hinduism. Rudra Singha (1696-1714 A.D.) introduced an annual issue from 1696 A.D. in Assamese scripts, and Sanskrit language. This was followed nearly every year until the end of the Ahom rule. All the coins are on the same lines the obverse containing the name of the king and the date of the coin while the reverse contains an impression of the king devoted to particular deity.

The most interesting coins of the series are those minted during the reign of Siva Singha and Rajeswar Singha. Queen Pramathesvari, wife of Siva Singha, for the first time broke away the tradition by striking at Gargaon in 1651, a square coin with Persian script. Rajeswar Singha again issued different forms of coins almost throughout his reign. In addition to the ordinary octagonal coins in Assamese script from Rangpur, he also issued square coins in Assamese script. Besides these, he issued octagonal coins in Devangiri characters in *Saka* 1675, and one octagonal series with Persian script was issued in *Saka* 1685 from Rangpur.

During the reign of Gaurinath Singha, the Moamarias became rebellious and they succeeded in placing different *Rajas* in different parts of the kingdom. It is said that two of these Moamaria insurgents, Bharat Sinha and Sarbananda opened mints. Coins of the former dated A.D. 1796, 1797, and of the latter dated A.D. 1794 and 1795 are still extant. Bharat Sinha described himself in his coins as a descendant of Bhagadutta, while Sarbananda used the Ahom style *Swargadeva*. The last dated available coin in half rupee of Jogeswar Singha minted in *Saka* 1743 (1821 A.D.). The Burmese during their last invasion between (1819-1826) are said to have struck two very rough coins. They are locally known as *Gahori Muhur* (big coins).

The rupees and gold *muhars* of the Ahom kings were struck to the Indian standard of about 170 grains, Rudra Singha to have introduced half and Siva Singha quarter rupees. An eighth and sixteenth, both of the rupee and of the *muhar* introduced by Raieswar Singha and a thirty-second by Gaurinath Singha. There was no copper currency, its place being taken by *cowries*.

Barring a few, generally there is no mention of mint place on the body

of the Ahom coins. There is, however, a mention of mint place in some Persian coins issued by Pramathesvari and Rajeswar Singha, the places being Gargaon and Rangpur respectively. Again the name of mint place Disai is found in the coins issued by Gaurinath Singha. Thus, it may be concluded that the Ahom coins were minted in modern Sibsagar district.

Koch coins : The Koch rupees are found in form. The inscriptions in Sanskrit, in archaic Assamese script, and are on similar lines to those of the Ahom coins. The half rupees are struck from dies much larger than the coins, and the inscriptions are, therefore, incomplete. The first Koch king to strike coins in his name was Naranarayan whose conquests are said to have extended over the whole of Assam Valley, the Khasi and Jaintia Hills, Manipur, Tripura and part of Sylhet (now in Bangladesh). Naranarayan allowed Raghudeva, son of Chilarai, in 1581, to set up a subordinate kingdom in the area east of the river Sonkosh, with an understanding that he might strike coins only in his uncle's (Naranarayan) name. Soon after the death of Naranarayan, Raghudeva declared his independence and struck coins in his own name in 1588.

Since Lakshminarayana, son of Naranarayan, become vassal of the Mughal empire right of minting full rupees was denied to them and henceforth, their coinage consisted only of the half rupees with incomplete inscriptions which are known as "Narayani Rupee". But there are two or three full coins of Prannarayan now preserved in the British Museum, dated *Saka* 1556 (1633 A.D.). These might have been struck between 1658 and 1662 when Prannarayan tried to assert his independence. The coins in question, issued probably on his accession, may be regarded as his claim to independent status with retrospective effect. The Koch kings of the western kingdom struck coins in their own name right up to the last part of the 19th century. In the opinion of Mr. Botham, the only known issues of the eastern Koch kingdom included a few rupee coins of Raghudeva and a single rupee of Pariksit Narayan.

The Kachari Coins : The Kachari are the earliest known inhabitants of Assam. In their coins, they traced their origin to Harhengsa. We have coins of Yasonarayan Deva and a Satrudaman alias Pratapnarayana. One of the coins of Yasonarayan contains the date 1505 *Saka* (1583 A.D.) showing that he occupied the throne about 27 years before Satrudaman. The existence of a coin of Tamradhvaj whose date is 1706 A.D. Shows that this series of coins continued for at least 20 years. Coins of more modern type were issued by the last Kachari king Govinda Chandra (1813-1830 A.D.).

Jaintia Coins : Very little is known about the earlier rulers of Jaintiapur except the occasional records in the Koch and Ahom of their conflicts with Koches, Ahoms and Kacharis. The records of the Koch kings state that in the middle of the sixteenth century Silarai (Chilarai) brother of Koch king

Naranarayan, defeated and slew the Raja of Jaintia and imposed on his son the condition that he should not issue coins in his own name. This shows that the Jaintia kings struck coins in their own names. They maintained their independence until 1835 when their territory was annexed by the British Government.

