

CHAPTER—VI
BANKING, TRADE AND COMMERCE

A—BANKING AND FINANCE

THIS chapter gives an account, *inter alia*, of the various institutions that operate in the district in what may broadly be described as the field of finance. The nature of their functions is two-fold : to attract funds from the public in different ways and then to utilise that money in serving the needs of those who require it, *viz.*, agriculturists, industrialists, traders, etc. The successful functioning of these intermediaries is beneficial both to the lender and to the borrower and, therefore, to the people in the district at large. In a way, the extent of their activities reflects the measure of the economic progress in the district.

The agencies that are engaged in these activities are nationalised banks, other commercial banks, co-operative banks, co-operative societies, indigenous bankers, money-lenders, chit funds, financial corporations and such other intermediaries. The funds at the disposal of the banks and societies are of two types ; firstly, their own capital consisting of share capital and accumulated reserves, and secondly deposit received from the public on various terms. Besides these institutions, post office savings accounts, national savings certificates and also life insurance are means of conserving the small savings of the public. Though it is not possible to give a complete or an accurate assessment of the part which each one of the above-mentioned agencies plays in the financial activities in the district, an attempt has been made to give a rounded picture of the role of these institutions in the economy of the district.

In earlier
decades

Credit facilities in the district during the last century were meagre. The merchants had to borrow at very high rates of interest from individuals and no indigenous bank existed to give facilities for saving or for financing business. Later, the growth of commerce and wide circulation of money must have resulted

in the increase of borrowals between individuals also. A common feature in the records of the early period was the donation to temples paid out of the interest amounts accruing from the loans given by the lenders without any surety. Such a loan without any mortgage was known as *mai-sala*. It is also interesting to note that interest for money given as loan was accepted in kind in some cases which is even now in practice though to a very small extent. There are also money-lenders in the district who provide loans especially in the rural parts. The system of giving loans in kind or *Holi* as it is called and charging heavy interest, sometimes from 25 per cent to 50 per cent is still in vogue in a few interior villages. Under this system, the tenant approaches the money-lender and borrows rice which he undertakes to repay after the harvest is over by giving 14 seers (1 *kalsige*) more for every 42 seers (one *mura*) of rice borrowed.

Prior to the introduction of modern banking methods, an indigenous system of money-lending through *Nidhis* was very popular in South India. These *Nidhis* were co-operative enterprises started by influential persons according to certain agreed rules and regulations framed for the purposes of money advances for trade development, urgent cash loans for domestic expenditure and occasionally for unforeseen monetary wants. Mostly, persons belonging to the Nagartha community were the pioneers of this indigenous system. Even now in many places of South India, *Nidhis* are working under a definite system with rules and regulations. There are also specific references in the Banking Enquiry Committee Report about the fund called *Kuri* fund existing in some parts of the district. It is a system of collecting small amounts of money in a group. The number of members of these groups varies, so also the total amounts raised. The amount collected is given to the highest bidder, the bid amount being equally distributed among all the members of the group.

**Nidhis and
Kuri funds**

In villages, where the majority of the families are tenants and agricultural labourers with insufficient income, it is still common for them to have recourse to borrowing from land-holders or from professional money-lenders, who are always dreaded but are yet helplessly approached for loans. The *Holi*, system referred to earlier, while enriching these professional lenders, has ruined a large number of poor people who remain in continuous indebtedness. Ordinarily, the money-lenders advanced loans on promissory notes and on personal security or on joint security (collateral security) and charged heavy rates of interest. Loans are also given on mortgages of land and other immovable property. A short period, generally a year or two, is usually fixed for repayment of debts. If the interest is not paid in time, penal interest is charged. It is indeed very difficult for small cultivators to redeem their lands or other possessions in time. The procedural

Money-lenders

difficulties connected with borrowing of money from banks and other financial institutions have often made the average raiyat feel that it is easier to take a loan from a private money-lender though his rates of interest are higher.

Indebtednes

In the absence of any detailed or systematic study of the problem of indebtedness in the district, it is difficult to assess its extent. In the case of an average tenant, what he grows in his land is insufficient to maintain his family after paying the rent to the land-holder. From July to September, which are lean months, a good number of tenants have little left with them to live upon. As cultivation of the first crop would have been over by the end of June, even employment is not available except to a limited extent and the net result is that a tenant approaches the money-lender or a wealthy landlord and borrows money or more commonly rice. As stated earlier, this *Holi* system enriched the professional lenders. This system, however, received a set back when the procurement of rice was in force during the Second World War. But after the the war was over, it was once again renewed by the raiyats. Short-term loan was, however, made available to agriculturists, to some extent, under the community project schemes. Some of the needy raiyats appropriated this amount more for their domestic purpose than for the purpose for which it was granted. As a result of this, they continued to remain debtors.

Attempts to assess the indebtedness of agriculturists in the Madras Presidency were made by the late Sir Fredrick Nicholson in 1895, the Provincial Banking Enquiry Committee in 1930, Dr. P. J. Thomas of the Madras University in 1934 and Mr. W. R. S. Sathianathan in 1935. The figures relating to South Kanara district are not, however, readily available. In a small village like Paduthonse in Udipi taluk of the district, the *per capita* debt was worked out by Shri A. R. Rajpurohit of the Gokhale Institute of Politics and Economics, Poona, in 1957-58. It came to about Rs. 111.30, while the percentage of total indebted families to total number of families of the village was 84.3. According to the Monograph based on a survey of the Naravi Village, Belthangady taluk (which was made as a part of the census operations of 1961), the average indebtedness per house-hold in the income group of Rs. 25 and below per month in the village was Rs. 241, while in the next higher income group of Rs. 26 to Rs. 50 per month, it was only Rs. 176. About 66 per cent of the households borrowed money to meet the daily wants, about 4 per cent for conducting ceremonies and another 4 per cent for paying rent.

Relief measures

In the modern period, the State action for the council of rural credit goes back to the times of Warren Hastings, when rules

for the adjustment of debts were formulated. Just before 1885, the rate of interest was regulated and it was fixed at 12 per cent in various Madras Regulations. In 1889, the Government of India amended the Indian Contract Act declaring void transactions brought about with undue influence and pressure. But the provision was hardly of any use to the ordinary run of agricultural debtors who had not the courage to sue money-lenders openly in the court. The Madras Government pressed the Government of India in 1906 for some legislation against exorbitant rates of interest. The Government of India introduced in 1918 a measure called the Usurious Loans Act. But the provisions of this Act were not uniformly applied in Madras State and were resorted to but rarely. During the period of world-wide economic depression (1929-30), the problem of rural indebtedness required immediate Government action. The Madras Debtors' Protection Act, 1935, was the first legislative enactment for the protection of small debtors who had borrowed sums below Rs. 500. Under the Madras Act IV of 1936, the maximum rates of interest were fixed at 9 per cent simple interest for secured loans and 15 per cent simple interest for unsecured loans. The Agriculturists' Loans Act had been amended by the Madras Act XVI of 1935 to permit the grant of loans to agriculturists so as to enable them to discharge their debts. As a measure of relief, the Madras Debt Conciliation Act was passed so as to enable them to settle all debts amicably. Another landmark in this respect was the Madras Agriculturists' Relief Act, 1938. This was intended to give relief to indebted agriculturists by scaling down their then existing debts and by reducing the rate of interest.

In 1961, two comprehensive Acts, *viz.*, the Mysore Money-Lenders Act, 1961, and the Mysore Pawn-Brokers Act, 1961, were passed. Under the provisions of these Acts, Registrar of Co-operative Societies is the Registrar-General of Money-Lenders at the State-level and the Deputy Registrar of Co-operative Societies, is the Registrar at the district-level. The money-lenders have to produce their accounts every year before the Registrar of money-lenders for renewing their licences for the next year. Under the Acts, the Government have fixed the maximum rate of interest in respect of money-lending business at 15 per cent on secured loans and 18 per cent on unsecured loans. In the case of pawn-brokers, the maximum rate of interest they can charge has been fixed at 18 per cent simple interest on loans not exceeding Rs. 25 and 15 per cent simple interest in other cases. The number of registered money-lenders in South Kanara district as in 1966-67 and 1971-72 is given in the following table :—

Present
Legislation

Sl. No.	Sub-Registrar's Office at	1966-67	1971-72
1.	Mangalore	22	27
2.	Coondapur	..	1
3.	Buñtwal	2	..
4.	Puttur	..	1
5.	Udipi	..	1
Total		24	30

Taccavi loans

As an incentive for increasing the interest in agriculture and consequently for increasing food production, the State Government has been lending money by way of *taccavi* loans (short-term credit facilities). Those cultivators, who are in need of financial help to buy fertilisers, seeds, implements and the like are helped by the State Government. Agriculturists, who have a genuine interest in growing more food and who offer their lands as security, get several benefits. Ever since the First Five-Year Plan was ushered in, the agriculturists in South Kanara have been benefited by the flow of loans under the Land Improvement and Agriculturists Loans Act. In order to help the cultivators to increase food production, special loans under grow-more-food scheme, land improvement loans, subsidy loans for construction of irrigation wells, besides *taccavi* loans and the like were given to agriculturists. Under these schemes about 4,217 persons received loans involving a sum of Rs. 4,88,510 between the years 1953-54 and 1957-58. After the reorganisation of States, new ways and methods of channelising the loans were resorted to by the Government. The following table indicates the extent of such financial help extended to the cultivators of South Kanara district by the State Government from 1960-61 to 1970-71 :—

Year	Number of cultivators benefited and amounts disbursed under					
	Taccavi loans		Land Improvement loans		Other loans	
	No. benefited	Amount disbursed in Rs.	No. benefited	Amount disbursed in Rs.	No. benefited	Amount disbursed in Rs.
1960-61	116	12,380	38	45,500	298	2,05,285
1961-62	N.A.	N.A.	98	93,175	331	2,19,190
1962-63	N.A.	N.A.	141	1,85,900	373	3,23,235
1963-64	N.A.	N.A.	197	2,04,700	296	2,27,447
1964-65	N.A.	N.A.	129	1,51,750	209	1,18,432
1965-66	48	25,500	133	1,52,850	204	1,39,250
1966-67	N.A.	N.A.	58	60,700	51	25,419
1967-68	45	37,800	145	1,42,500	42	40,260
1968-69	22	15,850	146	1,30,100	7	700
1969-70	37	25,000	116	1,51,150	N.A.	N.A.
1970-71	20	12,500	118	98,175	N.A.	N.A.

The taluk-wise break up of *taccavi* and other loans disbursed in 1971-72 is shown in the following table:—

Sl. No.	Taluk	Total amount disbursed
1.	Mangalore	23,200
2.	Buntwal	20,000
3.	Puttur	15,000
4.	Sullia	18,500
5.	Belthangady	12,000
6.	Karkal	15,000
7.	Udipi	20,000
8.	Coondapur	39,950
Total		1,63,650

The growth and dispersion of commercial banking activities in South Kanara district have been gradual. Banking, in its strict sense of the term, was practically unknown in the old days and those, who could save, used to hoard their savings or lend them to the indigenous bankers or merchants. Thus, indigenous banking was largely in the hands of a few rich private individuals who had their commission agency firms in Bombay and used to finance small traders of the district. Upto 1905, the general mercantile community of the district had to look for their needs generally to these indigenous bankers many of whom were "Multanis". The first branch of a modern bank established in the district was the Presidency Bank of Madras. It was opened in 1868 at Mangalore to cater to the business needs of a few British firms dealing with the export of plantation products. (Subsequently, this branch became a part of the Imperial Bank of India in 1925, now called the State Bank of India). Still, only the richer sections of the community could get credit facilities from this branch.

**Growth of
Commercial
Banks**

In the beginning of this century, the humble early growth of banking system in the district received a rude shock owing to several bank failures in the country, notably the crash of the House of Arbuthnot. This shook the little confidence that the public had in banks. At this time, the Swadesi movement was gaining ground in the country and this gave a fillip to some of the prominent enterprising citizens of the district who sowed the seeds of modern banking. As a result, in 1906, the Canara Banking Corporation Ltd. and the Canara Bank Ltd. came into existence. In the co-operative field, the District Central Co-operative Bank was also established at Mangalore in 1913. It was really a herculean task for the founders of these early institutions to provide them a sound base. "A few of the leading communities were responsible for establishing such banking houses, with a view

to cater, in the beginning, to the business of their community members. It was some sort of a competitive community spirit which had nursed the banking industry in its infancy".* Though the confidence in banks at that time had often been shaken badly, these pioneers continued their work undauntedly. These three banks, however, continued their onward march, facing boldly all troubles and tribulations.