The rupee coins of the Jaintia kings bear in observe the inscription, "Jayantiapura Purandara", without their names. The coins also bear *Saka* era 1591, 1592, 1630, 1653, 1695, 1707 and 1772. Now it can be assumed that as in the case of earlier Ahom coins these date represent the dates of accession or those of the installation of the kings who issued coins.

The British Currency system : The British currency system came into circulation first in Goalpara district which passed to them in 1765 and gradually in the whole of Assam after 1826 replacing the old currency and coinage systems as have been already discussed. The process of replacement, however, took some years when the huge amount of the *cowries* posed problems for the administration. The *cowries* were collection in the treasuries and then exported to Bengal to be disposed of by auction.

Modern coins : Not only in Assam but also in the whole of British India different types of rupee coins were prevalent as medium of exchange and were found to vary in weight and value. With a view to introducing uniform legal tender money the British introduced one rupee silver coins of 180 grams in Madras in 1818. This was made the sole legal tender throughout the country in 1835. In 1893, mints were closed to free coinage of silver and the rupee became a token coin divorced from full value of silver. The exchange ratio of the Indian rupee with British pound sterling which was fluctuating at the time was fixed at 1s .4d per rupee in 1898. During 1914-19, Gold exchange standard was introduced and the value of the India rupee was retained at 1s.4d in terms of pound, sterling. Nickel coins of 1 *anna*, 2 *annas*, 4 *annas* and 8 *annas* were also in circulation in addition to 1 *paisa* copper coins, since 1939, the rupee lost its former fineness from 160 grams of silver to 90 grams of silver and even such coins were driven out of circulation by nickel rupee coins.

Side by side, paper currency was introduced since 1861 and notes of various denominations such Rs. 1, 2, 5, 10, 20, 50, 100, 500, 1000, 10,000 came into vogue. In 1946, Government demonetised the paper notes of Rs. 500 and above. Under this system, the lowest unit was the copper coins of 1 *paisa* denomination and 4 *paisas* made 1 *anna* and 16 *annas* one rupee. This British system of currency was replaced by the decimal system since 1957. Under the present system, the lowest unit is the one paisa copper coin which is of course, much smaller than the former one paisa copper coin. Nickel coins of 2, 3, 5, 10, 25, 50 and one rupee are now in circulation along with paper currency notes of 1, 2, 5, 10, 20, 50, 100 and 500 rupees. Subsequent 1000 rupee currency notes were withdrawn from circulation.

(B) Trade and Commerce:

(a) Course of trade : Imports and exports, Volume, Value, etc.: Presently, the inter-state trade of Assam is mainly confined to neighbouring Indian states by road and rail transport. Prior to Indo-Pak conflict in 1965, considerable part of Assam's external was with East Pakistan (now known as Bangladesh). Moreover, trade with West Bengal was mostly carried on with river routes which lay through East Pakistan. But the conflict of 1965 led to the stoppage of trade with Pakistan and closure of river route causing deadlock to the navigation service and trade. With the formation of Bangladesh in 1971, the river route has been opened up again and navigation service are under the management of the Central Inland Water Transport Corporation. Some trades with Bangladesh have also been resumed.

The articles exported from the State though few in numbers are of considerable value. They consist mainly of tea, petroleum and petroleum products, coal, timber products, cane products, tea chests, jute, maize, cotton, bamboo, medicinal herbs and other miscellaneous products of small scale industries established in recent years in the State. The principal item of export is tea which is considerable economic interest to this State. Out of country's total production of about 300 million kgs. of tea, Assam produces more than half of it. It is interesting to note that except for a small quantity of tea sold in the local markets, the entire output disposed of in the tea auction centres at Guwahati and Calcuta where from tea finds place in the international markets. In fact, tea industry is dependent on the export. The Govt. of India and Tea Board have taken various steps to improve the sale of tea in foreign countries.

Another principal item of export from the State is petroleum its products. The first oil refinery in India was established in the State at Digboi in the Tinsukia district and since its inception in 1899, this refinery is catering to the petroleum requirements of the country. The recent discovery of new oil-fields at Naharkatia, Hugrijan, Moran, Geleki, Nazira and at other places in the State, has given the State a prominent place in the oil map of India. The discovery is claimed to be of such importance that more than 50 per cent of India's present requirement of petroleum may eventually come from the new oil-fields. To refine the newly found crude oil, two refineries under the public sector were established, one at Barauni in the State of Bihar with a refining capacity of three million tones per annum and another at Guwahati in Kamrup district with a refining capacity of 0.75 million tonne per annum. The new oil-fields at present are producing about 3.01 million tonnes of crude and this crude is refined in three refineries of Digboi, Guwahati and Barauni. The crude oil is transported to the refineries of Guwahati and Barauni through a pipeline. Another refinery cum petro chemical complex has been established at Bongaigaon in Bongaigaon district to produce oxylene, polyester fibre, aromatic extract, etc., by using the wastes of the crude oil from the oil-fields of Upper Assam. The petroleum and

other products of Digboi and Guwahati refineries are exported outside the State except the quantity required within the State. Thus, the oil resources of this region have helped the country a great deal in saving considerable foreign exchange. A new refinery is coming up at Numaligarh in Golaghati district.