**Regular
development**

The next decade was also a period of struggle, since the spread of the banking habit was still very slow. The year 1920 marked the beginning of the regular development of the banking system. To start with, the Pangal Nayak Bank Ltd. started its office in April 1920 at Udipi (merged with Canara Bank on 26th September 1968). The other new local banks that came into existence were the Jayalaxmi Bank Ltd. in October 1923 at Mangalore (merged with the Vijaya Bank Ltd. in 1967), the Karnataka Bank Ltd. in February 1924 at Mangalore, the Udipi Bank Ltd. in May 1925 at Udipi (now defunct), the Catholic Bank Ltd. in June 1925 at Mangalore (merged with the Syndicate Bank Ltd. in 1961), the Canara Industrial and Banking Syndicate Ltd. at Udipi in October 1925 (name changed into Syndicate Bank Ltd. from 1st January 1964; nationalised on 19th July 1969) and the Moolki Bank Ltd. at Moolki in July 1929 (merged with the Syndicate Bank in 1961). The banks in this district again received a rude shock in 1938 and 1940 as a consequence of the failure of the Travancore National and Quilon Banks in the neighbouring region. Nevertheless it should be said to the credit of these banks in the district that they have, except a few, not only withstood all demands made on them but also, in spite of heavy strains, have come out unscathed and with added strength. In June 1931, the Vijaya Bank Ltd., and the Bank of Mangalore Ltd. were established with their head offices at Mangalore (the latter merged with the Syndicate Bank Ltd. in 1959). The very next year (August 1932), the Coondapur Bank Ltd. was started with its head office at Coondapur. This institution struggled for its existence for a few years but went into liquidation on 4th August 1940. The Thulunad Bank and Supply Agency Ltd. which made a humble beginning in October 1933 at Udipi, also went the same way in 1940. Three more banks were started in 1934. Of these, the Nagarkar's Bank Ltd. with its head office at Mangalore, the Pie-Money Bank Ltd. which also had its head office at Mangalore merged with the Syndicate Bank in 1961. The third one, the Agricultural and Industrial Bank Ltd., which had its head office at Coondapur, became defunct. The Attur and Jawahar Bank Ltd. started at

*Pigmy Economic Review, Syndicate Bank, January, 1970,

Mangalore in June 1939 became defunct. The Southern India Apex Bank Ltd. and the Maharashtra Apex Bank Ltd. both started at Udipi in 1942, were merged with the Syndicate Bank in 1942 and 1943 respectively. The Prabhakar Bank Limited opened at Moodabidri in 1945 also became defunct. After the coming into force of the Banking Companies Act and the effective control exercised by the Reserve Bank of India over the banks, public confidence in these institutions steadily increased. The banks of the district, which are now on a firm footing, have been of inestimable value in building up a sound public economy in the area.

A chronological list indicating the birth and other particulars of commercial banks upto 1946 in the district is given hereunder :—

<i>Sl. No.</i>	<i>Name of bank</i>	<i>Place</i>	<i>Date of registration</i>	<i>Remarks</i>
1	2	3	4	5
1.	The Canara Banking Corporation Ltd.	Udipi	28th May, 1906.	Name changed into Corporation Bank Ltd. in 1972.
2.	Canara Bank Ltd.	Mangalore	1st July, 1906.	Nationalised on 19th July 1969.
3.	Pangal Nayak Bank Ltd.	Udipi	15th April, 1920.	Merged with Canara Bank on 26th September 1968.
4.	Jayalaxmi Bank Ltd.	Mangalore	11th Oct., 1923.	Merged with Vijaya Bank Ltd. in 1967.
5.	Karnataka Bank Ltd.	Mangalore	28th Feb., 1924.	....
6.	Udipi Bank Ltd.	Udipi	5th May, 1925.	Defunct
7.	Catholic Bank Ltd.	Mangalore	5th June, 1925.	Merged with Syndicate Bank Ltd. in 1961.
8.	Canara Industrial & Banking Syndicate Ltd.	Udipi	20th Oct. 1925.	Name changed into Syndicate Bank Ltd. from 1st January 1964; Nationalised on 19th July, 1969.
9.	Moolki Bank Ltd.	Moolki	15th July, 1929.	Merged with Syndicate Bank Ltd. in 1961.
10.	Vijaya Bank Ltd.	Mangalore	2nd May, 1931.	....
11.	Bank of Mangalore Ltd.	Mangalore	4th May, 1931.	Merged with Syndicate Bank Ltd. in 1959.
12.	Coondapur Bank Ltd.	Coondapur	13th Aug., 1932.	Went into liquidation on 4th August 1940.

1	2	3	4	5
13.	Thulmad Bank & Supply Agency Ltd.	Udipi	2nd Oct., 1933.	Went into liquidation on 3rd November 1940.
14.	Nagarkar's Bank Ltd.	Mangalore	25th Sept., 1934.	Merged with Syndicate Bank Ltd. in 1959.
15.	Agricultural & Industrial Bank Ltd.	Coondapur	7th Nov., 1934.	Defunct
16.	Pie-Money Bank Ltd.	Mangalore	21st Dec., 1934.	Merged with Syndicate Bank Ltd. in 1961.
17.	Attur and Jawahar Bank Ltd.	Mangalore	29th June, 1939.	Defunct
18.	Southern India Apex Bank Ltd.	Udipi	25th June, 1942.	Merged with Syndicate Bank Ltd. in 1953.
19.	Maharashtra Apex Bank Ltd.	Udipi	26th April, 1943.	Merged with Syndicate Bank Ltd. in 1953.
20.	Prabhakar Bank Ltd.	Moodabidri	28th March, 1945.	Defunct

**After
Independence**

After the achievement of independence, banking industry gained a good deal of momentum. Several more smaller banks were merged with the bigger ones. At present, there are only five commercial banks operating with their head offices in the district. Two of them were nationalised on the 19th July, 1969. These five local banks are the Canara Bank, Syndicate Bank (both these are nationalised banks), Corporation Bank Ltd. Karnataka Bank Ltd. and Vijaya Bank Ltd. The State Bank of India and its subsidiaries have a total number of nine branches which are located at Mangalore, Udipi, Coondapur, Puttur, Karkal, Surathkal and Panambur. Some of the nationalised banks having their head offices outside the district and the State also have opened their branch offices in the district. The Bank of Baroda has a branch at Mangalore. The Union Bank of India has two of its branch offices at Mangalore and Kollur. The Central Bank of India, the Dena Bank, the Indian Bank have a branch each at Mangalore, while the Indian Overseas Bank has two of its branches functioning at Mangalore and Subramanya. The South Indian Bank Ltd. which is a non-nationalised commercial bank with its registered office outside the district and the State, has a branch at Mangalore. Coming to the banks which are having their registered offices within the district itself, the Syndicate Bank has 78 branches in the district, while the Vijaya Bank Ltd., the Canara Bank, the Karnataka Bank Ltd. and the Corporation Bank Ltd. have 42, 36, 23 and 11 branches respectively as in 1972.

There has been a large increase in the number of branches of commercial banks opened during the last few years in the district. The total number of such branches had risen from 123 at the end of December 1968 to 210 by the end of March 1972. The Syndicate Bank has the largest number of branches in the district (78), followed by Vijaya Bank Ltd. (42) and Canara Bank (36). By the end of June 1972, seven more branches were started at various places. Thus the district is having the largest net-work of bank branches in the State, except Bangalore. They are clustered in an area of 3,249 square miles. The density of banking¹ in the district is the highest when compared to any other district outside the metropolitan area of any State in India. They are found all along the coastal area, particularly on both sides of the West Coast High-Way running from Mangalore to Coondapur. There is one branch of a commercial bank operating within a radius of two-and-a-half miles from any village in this area. A comparative analysis of banking statistics of the district with that of Mysore State and of India for the year 1969 is given below :

**Large
increase of
branches**

<i>Sl. No.</i>	<i>Particulars</i>	<i>South-Kanara</i>	<i>Mysore</i>	<i>India</i>
1.	Population per office (in thousands) ..	11.85	35.85	62.26
2.	Deposit per branch (Rs. in lakhs) ..	22.98	29.85	59.19
3.	Credit per branch (Rs. in lakhs) ..	11.29	19.29	42.07
4.	Deposit <i>per capita</i> (Rupees) ..	189.99	83.19	95.07
5.	Credit <i>per capita</i> (Rupees) ..	93.22	53.76	67.57
6.	Credit Deposit Ratio (Percentages) ..	49	66	71

The Pigmy Economic Review, Syndicate Bank, January 1970.

In terms of *per capita* deposits, the district is far ahead of the averages of the Mysore State and India. This is so even in respect of *per capita* advances. The branches opened during the years after 1969 have yet to make their impact on deposit mobilisation. Within the State itself, in 1970, South Kanara was far ahead of other districts, except Bangalore, in respect of total deposits and advances made by commercial banks. ²It is also significant to note that the total banking transactions in the district was more than those of the Orissa State as a whole.

Among the banking centres in the district, Mangalore and Udupi together account for more than 60 per cent of the total

Banking centres

1. The Pigmy Economic Review, Syodicate Bank, January 1970.
2. Ibid, Jannary, 1970.

number of bank branches. The taluk-wise and bank-wise distribution of commercial banks in South Kanara district as in 1969 is given below :—

Sl. No.	Banks	Mangalore	Udipi	Coondapur	Karkal	Buntwal	Belthangady	Puttur	Sullia	Total
(A)— Public undertaking Banks :										
1.	State Bank of India.	2	1	..	..	..	..	..	..	3
2.	State Bank of Mysore.	1	..	1	1	..	..	1	..	4
Total		3	1	1	1	..	..	1	..	7
(B) Nationalised Banks :										
1.	Syndicate Bank ..	16	24	8	9	5	5	3	2	72
2.	Canara Bank ..	11	6	3	3	1	..	1	1	26
3.	Indian Overseas Bank.	2	..	..	..	..	..	..	1	3
4.	Union Bank of India.	2	..	..	..	..	..	..	..	2
5.	Indian Bank ..	1	..	..	..	..	..	..	..	1
6.	Bank of Baroda ..	1	..	..	..	..	..	..	..	1
7.	Central Bank of India.	1	..	..	..	..	..	..	..	1
8.	Dena Bank ..	1	..	..	..	..	..	..	..	1
Total		35	30	11	12	6	5	4	4	107
(C) Other Banks :										
1.	Vijaya Bank Ltd.	9	9	2	4	3	2	2	..	31
2.	Karnataka Bank Ltd.	3	2	2	1	3	..	1	..	12
3.	Canara Banking Corporation Ltd.	4	3	1	..	..	..	..	..	8
4.	South India Bank Ltd.	1	..	..	..	..	..	..	..	1
Total		17	14	5	5	6	2	3	..	52
Grand total		55	45	17	18	12	7	8	4	166

Though the taluk-wise break-ups for the latest year are not readily available, the above table presents a fairly good idea of the dispersion of banks in the district. The relatively backward taluks like Sullia, Karkal and Coondapur have comparatively smaller number of branches. The Mangalore City proper alone had about 32 branches and Udipi town about 9 during the year 1969.

Taking the dispersion of bank offices according to the population, based on the 1971 census figures, we find that there is a bank office for every 9,000 population in the district, while Bangalore district which is having the largest number of bank offices in the State (222 as on 30th June, 1972) is having an office for every 15,000 people, the State and all-India averages being an office for every 23,000 persons and 40,000 persons respectively. The following table shows the number of branches of commercial banks working in each taluk classified according to population range :

Dispersion on
population
basis

Taluk	Population range					Total
	Below 5,000	5,000 to 10,000	10,000 to 25,000	25,000 to 50,000	50,000 and above	
Mangalore ..	9	7	3	..	1	20
Udipi ..	15	12	4	1	..	32
Coondapur ..	7	2	1	..	..	10
Karkal ..	11	1	1	..	..	13
Belthangady	5	1	1	..	..	7
Buntwal ..	8	1	..	..	..	9
Puttur ..	2	1	1	..	..	4
Sullia ..	2	2	..	..	..	4
	59	27	11	1	1	99

About 60 per cent of the banking centres are found clustered in places where the population range is below 5,000. Unlike in the *maidan* area, this population range (5,000 people) is identified not in one single village but in a compact group of villages. It is evident that the bank offices are found more in rural parts than in urban centres. Out of the total number of 217 banking centres in the district, as on 30th June 1972, 138 centres were located in rural parts, 39 in semi-urban areas and 40 in metropolitan towns. This is the only district in the State having the largest number of bank branches located in rural parts. This is illustrated in the table given below :—

District	Rural	Semi- Urban	Urban	Metro- politan town	Total	Population per bank office in '000s
1	2	3	4	5	6	7
Bangalore ..	43	29	..	150	222	15
Belgaum ..	28	36	26	..	90	27
Bellary ..	12	17	10	..	39	29
Bidar ..	4	10	..	..	14	59
Bijapur ..	11	37	10	..	58	34
Chikmagalur ..	33	13	..	..	46	16

1	2	3	4	5	6	7
Chitradurga ..	22	13	11	..	46	30
Coorg ..	37	7	..	..	44	9
Dharwar ..	24	34	33	..	91	26
Gulbarga ..	8	11	9	..	28	62
Hassan ..	18	19	..	..	37	30
Kolar ..	18	23	..	..	41	37
Mandya ..	16	14	..	..	30	38
Mysore ..	24	18	36	..	78	26
North Kanara ..	40	24	..	..	64	13
Baichur ..	21	20	..	..	41	35
Shimoga ..	40	19	9	..	68	19
South Kanara ..	138	39	..	40	217	9
Tumkur ..	21	17	..	..	38	43
Total for State ..	558	400	144	190	1,292	23

(Source : Reserve Bank of India Bulletin, October 1, 1972, P., 1, 855).

Rural banks

The big banks, which are having their head offices outside the district and the State, have opened their branch offices mostly in headquarters towns. On the other hand, the local banks of the district have opened large number of branches in rural areas. A positive emphasis has also been laid in recent years on the policy of achieving a planned expansion of banking facilities in semi-urban and rural areas in order to enable commercial banks to mobilise the untapped rural resources. The local banks have achieved some success in this respect. Dr. N. K. Thingalaya of the Economic Research Department of the Syndicate Bank made a study of this aspect. For this purpose, the experience of 20 rural branches of a bank were analysed. The study disclosed that though the deposits mobilised by these banks were very small in the initial stages, they began rising at a faster rate in the succeeding years as could be seen from the following table :—

(Rupees in lakhs)

Year	Total deposits	Average deposit per branch	Annual addition to deposit per branch
1947	5.13	0.26	..
1948	11.90	0.60	0.34
1954	23.02	1.65	0.32
1959	99.51	4.98	0.75
1964	210.21	10.51	2.33
1965	264.86	13.24	2.73
1968	404.11	20.21	2.25
1969	425.75	21.29	1.08

The banks provided incentives and guidance to the rural people to make them saving-conscious. The total deposits mobilised by all the banks in the district had risen to Rs. 42.75 crores by the end of June 1970 as against Rs. 29.95 crores in 1966, while the advances rose from Rs. 15.52 crores in 1967 to Rs. 18.04 crores in 1968, Rs. 23.40 crores in 1969 and Rs. 25.37 crores in 1970 (June). The total deposits mobilised and advances made by all the banks in the district surpass all other districts of the State except Bangalore. The table given hereunder shows the deposits and advances for Bangalore, South Kanara and Dharwar districts for 1966 and 1970 :—

**Deposits and
Advances**

(Rupees in crores)

Districts	Deposits		Advances	
	1966	1970	1966	1970
Bangalore	72.14	97.08	60.37	98.98
South Kanara	29.95	42.75	15.89	25.37
Dharwar	12.64	16.08	3.97	9.10

The above-mentioned three districts are the first three districts in the State, which have mobilised large deposits and made large advances to the public in the State. Further, for purposes of analysis the banking activities of this district were compared with those of the Thanjavur district of Tamil Nadu. In 1968, the Thanjavur district ranked first among the rice-growing districts in the country, the rank of South Kanara being only 54. While the total contribution of Thanjavur to the total national output was 2.8 per cent, the South Kanara district contributed only 0.54 per cent. In respect of the banking credit, the rank of South Kanara was 13, while that of Thanjavur was 44. The total credit of the district was almost three times larger than that of Thanjavur. The factors responsible for this notable march of South Kanara are saving habits, bankmindedness, high rates of literacy and a good communication system.

According to the Lead Bank Survey Report for South Kanara, published by the Syndicate Bank, the commercial banks cannot start any more branches in the district as they have almost reached a saturation point in this respect and there is no centre left which needs to be identified as an unbanked centre.

The Syndicate Bank, a Government of India undertaking after the nationalisation of the major scheduled commercial banks in the country, took over the assets and liabilities of the Syndicate Bank Ltd. which was formerly called the Canara Industrial and Banking Syndicate Limited. It was registered at Udipi as a

**Syndicate
Bank**

joint stock company on 20th October 1925. The business of the Bank was commenced from 10th November 1925. Its authorised capital was Rs. one lakh, comprising 1,000 ordinary shares of Rs. 100 each, of which only rupees 20 per share were called and the paid-up capital was only Rs. 8,000.

Early period

One of the objects of the promoters of this Bank was to finance the local cottage industries, particularly weaving and to provide banking facilities to small traders of the area. The first five years were a period of slow growth. During this period of banking business, the Bank's deposits amounted to only Rs. 5,758 and the advances stood at Rs. 11,142. In 1928, the first branch of the bank was opened at Brahmavara, a village about 10 miles from Udipi. During the same year, the "Pigmy" Savings Scheme was introduced. By the end of the year 1930, the Bank had a paid-up capital of Rs. 20,000, reserves of Rs. 6,000 and deposits of Rs. 2.03 lakhs. It had opened by then three branch offices.

During the first decade, between 1925 and 1935, the Bank raised its authorised capital to Rs. 5 lakhs (in the year 1933) by creating 4,000 six per cent cumulative preference shares of Rs. 100 each, and again to Rs. 10 lakhs in 1937 by floating 5,000 new ordinary shares of Rs. 100 each. The total paid-up capital stood at Rs. 2.15 lakhs at the end of 1945 and the total deposits reached a level of Rs. 14.13 lakhs, while the investments stood at Rs. 3.24 lakhs. The Bank had by then 32 branch offices. The first branch outside the district was opened at Kumta in 1929. During the same year, "Laxmi Cash Certificates" and "Laxmi Provident Deposit" Scheme were introduced.

Decade of Changes

The decade that followed (1936-1945) was an eventful period of far reaching changes in its management, status and in the resources of the Bank. In 1936, as many as 11 branches were opened in the important agricultural marketing centres. This growth in its banking activities demanded a further raise in the share capital. During the last years of the decade, the Bank had an authorised capital of Rs. 10 lakhs and a paid-up capital of Rs. 3.68 lakhs, reserves of Rs. 2.10 lakhs and this enabled the Bank to come under the II Schedule of the Reserve Bank of India.

The period between 1946 and 1955 was one of consolidation for the Bank as many of the smaller banks were merged with it. Moreover, the Bank took up the programme of starting a number of branches in villages where the population was less than 5,000. On 22nd November 1946, 31 new branches were opened in a fairly representative groups of villages of the coastal and interior parts; however, 11 of these new branches had to be closed down as they were found un-economical. By the end of the decade, the Bank

had 79 branches spread all over South India, their number within the district being 26. The Bank took over the assets and liabilities of the Southern India Apex Bank Ltd. and the Maharashtra Apex Bank Ltd. in 1953.

Between 1956 and 1965 as many as 18 big and small banks merged with the Syndicate Bank and the particulars of these are given below :—

S/No.	Name of bank	Year of establishment	Head office	No. of branches at the time of merger	Year of merger
1.	Nagarkar's Bank	1934	Mangalore	3	1959
2.	Bank of Mangalore	1931	Mangalore	1	1959
3.	Asiatic Mercantile Bank	1946	Cochin	2	1960
4.	Moolki Bank	1929	Moolki	1	1961
5.	Pie-Money Bank	1934	Mangalore	1	1961
6.	Catholic Bank	1925	Mangalore	9	1961
7.	People's Bank	1913	Thirthahalli	5	1961
8.	Hindu Bank	1932	Karuru	8	1962
9.	Salem Ammapet Sengunder Bank	1933	Salem	1	1962
10.	Kerala Service Bank	1928	Trivandrum	8	1962
11.	Pollachi Town Bank	1917	Pollachi	1	1963
12.	Citizens Bank	1937	Robertsonpet	1	1963
13.	Sri Kannikaparameshwari Bank	1927	Ccimbatore	1	1963
14.	The Oriental Union Bank	1929	Kaduthuruthy	2	1964
15.	The Kotagiri Bank	1929	Kotagiri	1	1964
16.	Sri Ranga Raja Bank	1921	Mettupalayam	1	1964
17.	The Kothamangalam Namboodiri Bank	1929	Quilandy	1	1964
18.	The South Travancore Bank	1929	Neyyoor	1	1964

In order to train the personnel at the lower levels, the Bank started a Staff Training College in 1957. Three years later, the Investors Agency Department was started and in the following year an Industrial Finance Department was established. The first all-women's branch was opened at Seshadripuram, Bangalore, in August 1962 and another at Trivandrum in December 1962. Subsequently, nine more branches of similar type were opened at various places. By 1963, the Bank entered the field of foreign exchange also. On 1st January 1964, the name of the Bank was changed into "Syndicate Bank Ltd.". On July 19, 1969, the Bank was nationalised along with other 13 banks in the country. By then,

this Bank had about 306 branches, and this number was increased to 495 as on the date of the second anniversary of the Bank's nationalisation. During these two years, the deposits were raised from Rs. 26.67 crores to Rs. 176.87 crores. By November 30, 1971, the number of branches went up to 500. The Syndicate Bank has been designated as the Lead Bank in 15 districts, of which South Kanara is one. The progress of this Bank in South Kanara in recent years is indicated in the following table :—

(Rupees in Lakhs)

Year	Deposit	Bank Credit	Credit/ deposit ratio	No. of bank offices	Deposit per office	Credit per office
1966	1,209.69	664.18	55	47	25.74	14.13
1967	1,227.11	654.07	53	47	26.11	13.92
1968	1,505.93	801.12	53	56	26.89	14.31
1969	1,567.78	1,038.58	66	72	21.77	14.42
1970	1,775.57	1,141.45	64	74	23.99	15.43
1971	2,001.47	1,213.40	61	78	25.66	15.56

Canara Bank

The Canara Bank is one of the two banks from this district which were nationalised, the other being the Syndicate Bank. The history of this Bank is a record of well directed indigenous effort. It made a small beginning as "The Canara Hindu Permanent Fund Ltd," on the first of July, 1906, at Mangalore. It had incorporated in the Articles of its Association a provision that a rate not exceeding 10 per cent was to be charged to advances when higher rates were quite common. The first balance sheet as on 31st March 1907 showed a paid-up capital of Rs. 54,045, fixed deposits of Rs. 19,160 and current deposits of Rs. 23,260. The total advances amounted to Rs. 83,716 of which an amount of Rs. 32,691 was against jewellery, and the Fund was able to show a modest profit of Rs. 2,421.

In 1910, the Fund was reconstituted into a regular Bank and appropriately named as the "Canara Bank Limited". With the renaming of the institution, regular banking business was commenced to the great advantage of the people. The resources of the Bank was steadily increased. During the first two decades of its existence, the Canara Bank was slowly but steadily consolidating its position in Mangalore and no branches were opened during those twenty years. However, the Bank had some shareholders, directors and well-wishers from outside Mangalore. Following a policy of consolidation first and expansion later, the directors did not readily accede to requests to open branches at other places. The question of opening branches came up before

the share-holders also and on one or two occasions, committees were appointed by the General Body to consider this question. But, after deliberations, these committees endorsed the cautious policies followed by the Directors. Hence it was not until 1926 that the first branch was opened. By this time, the deposits of the Bank had increased considerably and it had to seek outlets for its increasing surplus funds. The choice of starting the first branch fell on Karkal, a place 32 miles from Mangalore, with which it was well-connected. Branches at Kasaragod and Cochin were also opened subsequently. In 1945, for the first time, the Bank opened five branches in Tamil Nadu and these places were well connected with one another. In 1928, a branch at Bombay (Fort) was opened. During the period from 1945 to 1955, the Bank opened nearly 25 branches and also organised a foreign department at Bombay. The policy of having more branches in bigger cities where it was already established was also found useful and profitable. Thus additional branches in Madras and Bangalore had their own advantages to the Bank and the customers could get better and quicker services near at hand. By its Golden Jubilee year (1956), the Bank had a well-spread net-work of 51 branches. The number of branches went on increasing and during the year 1957, nine new branches were opened in different parts of India. With the branches spread over a large area, the Bank was in a position to attract the savings of a large number of people and channel them into places where they would help to develop the business and production in the country. Thus development of branches raised the Bank's resources and stature. Deposits around 1945 was only rupees two crores. But, by 1955, the figure shot up to Rs. 11,95,57,000. It further increased to Rs. 14,32,06,000 in 1956 and to Rs. 17,84,40,000 in 1957. As regards the earnings of the Bank, the net profit for 1955 stood at Rs. 10,01,000.