Coal is another important item of export from the State. Assam produces about 1.3% of India's total output of coal. About 80% to 85% of coal in Assam comes from the Makum coal fields. Its quality is described as inferior though among the various coal fields in Assam, coal of Makum fields is the best. Because of high sulphur content, this coal is said to be not suitable for metal-lurgical purposes. It is mostly consumed by tea gardens, railways and brick fields. Coal is also imported in sufficient quantity from Meghalaya. Formerly, market for Assam coal was only confined to the neighbouring states. But in recent years coal from Assam is being exported even to the far distant areas like Haryana, Punjab and Rajasthan mainly by road transport.

Another important item of export of the State is timber and its products. It is exported in the form of logs, sleepers and even timbers. Products of plywood and hard board factories are also exported outside the State. Sufficient quantity of bamboos are exported to the Titagarh Paper Mill in West Bengal. *Phool Jharu* (Brooms) of Assam has a market throughout the country. Other items of export from forests are cane and its products, medicinal herbs like *Sarpagandha*, *Banslochan*, *Agor*, etc. Precious items of export are horn of rhinoceros and ivory which are exported to Jaipur in Rajasthan and such other places.

Maize is exported mainly to Bihar and U.P. Cotton produced in the hill areas of the State has a very good foreign demand not for its spinning value but for its coarseness and low waste content of the fibre. This is not good to spin to thread but ideally suited for mixing with wool. As such nearly whole of the product is exported to foreign countries. Products of *eri* and *muga* also has a very good market outside the State. The products of Assam Spun Silk Mill, Jagiroad commands good market in the foreign countries. Recently, a growing export demand for the products of the textile and other cottage and other cottage industries of Assam has been noticed. Though the products of these industries are facing some competition, yet they are developing their footholds in markets outside the State.

The main items of import of the State are various raw materials and machineries required for major and small scale industries, wheat and its products, pulses, gram, peas, onions, ground nuts, vegetables, spices of all kinds, oils, sugar, salt, chemical fertilizers, cement, C.I. sheets, iron materials, hardwares, paints and varnishes, tube-wells, pumps and pipes, cycles, motors, cars, trucks and tractors, clothes and garments, stationery articles and all other kinds of consumer goods. Imported articles like machineries, raw materials and manufactured articles are required to meet the local demands mainly from the tea gardens as also from the oil and other industries and the demand is increasing with the

development of medium and small scale industries. Commodities like onions, garlicks, spices, pulses and sugar are imported from Bihar and Uttar Pradesh. Mustard oil is imported from U.P. and salt from Rajasthan and West coast. Vegetables mainly come from Meghalaya and Bihar.

As Assam is the gateway of north-eastern India, the trade links of all the States like Meghalaya, Manipur, Nagaland, Arunachal Pradesh, Mizoram and Tripura with the rest of the countries are through Assam. Their trade is mostly conducted through the markets of Assam. So out of all the commodities which Assam imports, some portions are again exported to these states likewise their exports are also channelised through Assam.

The border trade of North East India has immense possibilities. With a 5211 kms international border with Bangladesh, Myanmar, China and Bhutan, the volume of unofficial trade is estimated to be much more than that of official trade. Thus, while the Indo-Myanmar official trade was Rs. 4435 million in 1993-94, the volume of unofficial trade was about five times more than that.

(b) Trade Centres :

Regulated Markets : The State Govt. has created 4 Regulated Markets in the State under the Assam Agricultural Produce Market Act., 1972. The markets are located at Howly in Barpeta district, Gauripur in Dhubri district, Dhing in Nagaon district and Kharupetia in Darrang district. The purpose for forming the regulated market is to provide storage facilities, auction platforms, trades shops, retail shops, cattle sheds and weighing and grading facilities for the agricultural produces such as jute, rice, pulse, oil seeds, etc., brought by the farmers for sale, so that they may not be deprived of their reasonable prices for the produce. Adequate utility services such as water supply, electricity, sewage disposal, etc., are to be provided in the markets, to the extent possible.

Centres whole sale business : Guwahati, the premier city is the most important centre of wholesale trade in the State. From ancient time, it has been a famous commercial centre. In the recent years, it has acquired a new dimension and serves not only vast areas of neighbouring districts but also of the whole North East India. One of the main factors that can be attributed to this growing importance of Guwahati as commercial centre is its unique location with regard to facilities of roads, railways, waterways and airways. Thus, having direct link with Calcutta and the outside world, Guwahati, known as the Gateway of Assam, has come to occupy a vital place not only in the economy of the State but also of the north eastern India. The river port at Pandu provides excellent facilities for export and import of goods through the river Brahmaputra. Considering its importance as an eminent trade centre and river port, proposals have been made to the Govt. of India to open one office of export and import at Guwahati. The recent opening of the Tea Auction Centre at Guwahati has given a new boost to its importance as a commercial centre of the State. In the context, it may be mentioned that

loading and unloading of most of the exported and imported goods which are carried on railways are done in the new Guwahati Railway station near Noonmati. Fancy Bazar is the main shopping centre at Guwahati. Besides retail sale, almost whole of the wholesale business of the city is conducted from this place. Panbazar is the emporia of books and magazines. It is also shopping centre of Assam silk and handloom textiles.