The ten years from 1956 to 1966, between its Golden and Diamond Jubilees, were marked with a phenomenal growth. Its deposits had risen from Rs. 12 crores, to Rs. 100 crores, advances from Rs. 6 crores to Rs. 60 crores and branches from 51 to 239. In 1961, the Bank of Kerala Ltd. Trivandrum, Seasia Midland Bank Ltd. Alleppey, G. Raghunathmull Bank Ltd. Hyderabad, and the Trivandrum Permanent Bank Ltd. Trivandrum, were merged with the Canara Bank. In 1963, four more banks, viz., the Sree Poornathrayeesa Vilasam Bank Ltd. Tripunithur, Arnad Bank Ltd. Tiruchirapalli, Cochin Commercial Bank Ltd. Cochin, and Pandyan Bank Ltd. Madhurai, were merged with it. These were followed by the Pollachi Union Bank Ltd. Pollachi in 1964 and Pangal Nayak Bank Ltd. Udipi, in 1968. Of these, the merger of the Pandyan Bank Ltd. with its 83 branches was relatively more significant. The sixties witnessed the development of the Bank into a national institution. Regional offices of the bank

Diamond
Jubilee

were set up at Delhi and Calcutta and a full-fledged administrative unit at Bombay. By 1968, the Bank became the sixth largest bank in the country. For handling export credit, the Bank opened foreign departments at several important centres. As at the end of the year 1972 it had 37 branches in the district, 262 in the state and 601 in the country. The tables given below show the progress of this Bank over the decades :—

From 1907 to 1971.

(Rupees in lakhs).

Particulars	1907	1925	1945	1965	1970
Capital ..	0.54	3.00	28.43	125.00	175.00
Reserve ..	0.001	2.79	11.00	129.00	203.00
Deposits ..	0.42	20.00	350.00	9,898.00	23,992.18
Advances ..	0.84	25.20	157.00	5,957.00	16,898.26
No. of branches	..	..	38	239	504

Position of Deposits and Advances from 1962 to 1971.

(Rupees in lakhs).

Particulars	1962	1966	1969	1970	1971
Deposits ..	5,088.17	11,403.69	18,524.07	23,992.18	29,410.64
Advances ..	2,692.50	6,638.78	12,546.93	16,898.26	12,533.40

Vijaya Bank
Ltd.

The Vijaya Bank Ltd. was established at Mangalore in 1931, with a paid-up share capital of Rs. 8,670. The total deposits as on 30th September 1931 were Rs. 26,284 and advances Rs. 26,193. In the first five years, there was not much progress, but the coming years saw the opening of a few branches at semi-urban and rural areas in the district so as to enable the agriculturists to avail themselves of the banking facilities. The first branch of the Bank was opened at Udipi in 1936; during this period an addition of Rs. 7,753 was made towards the capital. Branches at Kaup and Coondapur were started in 1937 and in the very next year a branch office was opened at Karkal. The year 1940 was a period of financial strain on the Bank owing to the outbreak of World War II. The Bank slowly consolidated its position and started two more branches at Brahmavara and Mangalore. The Kasaragod branch was started in 1943, Puttur branch in 1944 and Baindoor branch in 1945. The first branch outside the State was opened at Bombay in 1944 and the second at Kanhangad in Kerala State

in 1946. A branch at Mercara in Coorg was also established during 1946.

The Bank raised its authorised capital from Rs. five lakhs to Rs. 12 lakhs in 1946. During the period of the first two decades of its progress, the paid-up capital was gradually increased to Rs. 7,55,845, deposits to Rs. 40,70,824 and advances to Rs. 1,22,017. It was in the middle of following year that the Bank celebrated its silver jubilee (1956) and before the end of the next decade, branches at Mysore city (1957), Bangalore city (1957), Mudigere, Bhatkal, Kollegal, Chamarajanagar, Nanjangud and Gonikoppal (1959) were started. The deposits shot up to Rs. 1,48,40,906 and advances to Rs. 1,00,03,979 while the paid-up capital stood at Rs. 9,14,400 and the statutory reserve at Rs. 3,12,000.

Upto 1966 the area of operation of the Bank was mostly confined to South Kanara, though three branches were functioning outside the district. From 1961 onwards, the Bank began slowly extending its operations to areas outside the district. Falling in line with the trend of the period, the Bank accepted the assets and liabilities of a few smaller banks in and outside the district and thus nine small banks, which had 42 branches in all, merged with the Vijaya Bank Ltd. The total deposits of all these banks at the time of their merger amounted to Rs. 2.97 crores. Their particulars were as follows:—

(Rupees in lakhs)

Sl. No.	Name of bank	No. of branches	Date of merger	Deposit at the time of merger
1.	Devanga Bank Ltd. Bangalore (Amalgamation)	2	21-10-1963	13.80
2.	Dakshina Bharath Bank Ltd. Ernakulam.	4	12-9-1964	30.02
3.	Chalapuram Bank Ltd. Calicut	8	13-10-1964	26.16
4.	Tellicherry Bank Ltd. Tellicherry	3	26-12-1964	10.73
5.	Taliparamba Bank Ltd. Taliparamba	1	24-12-1964	1.88
6.	Vysya Mercantile Bank Ltd. Ramanagaram.	3	28-12-1964	12.76
7.	Coonoor Subrahmanya Vilas Upakara Bank Ltd. Coonoor.	2	10-7-1965	3.26
8.	Hubli City Bank Ltd. Hubli	2	27-8-1966	29.03
9.	Jayalaxmi Bank Ltd. Mangalore	17	27-5-1967	169.90

By these mergers, the position of the Bank became much stronger than before and during the second half of the last decade, the progress was impressive. The area of operation was extended

to the States of Kerala, Tamil Nadu, Maharashtra and Andhra Pradesh. The number of branches rose from 21 in 1961 to 114 in 1969 and 200 in July 1973. Similarly, the deposits had increased from Rs. 1.44 crores in 1961 to Rs. 43.64 crores in 1971. The increase in absolute terms was from Rs. 0.36 crores to Rs. 16.13 crores during that period. It has established account relationships and made agency arrangements with correspondents in many parts of the world and has been dealing in the currencies of several countries.

**Karnataka
Bank Ltd.**

The Karnataka Bank Ltd., one of the oldest local scheduled banks of the district, came into being on 23rd May 1924 at Dongerkery in Mangalore. It was the third bank to be started in succession in the district. It was in 1934, after a decade, that it opened a branch at Udipi; three years later, another branch was opened at Coondapur. By the end of 1969, the bank had about a dozen offices at various places in the district. When the merger of small banks with the bigger ones became popular in the Indian banking system, the Sringeri Sri Sarada Bank Ltd., the Chitaldurg Bank Ltd. and the Bank of Karnataka Ltd. of Hubli were merged with this Bank. As in 1972, the Bank had 23 branches in South Kanara. Of the total 110 branches, 48 were in rural areas, 42 in semi-urban areas, 12 in urban areas and 8 in metropolitan centres. It is stated that in about 40 places, the Karnataka Bank alone is serving the needs of the public. The deposits had risen from Rs. 9.95 crores in 1968 to Rs. 19 crores in 1972 while the advances rose from Rs. 6.30 crores in 1968 to Rs. 11.80 crores by the end of June 1971.

**Corporation
Bank Ltd.**

The Corporation Bank Ltd., formerly called the Canara Banking Corporation Ltd., (one of the oldest banks) made a small beginning as a "Fund" at Udipi in the early years of the present century. This Fund accepted a rupee each at the beginning of every month from its members over a period of 45 months and converted it later into shares of the value of Rs. 50 each. It sanctioned small loans to the members to suit their requirements. This institution was converted into a bank on 28th May 1906 and its members became the share-holders of the bank. During the early years of its operation as a scheduled bank it had to encounter several financial difficulties. Between 1906 and 1937, the bank established only five branch offices in the district. The Bank started its first branch office outside the district on 19th August 1932 at Madras-George Town. In 1961, the Bank of Citizens Limited, Belgaum which had 18 branches and a paid-up capital of Rs. 4,72,170 was merged with the Corporation Bank Ltd. It was only after 1969 that the bank started setting up new branches. Now it has (1973) a network of 129 branches in various States. Twelve branches are functioning in this district, five of which are at Mangalore alone and the rest in other parts. The

paid-up capital of the bank, which had been Rs. 17,000 in 1917, stood at Rs. 37.50 lakhs in 1973 and the reserves during the latter year amounted to Rs. 42.25 lakhs. While the deposits mobilised by the bank as in 1973 were of the order of Rs. 42 crores, the advances made amounted to Rs. 30 crores, the deposits mobilised and the advances made by the bank within the district itself being Rs. 5.06 crores and Rs. 3.4 crores respectively. The name of the banks was changed into Corporation Bank Limited on 26th April 1972.

Apart from the above five local banks, there were also other non-scheduled local banks in the district, which had spread their branches both inside and outside the district. The consolidated paid-up capital of all these smaller banks in the district as on 31st December 1957 was Rs. 22,67,000 and their reserve fund stood at Rs. 9,09,000. The total deposits were Rs. 3,51,10,000. **Merged Banks**

Among these smaller banks, the Pangal Nayak Bank Ltd. was the first to come into existence in this district. It was on April 15, 1920 that this Bank was established at Udipi with the main object of financing the agriculturists, industrialists and traders of this district. Its total deposits at the end of 1957 stood at Rs. 42,53,000 and the share capital at Rs. 5,00,000. For ensuring the safety of the depositors' money and for creating public confidence, the Bank had also built up statutory reserves and other funds to the extent of Rs. 1,32,000. The Bank had ten branch offices in 1957. Apart from two branches located at Mangalore and Udipi, the remaining seven were all rural branches. The Bank however was merged with the Canara Bank Ltd. on 26th September 1968.

The Bank of Mangalore was established in 1931 primarily for the benefit of the lower middle-class people who were not getting the banking facilities they required at that time and secondly to spread the banking facilities to rural areas not served by other banking institutions. The founders of the Bank wanted this Bank to be as broad-based as possible and with this end in view, they fixed the value of a share at Rs. 25 so that it might be possible for persons with low income also to become shareholders of the Bank. As a result of this, there were, in 1957, more than 700 shareholders for a paid-up capital of Rs. 1,50,000, the authorised capital being Rs. 2,50,000. This Bank had, in 1957, seven branches, out of which six were situated in rural areas where there had been no banking facilities till the time of opening the branches there. It transacted all kinds of usual banking business. In 1959, this Bank was merged with the Syndicate Bank Ltd.

The Jayalaxmi Bank Ltd. was established in 1923. It had, by 1957, 11 branches, five being situated inside and six outside the district. The paid-up capital at the end of 1957 stood at Rs. 3,75,000 and the total deposits stood at Rs. 50,75,000. It,

however, struggled hard to survive for a period of ten years and in 1967, it was merged with the Vijaya Bank Ltd.

The Catholic Bank Ltd. was another non-scheduled bank which was established in 1925. It had, in 1957, nine branches, all being situated within the district. Its paid-up capital as at the end of 1957 was Rs. 2,38,000 and the total deposits stood at Rs. 1,02,85,000. It was merged with the Syndicate Bank Ltd. in 1961.

The Moolki Bank Ltd. was established in 1929. It was a minor bank and had no branches. The paid-up capital of this Bank as at the end of 1957 was Rs. 48,000 and the total deposits stood at Rs. 2,39,000. It was subsequently merged with the Syndicate Bank Ltd. in 1961.

The Nagarkar's Bank Ltd. was established in 1934. It had opened by 1957 only two branches. Its paid-up capital as at the end of 1957 was Rs. 1,26,000 and the total deposits was Rs. 19,75,000. This bank was also merged with the Syndicate Bank Ltd. in 1959.

The Pie-Money Bank Ltd. had its birth in 1934. Its paid-up capital, as at the end of 1957, was Rs. 46,000 and the total deposits were Rs. 4,33,000. It was also taken over by the Syndicate Bank Ltd. in 1961. There were, however, several other banks also which were started in the district and finally merged with the local banks as indicated in the list given earlier in the chapter.

Other Banks

The Central Bank of India, Indian Bank, Union Bank of India, Dena Bank, Bank of Baroda (all these are nationalised), Indian Overseas Bank and South Indian Bank Ltd. have opened their offices in the district. There are also branches of the State Bank of India and its subsidiaries, viz., the State Bank of India, the State Bank of Travancore and the State Bank of Mysore.

The Central Bank of India, which was established in 1911 with its head office at Bombay, opened a branch at Mangalore on August, 14, 1946. It has 28 branches in Mysore State. The branch in this district has been financing the growing commerce and industry of the place and also the foreign export trade to a substantial extent. The total deposits mobilised by the Bank for the past ten years was Rs. 60,27,000 and advances made came to about Rs. 78,87,000 by the end of July 1972. Out of the advances made by the Bank each year, more than 59 per cent went to packing credit and 13 per cent to small-scale industries.

The Indian Overseas Bank Ltd. which was incorporated in 1937 with its head office at Madras, opened a branch at Mangalore on 26th November, 1948, with the main idea of financing the export of cashew, coffee, cardamom, pepper and other products of the district. This Bank, with its branches in the Far East and

correspondents in every part of the world, handles mostly foreign exchange business at this centre. It has also been of help to travellers both inward and outward since it issues travellers cheques. As far as the cashew trade is concerned, this Bank finances right from the import of raw-nuts to the export of cashew kernels and cashew shell liquid. It has established two more branches in the district, one at Mangalore—Hampanakatta (1961) and another at Subrahmanya (1969). It has today a network of 336 branches in India, 9 branches abroad and 26 in the State in addition to 220 correspondent banks and their branches at all principal commercial centres in the world.