Tinsukia is another important centre of wholesale business of the State. It is a distributing centre of all wholesale commodities to neighbouring places around. It was originally a small village. Several factors such as the opening of direct rail communication, growth of tea, oil and coal industry in the surrounding areas have helped Tinsukia to attain its present position. The discovery of oil wells has increase the importance of Tinsukia as this is the only distributing centre of petroleum products produced at Digboi. This is also an important food gains market of upper Assam and approximately 10 to 12 wagons of food-stuffs are distributed daily to different parts of the locality from Tinsukia. Wholesale business in all important commodities such as food-stuff, cloth, etc., are carried on from this centre on a large scale. The goods traffic of Tinsukia Railway Station is expanding from year to year. The tea and petroleum products are the major items of goods traffic.

In recent years, the importance of Tinsukia has increased considerably because of establishment and expansion of steel processing and light engineering industries and various fabrication workshops. From a centre of trade, Tinsukia has now achieved prominence as an industrial town in the north-eastern region of India.

Among other important centres of wholesale business in the State mention may be made of Dibrugarh, Jorhat, Tezpur, Nagaon, Silchar, North Lakhimpur, Golaghat, Mangaldoi, Barpeta, Sibsagar, Hailakandi, Karimganj, Hojai, etc. Along with the wholesale business a great deal of retail business is also transacted in these centres.

However, the main centres of retail trade are weekly local markets or *hats* in the small towns and semi-urban areas. Weekly *hats* are held on a particular day of the week for the conveniences both buyers and sellers. In tea gardens, these *hats* are usually held on pay-days. Except the urban people who visit daily *bazars* in towns both the villagers and the tea garden labourers are dependent on these *hats* for their daily necessities. Here the villagers sell their vegetables, rice, betel-nut and leaf, etc. In tea garden *hats*, the most important buyers are the labourers.

Fairs and melas : Many fairs are held in different parts of the State, most of which go on for some days are attended by a large concourse of people. These fairs are seasonal and held on particular religious occasions such as *Sivaratri, Dolyatra, Ashokastami, Rash-puja, Dashami, Bhathale, Diwali*, etc. Apart from the merriment which marks these fairs, a good deal of buying and

selling is also carried on. The congregation is generally comprised of villagers, a section of whom bring these products for sale. Petty traders from towns and other trading centres especially sweet-meat sellers, dealers of toys and balloon, hawkers, etc., visit the fairs with their wares.

The number of places where fairs and *melas* are held are as follows :-

Name of the District	Occasion on which fairs are held	Name of the places at which fairs are held
1. Darrang and Sonitpur	<i>Sivaratri</i>	Singri Temple, Mahabhairab Temple (Tezpur), Vishwanath Temple, Nijhalewar Temple, Jogeswar Temple, Sipajhar, Khatura, Mangaldai and Mahagosain <i>Than</i> , Singri <i>Mela</i> lasts for several days.
	<i>Rash Puja</i>	Tezpur, Basudev <i>Than</i> and Dighi <i>Pukhuri</i> .
	<i>Dolyatra</i>	Fairs are held at Rudreswar temple (Dihila <i>Mauza</i>) and Ghorabandha (near Sipajhar in Mangaldai).
	<i>Pacheti Mela</i>	This festival is observed in connection with the birth anniversary of lord <i>Krishna</i> . A <i>Mela</i> is held in this connection on the <i>Sankranti</i> day in the months of <i>Bhada</i> or <i>Ahin</i> .
	<i>Sankranti</i>	On the <i>Sankranti</i> day of the months of <i>Ahin</i> and <i>Kati</i> , a festival known as <i>Manthaniutsav</i> is observed at Devananda <i>Satra</i> to celebrate the appearance of goddess <i>Lakshmi</i> when ocean was churned by gods and demons. A fair is held in this connection. It lasts for two days and is attended by large number of people.