There are the Post Office Savings Banks, National Savings Certificates and Life Insurance which also tap the savings of the people and these savings have attained growing prominence in recent years. The Post Office Savings Banks are particularly suited for the collection of savings in rural areas. As an agency of Government, they well enjoy the confidence of the public and that is specially valuable in areas where the banking habit is not fully developed or in times when, for any reason, there may be a certain amount of mistrust about any bank. The total number of post offices, having savings bank facilities, in the district in 1956-57, was 133 and this number had increased to 636 by the end of June 1970. The following table gives the total number of accounts in the Post Office Savings Banks and the total amounts deposited for the years from 1953 to 1971 :—

**Post office
Savings
Banks**

<i>Year</i>	<i>Total No. of accounts</i>	<i>Total amount deposited as at March end</i>
		Rs.
1953	19,110	36,23,844
1957	32,792	41,64,673
1966	30,618	63,38,954
1971	84,834	88,27,958

These figures reveal that both the number of accounts and the total amounts of deposits have recorded a considerable increase. So also it is evident that postal savings banks can be also an effective agency for mobilising the savings of the public.

The National Savings Scheme was taken up in this district in 1943. Five-Year, Seven-Year and Twelve-Year National Savings Certificates were introduced and these certificates mature for payment at the end of 5, 7 and 12 years respectively. In 1954, Ten-Year National Plan Certificates were introduced. All these series came to be replaced by Twelve-Year National Plan Savings

**National
Savings
Scheme**

Certificates. With effect from 1st June 1957, all the urban and the rural post offices have been transacting savings bank business. The amounts invested during the years from 1953 to 1971 are given below :

<i>Year</i>	<i>Amount in rupees</i>
1953	7,33,865
1955	10,85,835
1957	9,50,265
1966	73,49,955
1971	28,82,000

The total number of National Savings Certificates issued to the public in 1965-66 was 4,591 and it had increased to 15,225 by 1970-71. Among the other kinds of savings there are the Cumulative Time Deposits, Fixed Deposits, Recurring Deposits and Time Deposits. As in 1970-71, the amount invested was Rs. 13,23,110 in respect of Cumulative Time Deposits, Rs. 69,540 in respect of Recurring Deposits, Rs. 1,68,235 in respect of Fixed Deposits and Rs. 8,78,500 in respect of Time Deposits. Several kinds of incentives are being offered by the Government of Mysore to boost up national savings collection in the district. The revenue officers at the district and taluk levels, other officers and local bodies have been specially asked to work for the achievement of the target of selling national savings certificates which is fixed at the beginning of each year. Special cash awards are given on the basis of total collections. Thus the collections under national savings have been on the increase. According to the figures furnished by the Regional Director, National Savings, Government of India, Bangalore, the gross collections in the district under the National Savings Securities had doubled over the past ten years, though the same cannot be said in regard to net collections, as can be seen from the table given below :—

<i>Year</i>	<i>Collections</i>	
	<i>Gross</i>	<i>Net</i>
	<i>Rs.</i>	<i>Rs.</i>
1962-63	76,60,700	23,19,500
1963-64	83,25,900	28,15,300
1964-65	75,99,000	14,91,300
1965-66	1,03,41,600	28,06,100
1966-67	94,34,300	13,09,300
1967-68	1,04,72,300	13,67,900
1968-69	1,23,30,700	30,74,600
1969-70	1,25,05,000	29,06,000
1970-71	1,33,97,000	4,59,000
1971-72	1,63,62,000	32,62,000

The Life Insurance Corporation of India, through its Udipi Divisional Office, has been making much headway in recent years in respect of several of its schemes. The total number of policies issued in 1957 was 14,198, the sum assured being Rs. 3,10,59,150 and in 1965-66 the corresponding figures were 13,301 and Rs. 5,57,04,000. Later, in 1970-71 the number of policies was 20,388 and the sum assured was Rs. 10,79,48,000. The total amount of premia received was Rs. 1,37,32,429 in 1965-66 and Rs. 2,35,36,759 in 1970-71.

Life
Insurance

Apart from the commercial banks and the co-operative credit institutions, which are advancing finance for agriculture, there are other financial agencies also operating in the district. Of these, the Mysore State Financial Corporation, which has a branch at Mangalore, is advancing large sums of money for industrial purposes. It advances loans to industrial units which require assistance of Rs. 25,000 and above and as on 30th September 1972, it had made advances to about 21 industries to the tune of Rs. 1,06,16,500. Out of this total amount, which was shared by 35 units, three units doing fish preservation and processing got Rs. 36,50,000, 7 units of tile industry Rs. 14,35,000 and two units of hotel industry Rs. 14,00,000.

Other financial
agencies

There are also several other financial institutions in the private sector in the district, such as the Maharashtra Apex Corporation Ltd., Manipal Industries Ltd., Canara Finance unit, Mangalore Benefit Chit Fund (Private) Ltd., etc. They are attracting the savings of the public in different ways. The Maharashtra Apex Corporation Ltd. was started at Udipi on 26th April 1943 with the main object of raising money from the public and borrowing from other sources and advancing loans for purchase of vehicles. It has an office at Mangalore functioning since 1956. The total paid-up share capital of this company as on 31st December 1972 was Rs. 6,12,556 and the deposits stood at Rs. 39,92,329, which composed of borrowings from the shareholders and loans raised from the public.

Manipal Finance Corporation, Udipi, has launched a big programme of pooling the untapped financial resources of the people of the district and of the country through its small savings scheme "Fortune Deposit Scheme" by accepting small deposits of Rs. 10 every month for a period of 420 months; the total deposits at the end of the period would be about Rs. 4,200 which would enable the depositor to get a sum of Rs. 20,000 in cash in the end. As at the end of 1972, it had about 700 branches spread all over the country, when the deposits amounted to about Rs. 11 lakhs.

CO-OPERATIVE MOVEMENT

The co-operative institutions are playing an important role in the financial sphere in the district. The history of co-operative movement in the district can be traced to 1909 when, as a result of the enthusiasm of a few pioneers of Puttur, a rural co-operative society at that place was registered under the Co-operative Credit Societies Act of 1904. The name of the late Molahalli Shiva Rao is closely associated with the movement as he was the pioneer and guide in this field. This institution began work in October 1909. This was the first society to be established in South Kanara. Till a subsequent Act, *viz.*, the Multi-Unit Central Co-operative Societies Act, 1912 (Act II of 1912) was enacted, the progress in the formation of societies was slow and by the end of the year 1912-13, only fifteen agricultural credit societies on the un-limited liability basis, one urban credit society and one agricultural grain bank were working in the district. In 1919, Mr. Henry Wolff, a noted expert, observed to the effect that the passing of the 1904 Act was a "turning point in Indian economics as well as in Indian social history". The fillip which the 1904 Act gave was noticed in several villages of the district.

In 1913, the Puttur Rural Credit Society Ltd. (subsequently the name was changed into the South Kanara Central Co-operative Bank Ltd.) was established. It has had a fairly prosperous career since its inception. Local co-operative unions were started in 1919 and a district co-operative council of supervision was organised in 1923. The object of the latter was to control the several unions and to co-ordinate their activities and conduct training classes for educating the non-official co-operators. This council was liquidated in 1931, as the Central Co-operative Bank once again undertook, through its administrative committee, to do the work of that council. The supervision fund to which all societies subscribe has since gone into the Central Co-operative Bank and the supervisors working in the unions are paid out of it.

In 1923, the Labour Department of the Government of Madras first started work in South Kanara and one of its main activities was the organisation and working of co-operative societies for the depressed and backward classes. At the end of 1926-27, there were 80 such societies with 1,806 members and a paid-up share capital of Rs. 7,605. At the end of 1934-35, there were 93 societies. Of these, 14 were exclusively for fishermen and were under the direct supervision of the Fisheries Department. The remaining 79 societies were under the direct control of the Co-operative Department to which the supervision of Adi-Dravida societies was transferred from the Labour Department. Other kinds of societies like building societies were also established for helping the people

to rebuild their houses which were washed away by the floods of 1923 and 1924. The owners of pepper gardens had their own society called the Kotashery Loan and Sales Society which was registered and started working in 1932-33. It advanced loans on the pledge of produce. All these societies were financed mainly by the Central Co-operative Bank.

The movement has been in existence for the last more than sixty years during which period co-operative societies have been started in several parts of the district and have afforded increasing financial assistance to the agriculturists, mainly to meet the annual expenses of cultivation and to repay old debts. Apart from other benefits which were obtained by co-operators with the starting of co-operative societies, a good number of deserving persons got loans at reasonable rates of interest for productive purposes. People who had, some years ago, paid interest at the rate of 15 to 20 per cent were able to obtain loans at $6\frac{1}{4}$ to 9 per cent per annum. It may be said that to this movement goes, to a considerable extent, the credit of reducing the rates of interest throughout the district and rescuing many people from the clutches of professional money-lenders. In 1927, the Madras Government appointed the Townsend Committee which examined the progress made by the movement and made recommendations for its further development. Basing on this scrutiny, the Government enacted a separate legislation in respect of co-operative societies and in 1932, the Madras Co-operative Societies Act and in 1934, the Madras Land Mortgage Banks Act were passed. In 1939, the Vijayaraghavachari Committee on Co-operation gave a valuable report for improving the working of the co-operative institutions.

A sense of confidence had been instilled among the people of the district by the orderly growth of the movement since its inception in 1909. For about a decade after the establishment of the South Canara Central Co-operative Society at Puttur in 1913, the movement was rapid. A team of co-operators toured the district widely and intensively; the editors of a few periodicals of the district lent their particular support for the co-operative work. Owing to their sustained efforts, the number of primary societies rose from 227 in 1920 to 418 in 1927. Gradually, the field of operation of the co-operative societies was extended to other fields of activities besides credit. A co-operative press, which was then the first of its kind in the co-operative field in India, was started. It was, however, wound up a few years later. The work of the early co-operators was viewed with appreciation by the Government. Subsequently, the Central Co-operative Bank created supervising unions to entrust some responsibilities to the representatives of each area. The Royal Commission on Co-operative Movement noted the spread of the co-operative movement in South Kanara. It said "In the Dharwar district of

Bombay and the Jullundur district of Punjab, one-fourth and in the South Kanara district of Madras, nearly one-fifth of the population is now within the movement."

The movement received a set-back in the period 1927-34. But this was a temporary phase. Thereafter, the progress of the movement was kept up. The member societies of the South Kanara Central Co-operative Bank Ltd. in the district gradually increased to 313 in 1939, 437 in 1944 and 480 in 1949. When the First Five-Year Plan was launched, there were 349 Agricultural Credit Societies (including 51 Adi-Dravida Co-operative Societies) covering about 520 villages in the district (which then included the Kasaragod taluk also). At the end of the First Plan, the corresponding numbers had risen to 448 and 561. The membership of the societies had risen from 29,305 to 45,738, the share capital from Rs. 3,50,718 to Rs. 7,55,000. By the end of the Second Five-Year Plan, all the villages, except only five, were covered under co-operatives. By this time, about 58,620 agricultural families were brought into the co-operative fold. The non-agricultural members accounted for a small number and with them, the total number of families covered came to about 65,130. The share capital of these societies had gone up to Rs. 2,00,99,198 and the loans issued amounted to Rs. 1,08,71,487. The scheme of organising large-sized societies was taken up with effect from 1st April 1959. Just at the beginning of 1959, there were 29 large-sized societies and they were continued. A few of the weaker societies were reorganised and about 175 service co-operatives were formed. It was during this period that six Taluk Agricultural Produce Marketing Societies were started. They worked as wholesale dealers in agricultural inputs and advanced produce loans and made arrangements for pooling and marketing of agricultural products. The Government sanctioned loans and subsidies to these societies and also to a few large-sized societies in order to make them viable units. Funds were also granted for the construction of godowns. Five medium-sized godowns and two rural godowns were constructed.

By the end of June 1966, the total membership of credit societies had gone up to 70,340 and their share-capital stood at Rs. 38,41,584 and advances at Rs. 1,48,52,903. About 63 godowns were constructed for purposes of storing agricultural produce. Land Development Banks, one for each taluk, were functioning and those of Puttur, Buntwal, Sullia and Karkal taluks were asked to take up the issue of loans under a crash programme for the development of areca plantations. Organisation of stores societies under a centrally-sponsored scheme was taken up during this period. The South Kanara Central Co-operative Wholesale Stores began to act as the wholesaler to other societies. Taluk Agricultural Co-operative Marketing Societies began to work as

wholesale stores for the respective taluks by supplying the required commodities to primary credit societies. Many service societies took up retail trade in the distribution of consumer articles. Under the programme for the issue of medium-term loans in respect of irrigation pumpsets, the Mysore State Co-operative Apex Bank Ltd., the District Central Co-operative Bank Ltd. and the village credit co-operative societies acted as agencies for sanction of loans. Upto the end of June 1968, loans to an extent of Rs. 24,50,366 were sanctioned to 193 societies for providing 1,418 pumpsets under the programme for rural electrification. The Mysore State Electricity Board drew up a plan for the supply of electricity for the purpose. Long-term credit was made available by the Mysore Central Land Development Bank Ltd. for implementation of the Irrigation Wells Scheme taken up by the Agricultural Refinance Corporation.

During the Fourth Five-Year Plan, several schemes to help the agriculturists were introduced. Under these schemes, funds in the form of subsidies, out-right grants, share capital and loans were placed at the disposal of various societies in the district. Two Assistant Registrars' Circles were formed, one at Mangalore and the other at Puttur. There are at present (1972) 631 societies in the Mangalore Circle and 292 societies in the Puttur Circle, thus making a total of 923 societies (including 58 societies under liquidation) in the district. About 35 Fishermen Co-operative Societies including the South Kanara District Co-operative Fish Marketing Federation are under the administrative control of the Deputy Director of Fisheries, Mangalore, who is responsible for looking after these societies, and is assisted by departmental personnel. By the end of the year 1970-71, the total number of agricultural families brought into the co-operative fold stood at 1,16,780. The actual share capital collected amounted to Rs. 75,56,000, the Government contribution being Rs. 11,89,200.

The table given below shows the increase in the numbers of co-operative societies and the total membership in the district from 1965-66 to 1970-71 :—

<i>Year</i>	<i>No. of villages covered</i>	<i>No. of societies</i>	<i>Total membership</i>
1965—66	662	902	2,61,799
1966—67	670	902	2,62,104
1967—68	682	920	2,74,469
1968—69	682	923	2,73,230
1969—70	682	923	3,05,791
1970—71	682	912	3,07,315

**South Kanara
Central
Co-operative
Bank Ltd.**

As a result of the passing of the Indian Co-operative Societies Act, 1912, a number of societies were organised in the district and the work of financing them was first taken up by the Puttur Rural Credit Society. As the question of financing the Primary Societies became more urgent, the South Canara Central Co-operative Bank Ltd. was started on 30th November 1913 (registered on 24th January 1914) with its head office at Puttur. The co-operators of Puttur town nursed this new born institution for a period of 13 years. Later, its head office was shifted to Mangaloré on 1st April 1927.

This Bank had 661 co-operative credit societies as well as industrial societies as its members with a total share capital of Rs. 48,75,700 at the end of June 1972. Taking the individual members into consideration, the total membership of the society stood at 834. It held deposits to the extent of Rs. 2,54,05,359 and its borrowings from the Reserve Bank of India, Apex Bank and of Government amounted to Rs. 2,62,19,646. The total loans issued by the Bank during 1956-57 to various types of societies aggregated to Rs. 106.95 lakhs and the borrowings of the Agricultural Credit Societies from the Bank amounted to Rs. 43.10 lakhs. During the year 1956-57, the Bank provided cash credit accommodation aggregating to Rs. 76.31 lakhs to the various co-operatives in the district, of which an amount of Rs. 2.5 lakhs was for purchase of mill cloth, Rs. 0.72 lakh for purchase of chemical manures, Rs. 16.8 lakhs for other general business of stores societies and Rs. 56.29 lakhs for other purposes. The Bank also issued Rs. 0.55 lakh as loans to individual members out of which Rs. 0.33 lakh was outstanding at the end of the year. The Bank has also financed a Fisheries Development Project and is actively participating in the Marginal Farmers and Agricultural Labourers Agency. The gradual development of the Bank from 1962 to 1972 is indicated in the table given below :—

<i>Indicators</i>	1962	1964	1966	1968	1970	1972
Deposits (Rs. in lakhs) ..	68.09	80.85	109.15	136.03	171.38	254.05
Advances (Rs. in lakhs) ..	77.09	84.68	156.16	254.08	402.86	499.97
Branches (Number) ...	1	2	3	5	8	9
Net Profit ..	1.28	1.19	2.08	3.01	4.87	4.68

**Agricultural
Development
Society**

The South Kanara District Co-operative Agricultural Development Society Ltd. Mangaloré, a unique venture of the people of the district and the first of its kind in the co-operative sector in the State of Mysore, was registered on the 10th of September 1962. It started functioning from the 10th of November of the

same year, with the main object of purchasing or hiring or obtaining agricultural machinery or equipments with attachments or accessories necessary and conducive, and for offering the same to the farmers on loan basis or sell the same to them. During the initial stages of this Society, there were only 325 members with a paid-up share capital of Rs. 4,866. By the end of June 1972, the strength of members had gone up to 3,178 and the paid-up capital to Rs. 1,60,447. Accordingly, the authorised capital was also raised to Rs. 20 lakhs. The total borrowings of the Society, by the end of June 1972, stood at Rs. 28 lakhs which included a loan accommodation given by the State Government to the tune of Rs. 10 lakhs.

To start with, the Society began issuing irrigation pumpsets on hire-purchase basis. The first pumpset was given to a tenant farmer on 1st February 1963. So far (1972), the Society has sold 6,717 irrigation pumpsets which have benefited about 39,250 acres of land. The main attraction for the farmers was that the loans were given on the security of the pumpsets supplied and of a co-obligant and not on mortgaging the property. When the three-tier system was initiated by the Reserve Bank of India, the Society lost the benefit of obtaining loans for the purchase of pumpsets. Hence it has been acting as sales and service agents to the South Kanara District Central Co-operative Society. It also undertakes servicing, repair and inspection of agricultural implements on contract basis. For this purpose, it has established four custom service centres at Shankaranarayana in Coondapur taluk and Kota, Brahmavara and Kadavoor in Udipi taluk. The officers of the Society contact the farmers and help them in securing the required finance and arrange for the supply of irrigation pumpsets and their accessories and for installation, wiring, etc.

There are eight Primary Co-operative Land Development Banks, one for each taluk, in the district, which are affiliated to the Mysore State Co-operative Land Development Bank Ltd., which is the central financing agency for providing long-term credit to the agriculturists. The latter opened its branch office at Mangalore in June 1969 to co-ordinate its work at the district level. Loans are being sanctioned for improvement of lands, discharge of prior mortgage debts, sinking of irrigation wells, purchase of pumpsets for raising coconut gardens, etc. These eight banks had together a membership of 5,314 in 1965-66 which had gone up to 13,170 by 1970-71 and 10,913 on 30th June 1972. Similarly, they earned a profit of Rs. 1,67,000 in 1971-72 as against Rs. 57,000 in 1970-71 and Rs. 10,000 in 1965-66. The table given hereunder shows the working results of these banks as in 1971-72 :—

**Primary Land
Development
Banks**

(Amount in '000s)

Taluk	Year of Establish- ment	Total member- ship (Number)	Share capital	Loan disbursed	Loan Amount out- standing	Net profit
Belthangady ..	1961	1,555	242	656	2,587	22
Buntwal ..	1962	1,846	258	583	3,007	32
Coondapur ..	1962	1,748	177	593	2,140	46
Karkal ..	1962	1,011	194	438	1,942	21
Mangalore ..	1938	2,180	154	427	1,999	16
Puttur ..	1938	3,587	361	603	3,963	12
Sullia ..	1966	1,446	178	387	1,705	..
Udipi ..	1938	1,541	183	516	1,941	18
Total ..		14,914	1,747	4,203	19,284	167

During the year 1971-72, loans amounting to Rs. 42,03,000 were sanctioned under a general scheme and other schemes relating to wells, irrigation pumpsets, coconut and arecanut plantations, tractors, power-tillers, etc.

Marketing Societies

There are eight general co-operative marketing societies, one for each taluk, which are located mostly in taluk headquarters. There is also an Arecanut Marketing Society and a Horticultural (Fruit and Vegetable) Marketing Society at Mangalore. The financial position of these societies as in 1965-66 and 1970-71 is indicated in the following table:—

(Amount in '000s)

Sl.No.	Particulars	1965-66	1970-71
(1)	Membership (in numbers)..	11,078	13,860
(2)	Paid-up share capital ..	1,579	2,929
(3)	Reserve & other funds ..	908	1,152
(4)	Deposits ..	764	1,039
(5)	Working capital ..	9,069	14,340
(6)	Loans issued ..	13,540	11,314
(7)	Loans recovered ..	10,931	18,064
(8)	Loans outstanding ..	4,874	7,128
(9)	Net profit ..	139	33

The eight societies in the taluk headquarters together possess about 26 godowns with a total capacity for storing 71,000 quintals of grains. In addition to these, they have taken up 49 godowns on hire basis and these have an additional capacity of holding 35,200 quintals of grains. All these societies act as agents of the State Co-operative Marketing Federation Ltd. In respect of distribution of fertilisers on consignment basis and of the Government in procuring foodgrains. Four of these societies are having rice mills of their own. As at the end of June 1972, these societies handled fertilisers of the value of Rs. 40,87,000.

The South Kanara Agriculturists' Co-operative Marketing Society Ltd. was registered on 19th October 1919 and started functioning from November of the same year. It was started at Puttur in the beginning and its area of operation was then confined to Puttur taluk. From 17th June 1935, the jurisdiction of the Society was extended to the entire district. The main object of starting this Society was to market the commercial produce of its members like arecanut, pepper, cardamom and to make available ready money advances to them. During the initial stage, the Society had 58 members with a share capital of only Rs. 3,265. By the end of June 1972, the number of members of the Society had risen to 11,205 and the share capital to Rs. 3,62,400. As on the same date, it had accumulated a reserve fund of Rs. 3,89,585 and other funds of Rs. 4,25,056 in addition to its own building and other assets valued at Rs. 9,41,498. It has established 29 branches at the various centres where pepper, cardamom, coconut, cashew-nut, etc. are grown. About 90 per cent of the produce handled by the Society is arecanut. The total sales made by it during the year 1971-72 amounted to Rs. 4,27,80,370 and a commission of Rs. 6,52,967 was earned. In order to help promote the sale of the products, the Society started a branch office at Bombay. (Subsequently, this branch had to be closed down as it met with a fire accident. It has further programmed to start more branches with the main object of extending its services in the district.

**Agriculturists'
Marketing
Society**

The South Kanara District Industrial Co-operative Bank Ltd. aims at improving agro-based and processing industries, particularly small-scale and cottage and village industries. It extends financial help to village artisans and such other persons who are engaged or interested in establishing and running cottage and village industries, through registered co-operatives and also by direct disbursement. Loans are advanced mainly on short-term and medium-term basis and in some cases on long-term basis also. It had a share capital of Rs. 3,73,950 in 1972 by which year it had advanced loans to an extent of Rs. 9,33,329 and its deposits stood at Rs. one lakh. (See also Chapter V).

**Industrial
Co-operative
Banks**

**Agricultural
Credit
Societies**

Various types of credit societies constitute the bulk of co-operative societies in this district, which are engaged in the work of supplying credit for short and medium terms to agriculturists. During the year 1956-57, there were 249 Rural Credit Societies which were small-sized institutions catering to the financial needs of the agriculturists in the villages. There are altogether 687 villages in this district, out of which 654 villages are served by these rural credit and large-sized societies. The rural credit societies had issued loans to the tune of Rs. 35.43 lakhs to their members and mobilised deposits to an extent of Rs. 6.11 lakhs, as on that date.

A change in the structure of rural finance is gradually being implemented on the lines of the recommendations of the Rural Credit Survey Committee. Under the pilot scheme for development of Integrated Rural Credit and Marketing in the South Kanara district, launched by the erstwhile Madras Government, two large-sized societies were formed during the year 1955-56. Under the Second Five-Year Plan, during 1956-57, four more large-sized societies were organised and registered, bringing the total number of such societies to six at the end of the year 1956-57. By 31st March 1972, the number of rural credit societies had risen to 339, of which 59 were large-sized societies. The extent of the progress achieved by the large-sized societies is indicated in the following statement :—

<i>Sl. No.</i>	<i>Particulars</i>	<i>As on 20-6-1958</i> Rs.	<i>As on 30-6-1971</i> Rs.
1	Number of members	4,196	54,000
2	Share Capital	70,956	21,65,000
3	Deposits	17,398	62,22,000
4	Loans outstanding	3,26,656	1.38,57,000

Of these large-sized societies, many were organised afresh while the rest were formed either by amalgamation of neighbouring rural credit societies or by converting existing rural credit societies. The large-sized societies have constructed godowns with financial assistance from Government. Besides, they are also given Government contribution towards the share capital structure to enable them to raise their maximum borrowing power and thus finance agriculturists liberally.

The small-sized societies advanced loans to agriculturists for improvement of lands, sinking of wells or effecting repairs to wells, seasonal operations, processing of agricultural produce, etc. They make purchases of manure, fertilisers, agricultural requisites, etc. and distribute them among farmers. Each of these societies is having one or two godowns of its own, constructed partly with

its own funds and partly with loans or grants made available by the Government.