Name of the District	Occasion on which fairs are held	Name of the places at which fairs are held
	<i>Bohagi Mela</i>	There are small fairs held throughout Mangaldai subdivision on different dates in the month of <i>Bohag</i> .
	<i>Udalguri Mela</i>	This was originally held when the Bhutias came to collect tributes. Now it is observed for one day only.
	<i>Asokastomi</i>	On this occasion a <i>mela</i> is held in Tezpur town on the bank of the Brahmaputra.
Nagaon & Morigaon	<i>Asokastomi</i>	At Silghat.
	<i>Dolyatra</i>	At Bardowa.
	<i>Sivaratri</i>	The <i>Sivaratri melas</i> are held in many places where <i>Siva</i> temples are situated. Large number of visitors attend the <i>Sivaratri melas</i> at <i>Sivathan</i> in Barabhagaia <i>Mauza</i> , <i>Buragohain Than</i> near about Hatigaon, <i>Siva mandir</i> at Jogijan, <i>Tekelipotagaon</i> in Rangagarah <i>mauza</i> , <i>Barangabari</i> in Mikir <i>Bheta mauza</i> , <i>Laharighat</i> , etc.
	<i>Rashtsava</i> <i>Sankar Utsav</i>	Rashotsava and <i>Sankar utsav</i> are now being widely observed all over the district with two to three days programme.
	<i>Jonbeel Mela</i>	At Mikirbari in Gobha <i>Mauza</i> .
	<i>Gosain Mela</i>	At Phulguri and Saragaon.

Name of the District	Occasion on which fairs are held	Name of the places at which fairs are held
	<i>Paruni Mela</i>	At Jogijan.
Goalpara Dhubri, Kokrajhar and Bongaigaon	<i>Mohamaya Mela</i>	<i>Mohamaya Mela</i> on <i>Bisoma</i> or <i>Bisuba Sankranti</i> is held at Bagiribari and lasts for seven days.
	<i>Meghi Purnima</i>	<i>Mela</i> is held in the month of <i>Magh</i> or January at Dalgoma and Sri <i>Surya Pahar</i> .
	<i>Asokastami Mela</i>	<i>Mela</i> is held in the month of <i>Choitra</i> or mid-April at Dhubri.
	<i>Dol Purnima Mela</i>	Held in the month of <i>Fagun</i> or middle of March at Satrasali.
	<i>Lakshmi Puja</i>	<i>Mela</i> is held in the month of <i>Ahin</i> or October at Bijni and Bakhalgaon.
	<i>Gosala Mela</i>	<i>Mela</i> is held at Gauripur in the month of <i>Pooh</i> or December.
	<i>Vijaya Dashami Mela</i>	<i>Mela</i> is held at Dhubri in the month of <i>Ahin</i> or October.
Sibsagar	<i>Sivaratri</i>	A big <i>mela</i> is held at Sibsaagar on <i>Sivaratri</i> .
Dibrugarh	<i>Diwali</i>	on this occasion a <i>mela</i> is held at Ganeshbari T.K.
	<i>Asokastami</i>	<i>Mela</i> is held near the Municipal park at Dibrugarh.
Lakhimpur and Dhemaji		On Festival days, <i>melas</i> are also held in some of the temples of Lakhimpur and Dhemaji districts.

Name of the District	Occasion on which fairs are held	Name of the places at which fairs are held
Kamrup, Nalbari and Barpeta	<i>Rashpurnima</i>	On this occasion two big <i>melas</i> are held at Nalbari and Howli.
	<i>Ambubachi</i>	A <i>mela</i> is held on this occasion at <i>Kamakhya</i> temple in Guwahati.
	<i>Sivaratri</i>	A big <i>mela</i> is held at Umananda temple on <i>Sivaratri</i> . Besides, <i>melas</i> are also held at Barpeta, Jalah, Pathsala, Tamulpur, Rangia Goreswar, Palasbari, Boko, Cahigaon and Sonapur.
	<i>Bhatali mela</i>	A 7 days <i>mela</i> held in <i>Bohag</i> at Makhibaha near Tihu.
Cachar, Karimganj and Hailakandi	<i>Baruni Tithi</i>	<i>Melas</i> on this occasion are held in the month of March at Sidheswar Siva Temples at Bhuban Hills and Malugram. These are bathing festivals known as <i>Baruni melas</i> and last for 15 days.
	<i>Sivaratri or Siva Chaturatithi</i>	<i>Melas</i> are held at Bhuban Hill <i>Siva Tilla</i> , Malugram and at the temple of <i>Dadhimata</i> .
	<i>Ananda mayee mela or Pausha Sankranti Mela</i>	<i>Mela</i> is held at Arunachal <i>Kalibari</i> on <i>Uttaravan Sankranti</i> which generally falls in the month of January.
	<i>Rashpurnima and Sankranti Maghi Purnima M</i>	<i>Melas</i> are also held on <i>Rashpurnima</i> and <i>Maghi Purnima</i> at Bharambar temple.
	<i>Gandhi Mela</i>	A <i>Mela</i> known as <i>Gandhi Mela</i> is held at Silchar during January and attended by a large number of people.

(c) Co-operation in wholesale and retail trade : It has been already pointed out that co-operative consumers stores and marketing societies were functioning during the second world war or distribution of scarce commodities. Such societies went on liquidation during the post-war period. On January 23rd 1957, the Assam Co-operative Apex Marketing Society was registered. Primary co-operative marketing societies were organised in each district to carry on the retail trade, the wholesale district co-operative societies were also organised in some paddy growing districts. In 1966-67, there were 141 general primary marketing societies in the States-31 in Darrang district, 23 in Kamrup district, 18 in Nagaon district, 18 in Sibsagar district, 15 in Goalpara district, 13 in Cachar district, 8 in Dibrugarh district, 8 in Lakhimpur district, 3 in Karbi Anglong and 2 in North Cachar Hills district. The total membership of these societies was 26,444 and their total paid-up capital stood at Rs. 70,62,969/-. Their total assets and liabilities amounted to Rs. 2,20,73,814/- and Rs. 2,39,12,081/- respectively. During that year, there were 7 wholesale consumers stores having 7,532 members (individuals) with total paid-up capital of Rs. 6,53,910/-. Their total assets and liabilities amounted to Rs. 32,42,627/- and Rs. 39,29,668/- respectively. These wholesale consumers stores and trading co-operatives had 23 branches with 116 institutional and 7,532 individual members. Besides the Apex Marketing Society, there were 3 District Marketing Societies in the State. The Assam Co-operative Apex Marketing Society had 202 members with a paid-up capital of Rs. 21,09,000/-, total liabilities and assets amounted to Rs. 1,45,72,000/- and Rs. 1,44,50,000/- respectively.

It was reorganised on 6th August, 1975 and renamed as the Assam State Co-operative and Consumers Federation Ltd. (Statefed). It has two types of membership, the first category is open to all Gaon Panchayat Level Co-operative Societies, whole-sale consumers stores, primary marketing co-operative societies, processing co-operative and the second category is confined to traders, commission agents, merchants and persons having business deals with the Federation in addition to the State Govt. The Statefed had 480 first category members and 22 second category members on 30th June, 1977. It has an authorised capital of Rs. 3 crores divided into 3 lakhs share of Rs. 1000/- each. It has so far dealt in 23 commodities and its business turn over has increased from Rs. 12.2 crores in 1973-74 to Rs. 35.9 crores in 1975-76. A loss of Rs. 59 lakhs was incurred in 1974-75 and the same, however, had been reduced to Rs. 8 lakhs in 1975-76. In the next year, it earned a profit of Rs. 15 lakhs.

The three District Marketing Societies had 312 members with paid-up share capital of Rs. 107,000/-. Its liabilities and assets amounted to Rs. 8,71,000/- respectively. There were also 415 Primary Trading and Consumers' stores with a membership of 78,465. These societies had total liabilities of Rs. 30,07,110/- with an assets of Rs. 30,38,784/-.

(d) State Trading : Fair price shops, etc. : With a view to create a buffer stock of paddy for distribution at controlled price in times of emergency and food

shortage, the Govt. of Assam undertook paddy procurement at the district level through the Supply department in 1956. In that year, the state trading in food grains was introduced for procuring at controlled price, fixed at a reasonable level to give the producer benefit of increased price of paddy. The scheme was entrusted to the Co-operative Department. The Apex Co-operative Marketing Society was required on 23rd January 1957 to shoulder upon the responsibility. The state trading in food grains was introduced in the district of Nagaon, Darrang, Kamrup, Cachar and the Sub-division of North Lakhimpur (Now Lakhimpur district), Mikir Hills (Now Karbi Anglong district) and Goalpara and subsequently extended to other areas. The Apex Marketing Society took up the monopoly of paddy procurement at fixed price with the help of Primary Marketing Societies as agents and the village Co-operatives as sub-agents. In 1964, Government allowed millers to procure paddy side by side with the Apex Marketing. The monopoly was restored again to the Apex Marketing Society in 1965. In 1966-67, the Food Corporation of India obtained the monopoly in procurement of paddy and since then the two organisations deal in trade side by side in some districts. The Assam State Co-operative and Consumers Federation Ltd. (Statefed) came into being on August, 1975 on reorganisation of erstwhile Assam Co-operative Apex Marketing Society. During 1976-77 *Kharif* Season, the Statefed procured 14.04 lakh quintals as against the target of 19.5 lakh quintals. During the same period F.C.I. procured 8.12 lakhs qtls. of paddy. In 1977-78, the procurement policy of paddy was revised. The Rice Millers and other licence holders were allowed to procure paddy but a levy was imposed on them. The State Government in order to ensure regular flow of essential commodities to the public in general has utilised the services Food Corporation of India and the Assam State Co-operative Marketing and Consumers Federation. Recently, Jute Corporation of India has also established its branches in the State procure jute.

The following figures show the procurement of paddy (both seasons) in the State since 1970-71.