There were, in 1972, 34 fishermen co-operative societies in the district. They were organised in pursuance of a resolution passed at the District Co-operative Conference held in April 1952. These institutions were affiliated to the Co-operative Fish Marketing Federation which was formed in 1954. The Federation undertakes the marketing of fish and fish products, construction of boats under the mechanised fishing scheme, supply of fishery requisites, etc. It also supplies mechanised boats on loan-basis or offers the required finance for the purchase of the same. It is also acting as an intermediary in implementing the scheme taken up by the Agricultural Refinance Corporation. A sum of Rs. 125 lakhs has been placed at the disposal of the Federation for its implementation. The paid-up capital of this Federation in 1970-71 stood at Rs. 9,19,000. So far, the Federation has built about 240 mechanised boats and distributed them among fishermen. The Primary Fishermen Co-operatives receive fish from the members and sell them to the Federation. This is being done in order to recover the advances made to them towards the purchase of mechanised boats. The following table indicates the growth and development of the Federation :—

(Amount in rupees)

Particulars	1954-55	1960-61	1966-67
Membership ..	82	182	824
Paid-up capital ..	10,340	17,111	2,91,690
Produce loan issued ..	11,000	25,800	15,200
Fishery requisites supplied—			
Purchase ..	..	1,19,173	2,40,728
Sales ..	..	1,20,967	2,04,555

The consumers' co-operatives came into being during the period of the Second World War. A wholesale stores and as many as 88 primary consumers' societies were organised during that period. They were dealing mostly in controlled articles made available by the Government. When the system of selling the controlled articles through these societies was given up, many of them had to be closed down as they had not built up their own resources to stand upon. It is said that only a few of the societies of this type could withstand the competition. But because of the initiative and resourcefulness of some co-operatives, the South Kanara Central Co-operative Wholesale Stores Ltd. could muster its own resources and develop business in various lines other than controlled articles. It has nine branches all over the district.

In 1972, its paid-up share capital amounted to Rs. 6,49,000 (which included the Government contribution of Rs. 4,85,000) as against Rs. 2,27,000 in 1965-66. The Stores purchases goods from wholesalers and distributes among customers through a network of primary societies. The total value of goods handled by this Stores, as in 1970-71, was Rs. 1,11,17,000. This Stores has also established a Janatha Bazaar in Mangalore city under the accelerated programme of organising consumers co-operatives as per a scheme sponsored by the Government of India. The main object of the Janatha Bazaar is to make available the many requirements of the consumers under one roof. There are textiles, general and grocery sections functioning in this Bazaar. All the purchases are being made by this institution at the very source of production or through the sole distributors and stockists.

Apart from the above, there were 98 primary consumers' and students' stationery stores in the district. The total membership of all these societies in 1965-66 was 22,428 and this number had increased to 28,516 in 1970-71 in which year their total paid-up share capital stood at Rs. 6,49,000 and their deposits at Rs. 1,13,000. They earned a profit of Rs. 1,08,000 in 1969-70 as against Rs. 92,000 in 1965-66.

**Other
Co-operatives**

There is a society for poultry farmers, *viz.*, the South Kanara District Poultry Farmers Co-operative Society Ltd. which was established on 8th December 1964. It has undertaken the work of preparing poultry feed. It purchases eggs from its members and sells them to the public at reasonable rates after grading them. The total value of poultry feed, eggs, medicines and other requirements sold to its members during the year 1972 was Rs. 1,17,396 and the profit earned was Rs. 5,000. During that year, it had 565 members and a share capital of Rs. 10,830.

The co-operatives meet the rising credit needs of the urban population as well. There are five urban banks functioning in the district which come under the Banking Regulation Act (as applicable to co-operatives). The Puttur Co-operative Town Bank was the first of its kind to be started in the district and has been one of the best co-operative institutions (*see* also addenda).

There are 28 milk supply societies, including one Milk Supply Co-operative Federation, in the district. They advance loans for purchase of milch animals. As in 1970-71, they had advanced a sum of Rs. 2,49,000 as loans to its members. They have also undertaken the work of making use of the surplus milk for the manufacture of some bye-products. As in 1970-71, the total membership of these societies stood at 6,097, paid-up share capital at Rs. 1,27,000, reserve and other funds at Rs. 2,95,000. They

together earned a net profit of Rs. 76,000 as against Rs. 39,000 in 1965-66.

The Manipal Co-operative Industrial Estate Ltd. Manipal, **Industrial Estate** was established under the provisions of the Co-operative Societies Act. About nine industrial units at Manipal are the members of this Estate. It is located on a 15-acre plot near the Manipal Engineering College. (For more details see Chapter V).

During the period of early and later Alupas, the barter system **Coinage** was continued in the field of commerce and taxes were received in kind also; money was also brought into wider circulation. Several types of *gadyana* coins were in circulation. There is a reference to *Pandya-Gadyana* in a record of A.D. 1139. These coins were made of gold and were die-struck. **Barakura-gadyana* and *Mangalore-gadyana* were the coins issued from the royal mints at Barakuru and Mangaluru, the two old capital cities of the area. Perhaps the name *gadyana* was applied to coins struck from more than one metal. In some places, *Ponnu* and *Honnu* (gold) coins were also in circulation, while *pana* circulated rarely. *Kati-gadyana*, *ardha-kati-gadyana* (coins having half the value of *kati-gadyana*), *bahira-gadyana* (coins struck outside this area and brought into circulation here), *sanna-Pratapa-gadyana* (a *small-gadyana* probably issued by the Vijayanagara rulers in view of the title *Pratapa-dodda-varaha*), *dodda-varaha gadyana* (a higher denomination of *varaha*), *ghattivaraha* (denoting *varaha* with a high percentage of gold content), etc., were used for day-to-day transactions. The names *gadyana* and *varaha* were used for the same coin. *Hana* or *kati-hana* was a smaller denomination of *gadyana*. There were also coins described as *Barakura Parivarttanakke Saluva kati-gadyana*, *Barakura Parivarttanakke Saluva dodda-varaha-gadyana*, *Ardha-Barakura Parivarttanakke Saluva-dodda-varaha-gadyana* and this indicates that they were brought to this region from outside and could be converted into local coins.

Coming to the modern period, under a notification of the Government of India issued in 1870, the Indian Coinage Act of 1870 was extended to the Madras Presidency and the coins of Government of India were made legal tender in that region. Under another notification, the Madras Circle currency notes were made legal tender in the district. Under the emergency Regulation of 1918, universal currency notes and other currency notes of the Government of India issued within the Madras Circle were made legal tender in the district. From 1st July 1957, India changed over to the decimal coinage system which is now fully prevalent in the district as in all other parts of the country.

*Source : Dr. K. V. Ramesh, "A History of South Kanara"

PART B—TRADE AND COMMERCE

The South Kanara district stretches to a length of about 177 kilometres, with varying breadths of 80 kilometres at its widest to 40 kilometres at its narrowest with a coast-line of about 140.8 kilometres. This narrow strip of land lying between the Western Ghats and the Arabian Sea is intersected by various rapidly flowing rivers and streams which were formidable in earlier days when there were no bridges across them. There are detached low hills with their deep valleys which made access to certain parts less easy. Small ferries were used to cross the rivers at convenient bends where the plying would be safe. Among the rivers, the Netravati is navigable relatively for a longer distance upto Buntwal by country crafts. It was a hazardous task to climb the ghats along the narrow winding roads leading to the interior parts of the State. There were several isolated patches of lands which hindered the easy movement of persons and goods from one place to another. The people of the district still remember the Subbaya Setty 'Jatka' system, similar to the stage coach of the West, which was very popular in the old days. These coaches were plying between the two points of the river through which the ferries were plying. It is said that they used to take a whole day to cover a distance of just about 38 miles between Mangalore and Udipi.

Naturally, the trade suffered in the old days as the movement of goods and products from where they were abundant to places where they were needed was very slow. Now many of the rivers and streams have been bridged. Roads leading to the interior parts of the State have been made safer for heavy traffic. Both passenger and goods traffic between the district and other parts have now increased many times. After the opening of the road leading through the Shiradi Ghat, the time taken to cover the distance between Bombay and Mangalore by road has been minimised. After the completion of the construction of the bridge across the Kali river and the West Coast Highway, the movement of goods would easily flow to and fro this district which would naturally result in increasing trade. The Hassan-Mangalore railway line and the construction of Mangalore all-weather major port, which are now taking shape would further accelerate the trade and commerce of the district to an appreciable extent. The facility of air-travel from the Bajpe air port and the network of tele-communications operating in the district have brought the distant places still nearer. As a result of the vast improvement of road communications, this district is having a large number of motor vehicles and holds the second place in this respect, coming next only to the Bangalore district (*see* also Chapter VII).

**Business
Centres**

Inscriptions found in the district indicate that as early as in the 7th or 8th centuries, Mangalore was a flourishing and populous

town. It was called maha-nagara. Moodabidri was also an important town which was surrounded by fine fields of paddy, sugarcane, etc. There were various guild associations¹. It appears that during the time of the Hoysala rulers, Mangalore had established commercial contacts with lands as distant as China. It was an important port during the times of the Vijayanagara and Keladi rulers. Later, at the time of the rule of Haidar Ali also, Mangalore was a great seaport and the place had the most extensive trade among all his possessions on the coast. However, the trade of Mangalore declined after the days of Haidar Ali.² It fell still further as the Joassamee pirates in the Persian Gulf interrupted the free passage of vessels in that sea and they sometimes descended on the coast of Mangalore. In olden days, the imports consisted of "Foua", a substance used for dyeing red which was brought from Muscat, coarse cotton cloths and ghee from Surath and Cutch and salt from Bombay and Goa. Manufactured clothes and sugar were imported from Bengal. Foreign vessels occasionally brought a small quantity of raw silk, which was consumed by manufacturers in the interior. The exports were rice, pepper, sandalwood, betel-nut, turmeric and cassia.

Mangalore, the headquarters of the district's administration, is also the pivotal business centre of the district and the adjoining places. Being connected by sea route with Bombay and Cochin, by railway route with Madras and Bangalore and by bus routes linking the many internal towns and villages, Mangalore handles about 3/4ths of the entire imports and exports of the district. It is an important industrial town on the west coast specially known for its cashew-nut factories, coffee-curing and tile factories and leading arecanut, timber and cured-fish firms.

The other important business centres are Gangolly, Baindoor and Koteshwar in Coondapur taluk, Udipi, Manipal, Malpe, Kallianpur, Brahmavara, Udyavara and Kota in Udipi taluk, Mulki, Gurpur, Bajpe, Kinnigoli, Panambur, Surathkal and Haleyangady in Mangalore taluk, Vittal and Uppinangady in Puttur taluk. Some important business centres of Coondapur taluk like Gangolly specialise in exports of coconut, jaggery, firewood, tiles, timber, fish and coir and in imports of hardware, cutlery, textiles, metal sheets, sugar, etc. from Bombay, chillies, onion, garlic, etc. from North Kanara and other parts of the Mysore State.

The business centres of Udipi taluk, with Malpe as the main importing and exporting centre, engage themselves in the export of tiles, timber, dried fish, coir, grains, chillies, etc. and in the

1 Dr. K. V. Ramesh, "A History of South Kanara", P, 271

2 K.S. Haridasa Bhat, Article in History of South Kanara, syndicate Bank Souvenir, Udipi, 1958, P 15.

import of textiles, hardware, brass and copperwares, metal sheets, motor cycle spare parts, paper, stationery, etc. Puttur and Karkal, which are interior taluks, depend on Mangalore for their imports and exports. Mangalore supplies the interior towns and villages with textiles, groceries, metal sheets, hardware, etc., imported from Bombay, Madras, Calcutta, Bangalore and other places. It procures from the interior towns and villages exportable commodities such as cashew-nut, pepper, arecanut, etc. and exports them to Bombay, to the neighbouring districts of the Mysore State and to far-off places in America, Africa and Europe. Iron ore, manganese and coffee, received from outside the district, are also exported to foreign countries from the Mangalore and Coondapur ports.