<i>Khariff</i> year	Target	Procurement (in lakh qtls.)
1970-71	24.00	12.47
1971-72	24.00	12.98
1972-73	16.00	13.18
1973-74	20.00	16.48
1974-75	21.00	19.29
1975-76	35.00	38.52
1976-77	31.00	23.21
1977-78	-	3.00
1978-79	-	5.00

Many fair price shops were established during the second world war to curb the price rise and to distribute essential articles among the consumers at a reasonable price. Though many of these shops ceased to function with virtual abolitions of control during the post-war period, they received a first spurt during the fifties when distribution of essential articles was channelised through these shops. With the beginning of the state trading programme, the fair price shops have been opened throughout the State. The number of fair price shops in the State has been increased in order to cover each village by at least one such shop. In the urban areas, their number has also been increased greatly so that people can easily collect their necessities. Controlled commodities such as rice, sugar, *atta*, flour, etc., are sold at fixed price in these shops to holders of family identity cards issued by the Supply Department. The Department also fixes the prices of commodities and appoints the fair price dealers. These fair shops have been very useful in checking the rise of prices of essential commodities. The following table shows the district wise allotment of rice, wheat, and sugar for fair price shops for 1976-77 and 1977-78.

District	Rice		Wheat		Sugar	
	1976-77	1977-78	1976-77	1977-78	1976-77	1977-78
Goalpara	41.5	35.9	5.9	23.0	8.8	8.9
Kamrup	80.5	30.9	5.1	32.8	13.8	15.4
Darrang	9.6	10.2	3.0	5.9	6.6	8.1
Nagaon	9.1	9.1	5.1	2.7	6.1	8.1
Sibsagar	17.4	21.6	6.4	9.3	8.3	8.1
Dibrugarh	32.2	36.9	5.7	11.4	6.4	7.2
Lakhimpur	1.6	5.6	0.4	2.0	2.8	3.6
Cachar	45.0	23.0	16.5	31.3	8.0	8.8
Karbi Anglong	4.0	3.2	0.4	1.1	1.2	1.7
N.C.Hills	8.8	7.8	0.3	N.A.	0.4	0.4
Total	249.3	184.3	48.9	119.5	62.4	70.0

Besides, attempts also being made to sale coarse cloths, salt and cement through the statefed.

(e) Merchants' and Consumers' Association and Labour Organisation : There are chambers or associations of other nomenclature in almost all the towns of the State. To mention a few, these are Kamrup Chamber of Commerce, Guwahati; Nalbari *Kapada* and *Suta Vyapari Sangha*, Nalbari *Vyavasayee Sanstha*, Nalbari ; Assam Silver Merchants 'Association, Nalbari ; Goalpara Merchants' Association, Goalpara ; Kharupetia Merchants' Association, Kharupetia; Chamber of Commerce, North Lakhimpur ; Goalpara Chamber of Commerce and Industry, Dhubri ; Cachar Merchants' Association, Silchar ; Hojai Chamber of Commerce,

Hojai, United Chamber of Commerce, Golaghat; Darrang Chamber of Commerce, Tezpur ; Nagaon Chamber of Commerce, Nagaon, Upper Assam Chamber of Commerce, Jorhat ; Sibsagar Chamber of Commerce, Sibsagar; Eastern Assam Chamber of Commerce and Industry, Dibrugarh; Bongaigaon Merchant Committee, Bongaigaon; Mangaldai Chamber of Commerce, Mangaldai : National Chamber of Commerce, Tinsukia, etc. Most of these are registered bodies under the Societies Registration Act are independent of each other. There is no state level chamber of commerce. Some of them are affiliated to all India bodies. The object of these Chamber is to promote the interest of the business community in respect of inland and foreign trade, manufacture, agriculture, shipping, transport, banking, insurance, industry and taxation.

Kamrup Chamber of Commerce, Guwahati, being the chamber of commerce of the premier city in this North eastern region, is the most active one. From the name it appears to be a district level body but actually its membership is mainly confined to Guwahati. It was established in 1953 and has grown in the eastern of the people of Assam as the representative body of trade and commerce in the State. It is affiliated to the Federation of Indian Chamber of Commerce and Industry which is the highest body in the country representing the interests of trade and industry.

At the initial stage the membership of the Chamber was confined to the *Galla-Kirana* (Food grains and spices) dealers only. Today its membership is very wide and drawn from almost every important trade such as hardware, petroleum products, printing and stationery, chemicals and pharmaceutical, timber, transport, textile, oil mills, hotel and restaurant, machinery dealers, insurance companies, banks, film distributors and exhibitors, etc. There is a subcommittee of each trade with a chairman or a convenor drawn from that trade. They can discuss their own problems and other relevant matters concerning their and can forward their suggestion to the necessary of the Chamber for taking up the matter with appropriate authorities.

The Chamber is also publishing one weekly bulletin giving information to its members on various topics such as taxation and company law, Government notifications and circulars, tender and auction sale notices, and other important subjects. Bulletin is published in English and Hindi simultaneously.

This chamber is duly recognised by the Govt. of India and State Govt. in 1971, its representatives were members of the many official councils and committees

There is no trade union of employes in trade and commerce with worth mentioning activities, though there are such as *Dukan Karmachari Sangha*, Tailors' Union, etc.

(f) Weight and Measures : Old Unit and adoption of the Metric System :

As regards the units of weights prevailing in the State in the later part of the 19th century, W.W. Hunter in his *Statistical Account of Assam* has stated

that no regular weights were in use and nearly everything was sold by measurement generally according to the following standard : *Katha*=1 *don*, 3 *don*=1 *Pura*. The *Pura* was supposed to be equal to the thirty pounds weight but the weight actually varied. In case of paddy, twenty pounds of paddy constituted one *pura*.

The use of *don* as a unit of weight had almost declined though in some remote villages, it may still exist. The *don* which is a bamboo strips was used for measuring rice and paddy, its holding capacity varies from 2 *seers* to 3½ *seers* from place to place. A ring is attached at the bottom to enable it to stand on the ground. The *dhol* looks like *don* but is much of much bigger size and contains approximately 20 *seers* paddy. It was used for measuring paddy only. Liquid molasses locally, called *gur* was measured in terms of *kalah* is a bid earthen jar. Prior to 1852, land in Assam was measured by a *tar*, a masuring rod of 8 *hats* (cubits) in length equal to nearly 11½ English feet. In that year, the standard Bengal Bigha of 14400 sq. feet was introduced in Assam and since then all measurements are prepared according to it. The equivalents of land and other measures are given below :-

(1 *hat* = 18 inches, 1 acre = 4,840 sq. yards)

4 square hats = 1 Square yard or 1 *kari*
 4 *Karis* = 1 *Powa*
 4 *Powa* = 1 *Lecha*
 20 *Lechas* = 1 *Katha*
 5 *Kathas* = 1 *Bigha*
 4 *Bighas* = 1 *Pura*

Linear measures.

12 inches = 1 foot
 3 Feet = 1 Yard
 25 Links = 1 Pol (30 ¼ Square Yards)
 4 Pols or 66 Feet = 1 Chain.
 10 Chains = 1 Furlong
 8 Furlongs = 1 Mile
 80 Chains = 1 Mile

Measures used for measuring tiny pieces of cloth or like.

3 *Yabs* = 1 *Anguli*
 3 *Angulis* = 1 *Gira*
 4 *Angulis* = 1 *Muthi*
 3 *Muthis* or 4 *Giras* = 1 Begets
 24 *Angulis* or 2 *Begets* = 1 *Hat*
 2 *Hats* = 1 *Goz* (Yard) or 36 Inches.

The measures mentioned above were gradually replaced by the English measures or standardised according to English measures. However, land is still measured in terms of *bigha*, *lecha*, etc., notwithstanding the introduction of

the metric system of measures. Gold is measured till today in terms of *rati*, *anna* and *tola*. Six *raties* make one *anna*, four *annas* make one *siki* and four *sikis* make one *tola* which is one-eightieth of one *seer*.

Till the introduction of the metric system of weights in April, 1960, the measures of capacity to weigh everyday goods were as follows :-

5 <i>tolas</i>	=one <i>chatak</i>
4 <i>chataks</i>	=one <i>powa</i>
5 <i>seers</i>	=one <i>palla</i>
8 <i>pallas</i> or 40 <i>seers</i>	=one <i>maund</i> (37.32 kilograms)

Tulasoni was the weighing scale commonly used in the village *hats*. This is of two circular bamboo trays are suspended with strings from both the ends of a round wooden pole. Bamboo *chungas* were used measuring capacity of liquids. On the basis of the recommendation of the Weights and Measures Committee (1813-14) the uniformity of weights and measures was brought into force. However, accuracy of the indigenous weights and measures including some of those mentioned above was always doubtful. With enactment of the Standards of Weights and Measures Act, 1956, and the Assam Weights and Measures (Enforcement) Act, 1958, the metric system of weights and measures was introduced in Assam. Although the Directorate of Weights and Measures has been enforcing the metric system of weights and measures by launching prosecution as well as by assisting in supply of accepted weights and measures to the needy traders, yet the traditional measures have not altogether fallen into disuse. The following table gives the conversion factors of the basic units of measurement.

1. Capacity :-	1 pint	=0.56824 litre
	1 quart	=1.313649 litres
	1 gallon	=4.54596 litres
	1 litre	=0.87990 quarts
	1 litre	=0.219976 gallon.
2. Length :-	1 inch	=25.4 millimetres.
	1 foot	=30.48 centimetres
	1 yard	=0.9144 metre
	1 mile	=1.609344 kilometres
	1 centimetre	=0.393701 inch
	1 metre	=1.09361 yards
3. Area :-	1 kilometre	=0.62137 mile
	1 sq. inch	=6.4516 sq. centimetres.
	1 sq. foot	=9.2603 sq. decimetres.
	1 sq. yard	=0.83613 sq. metre
	1 acre	=0.406486 hectare
	1 sq. mile	=2.58999 sq. kilometres.
4. Weight :-	1 hectare	=2.47105 acres
	1 ounce	=28.3495 grams
	1 pound	=0.4535924 kilogram
	1 ton	=1.01605 metric tonnes
	1 kilogram	=2.20462 pound
	1 metric ton	=0.98420 ton