Trade and Commerce rank next to agriculture and industries as an important source of livelihood for the people in South Kanara. According to the figures of the 1951 census, it provided livelihood to about 29,132 self-supporting persons. The following table gives the number of such persons engaged in various trades in South Kanara as in 1951 :

<i>Sl. No.</i>	<i>Sub-division</i>	<i>Employer</i>	<i>Employee</i>	<i>Independent worker</i>	<i>Total</i>
1	2	3	4	5	6
1.	Retail trade other wise unclassified.	772	1,939	9,136	11,847
2.	Retail trade in food-stuffs (including beverages and narcotics).	618	1,055	11,589	13,262
3.	Retail trade in fuel (including petrol).	52	126	295	473
4.	Retail trade in textile and leather goods.	194	352	912	1,458
5.	Wholesale trade in food-stuffs.	31	209	53	293
6.	Wholesale trade in commodities other than foodstuffs.	129	166	360	655
7.	Insurance ..	1	261	17	279
8.	Money-lending, banking and other financial business.	10	794	61	865 $\frac{1}{2}$
	Grand total ..	1,807	4,902	22,423	29,132

It is seen from the above table that among the various types of persons engaged in trade and commerce was changed and the figures relating to the 1961 census are given below :—

Sl. No.	Sub-division	Employer	Employee	Single worker	Family worker	Total
1.	Wholesale trade in medicine, bricks, paper and stationery.	144	389	107	30	670
2.	Retail trade in fibres, furniture bricks, and agricultural equipment.	4,947	4,976	16,848	3,402	30,173
3.	Trade and commerce and Miscellaneous like money lending, banking, etc.	50	2,000	116	15	2,181
	Grand total ..	5,141	7,365	17,071	3,447	33,024

There has been considerable trade through several of the ports in the district. It has been the practice to send some of the goods by sea to Bombay, Aden, Colombo, etc. Many decades back some of the bigger traders and commission agents of Bombay stationed their own men at Mangalore to facilitate their trade and some bankers also opened their branches in the district. Several local enterprising families started banking and other financial institutions and built them up with steadfastness. As a result, South Kanara became a notable pioneer in the country in the matter of banking. These factors have had a beneficial impact on the trade and commerce of the district.

There are five minor ports and a major port along the coast of the district. The Mangalore port is being developed as a major port, the minor ports of commercial importance being Malpe, Hangarkatta, Coondapur and Baindoor. In terms of traffic in trade and commerce, Mangalore and Coondapur stand out from the other ports. The port of Mangalore commands a rich hinterland. The volume of traffic handled at each of the minor ports during 1971-72 was 19,253.396 metric tonnes at Malpe, 1,995.000 metric tonnes at Hangarakatta, 1,08,362.937 metric tonnes at Coondapur and 0.350 metric tonnes at Baindoor. The Mangalore port alone is handling over half-a-million tonnes of merchandise. It is stated that these ports are capable of handling goods and cargo three times more than their present trade. In 1971-72, about 211 vessels entered Malpe port, 24 Hangarkatta port, 822 Coondapur port and 25 Baindoor port. Upto the end of 1969, there was a weekly sea passenger service between Bombay and Cochin

Sea-borne
trade

which was owned and run by M/s. Scindia Steamship Navigation Company. This steamer used to halt at Malpe port to take passengers. In 1968-69, the total number of passengers carried stood at 11,450 persons. However, this service could not withstand the keen competition of the road traffic and ceased to function. Very recently, a shipping service has been started between Mangalore and Laccadive Islands.

All the ports in the district are seasonal ports and they are open for traffic between 15th September and 15th May every year. The bar in them is not deep enough to receive all types of sailing vessels. As such, they enter the port during high water and discharge the cargo. There are *two* Government-owned tugs or launches at Coondapur which are used for towage service for the sailing vessels. About 100 persons including the crew of the sailing vessels are regularly engaged in shipping and landing of the cargo from the vessels at the Mangalore port.

Mangalore Port

Mangalore has been the gateway of Mysore State favourably linked with Bombay, the gateway of India in the north, and with Cochin, another major port in the south, for centuries past and it continues to maintain its importance in marine trade by foreign and coastal steamers, as well as by country crafts which ply except in the monsoon season. It is situated at the confluence of the river Gurpur and the Netravati at 12°51' N. latitude and 74°51' E. longitude. The port of Mangalore is being administered by the Mangalore Port Trust, a statutory body constituted by the Mangalore Port Trust Board Act, 1953 (Madras Act XV of 1953). Native crafts of small draft anchors in the inner anchorage. All types of vessels except oil tankers and passenger ocean liners touch Mangalore. Steamers anchor about two miles off shore in the depth of about five to six fathoms of water. There are two back-water channels, viz., Netravati and Gurpur. Small country crafts of not more than five tonnes ply between Mangalore and Panemangalore *via* Ullal as also between Mangalore and Gurpur *via* Kuloor. They carry mainly clay, rice, cereals and such other goods. Nearly three-fourths of the entire trade through the Mangalore Port is with the Bombay Port. Mangalore, which is being developed as a major port, will attain a trade footing like that of Cochin, for instance, after it is fully developed into an all weather port. Normal trade is at present practically held up or suspended during the monsoon season. The principal business centre in Mangalore is at the Bunder which is situated on the banks of the Gurpur and the Netravati rivers at their confluence with the Arabian Sea. The godshed, which is located at the Bunder, facilitates the wholesalers to carry imports and exports by rail and sea.

In comparison with other intermediate ports of the Indian Union, Mangalore stands in highest rank in respect of traffic of sailing vessels. Sailing vessels ranging from 30 to 200 tonnes, carrying merchandise from the ports of Gujarat, Arabia and Africa, arrive at Mangalore. The main exports by sailing vessels are tiles and timber while the imports are salt, groundnut, oil, grains.

The exports by foreign steamers are cashew kernels, coffee, pepper, areca and cashew oil, while imports are cashew-nuts. Coasting steamers are engaged both in passenger traffic and other coastal trade such as that in foodgrains, hardware, etc. Iron ore is exported to Japan and Eastern European countries, coffee and cashew kernels to the U.S.A., U.K. and other European countries, and shrimps (fish) mainly to the U.S.A., while the trade in tiles and timber is confined mainly to the coastal towns between Bombay and Surat. Wheat is imported from the U.S.A. and Australia, raw cashew from South Africa and fertilisers from the U.S.A., East Germany and Italy. At present, raw cashew-nuts are imported from East Africa for processing and shelling in the factories located at Mangalore. The processed nuts are again exported to various countries as cashew kernels and cashew shell oil. Among the facilities provided at the port are a light house at a height of 48 feet, red transit lights at 25 to 30 feet, a signal cabin with a flag-staff of 91 feet from the ground level, etc.

The following table shows the tonnage of imports and exports through the Mangalore port from 1948-49 to 1970-71 :—

<i>Sl. No.</i>	<i>Year</i>	<i>Imports in tonnes</i>	<i>Exports in tonnes</i>
1.	1948—49	80,923	1,79,237
2.	1952—53	76,656	1,94,862
3.	1956—57	71,672	1,96,452
4.	1957—58	88,100	2,10,903
5.	1967—68	1,53,484	3,37,835
6.	1971—72	81,179	2,62,021

Iron ore is exported to Bakar (Yugoslavia), Rijeka (Yugoslavia), Rostock (East Germany), Stettin (Czechoslovakia) and Trieste (Italy). The total quantity of ore exported to these countries during the year 1970-71 was 97,555 tonnes valued at about Rs. 70,09,060.

The Coondapur town had a population of 23,831 persons as in 1971. Tile factories are situated in the vicinity and the main agricultural products are paddy and sugarcane. The port of

Coondapur
Port

Coondapur has a cargo-handling capacity of about 40,000 tonnes per year. Jaggery, cured fish, firewood, tiles and timber are mainly exported and groceries and grains, cloth, cutlery and hardware are imported. The following table indicates the total tonnage of cargo handled at the Coondapur port during the years 1948-49, 1957-58 and 1971-72 :—

<i>Year</i>	<i>Total tonnage handled</i>
1948-49	32,932
1957-58	36,724
1971-72	1,08,362

Manganese ore is exported to Japan. The total quantity of manganese ore exported to Japan in 1970-71 was 40,439 tonnes valued at about Rs. 33,51,380.

Malpe Port

In 1971, Malpe had a population of 13,867. The main industries are fishing, manufacturing of tiles, handlooms, rice mills, saw mills and jaggery-making. Amongst the main items of agricultural produce are paddy, chillies, sugarcane, coconut, etc. The cargo-handling capacity of this port is roughly 20,000 tonnes per year. Through the Malpe port cloth, salt, cutlery, hardware, glassware and sugar are chiefly imported and dry chillies, tiles and coir are exported. The following statement shows the tonnage handled at the port during the years 1948-49, 1957-58 and 1971-72 :

<i>Year</i>	<i>Total tonnage handled</i>
1948-49	15,743
1957-58	21,048
1971-72	19,253

Mulki Port

The population of Mulki town was 11,525 in 1971 and the main occupation in the neighbourhood is agriculture and fishing. The port of Mulki has a cargo-handling capacity of about 1,000 tonnes per annum and it exports mainly dry fish. The following statement shows the tonnage handled at this port during the years 1948-49, 1957-58 and 1971-72 :—

<i>Year</i>			<i>Total tonnage handled</i>
1948-49	..	..	552
1957-58	..	..	1,267
1971-72	..	..	N.A.

The goods exported from the port of Hangarakatta consisted mostly of tiles, rice, timber and dried fish. The maximum cargo-handling capacity of this port is estimated at about 20,000 tonnes but its actual handling is much below that figure as shown by the statement given below :—

**Hangarakatta
Port**

<i>Year</i>			<i>Total tonnage handled</i>
1948-49	..	..	8,653
1957-58	..	..	4,870
1971-72	..	..	1,995

The port has a cargo-handling capacity of about 5,000 tonnes per annum and mostly firewood and dry fish are exported. In 1948-49, the port handled a total cargo of 5,065 tonnes and in 1971-72, about 0.350 tonnes only.

Baindoor Port

Paddy.—Being essentially an agricultural district, South Kanara has about 54.16 per cent of its working population dependent for its livelihood on land. Paddy is grown on an extensive scale all over the well-watered valleys and low-lying lands. Still the district is not yet self-sufficient in paddy and so it is imported. However, rice that came from the neighbouring districts was regularly exported through the ports of Coondapur, Hangarakatta and Mangalore to North Kanara, Bombay, Arabia and Zanzibar. As long ago as the fourth and fifth centuries A.D. Mangalore port was known for its rice exports. History tells us of the Arab traders who carried on a vigorous trade with South Kanara. In subsequent centuries the Portuguese, the Dutch and the British successively had their hold on the export trade in rice.

**Trade in
Products**

Sugarcane.—Sugarcane is another important agricultural product. The main centres of manufacture of jaggery out of sugarcane are Kuloor, Ullal and Udipi. A speciality of Coondapur

is its liquid jaggery. Besides the local jaggery, large quantities are imported from Shimoga and from the South for export from this district mainly to Porbander in Bombay. Palmyra jaggery is manufactured only in small quantities under licences granted by the Government. This kind of jaggery is mostly consumed within the district. Prominent areas for the manufacture of palmyrah jaggery cover Mangalore, Karkal and Puttur taluks.

Pulses.—The district is not self-sufficient in millets and pulses. These are imported in large quantities by the wholesale dealers and grocers. A small quantity of the pulses grown in the district is consumed locally and the rest is sold to dealers and middlemen. Some of the surplus produce in the rural areas is also sold through the weekly shandies (fairs), but the bulk of the district's requirements is met by imports arranged by the wholesalers of Mangalore and Coondapur. There is practically no export of pulses from this district.

Condiments and Spices

Condiments and Spices.—Of the condiments and spices, tamarind occupies an important place. The local yield of tamarind is not enough to meet the district's demand. Therefore, it is imported from North Kanara, Mysore, Tellicherry and Palghat. It is curious to note that from out of imports, small quantities of tamarind are sent to Basra and Afghanistan by the exporters of Mangalore and Coondapur. In 1967-68, about three tonnes of tamarind was exported. Mustard, coriander, onions and garlic are not grown in the district and the people's requirements are met entirely by imports from outside, mainly from the districts of Shimoga and Hassan and also from Bombay. Prices of these condiments, being of a fluctuating nature, merchants are chary of importing large quantities. Turmeric is exported to Bombay through Mangalore in small quantities. About 70 tonnes of turmeric was exported from Mangalore in 1967-68. Ginger is among the more important paying cash crops of this district and is exported through Mangalore to Bombay. The production of chillies in the district is not sufficient for the needs of the district and large quantities are imported from Honnavara and Kumta in North Kanara district and Sagar in Shimoga district. The produce of the district is mostly consumed locally, but occasionally small quantities are exported to Kerala through commission agents of Cochin and Kozhikode. Imports of chillies are both by land and sea. Betel vines are brought by the growers to the local shandies at Coondapur, Barakur, Udipi, Karkal, Moodabidri, etc. and to the daily markets at Mangalore where it is sold directly to consumers and petty merchants.

Coconut.—The district is not strictly surplus in coconuts, yet small quantities are exported to the northern parts of the State.

The oil produced from this is also not sufficient to meet local needs and imports are made from Cochin and Kozhikode. So far as the transactions in coconut oil are concerned the Cochin market is an index to the price regulation in Mangalore. Since most of the coconuts produced in the district are sold by the growers themselves in shandies and daily markets and through commission agents, and since the oil mills procure their requirements directly from the surplus areas, there is no appreciable trade in coconuts by way of export. But copra or dried coconut figures largely in the import and export pattern. There are some big dealers in this business in the district and they imported about 815 tonnes of copra in 1967-68.

Areca-nut.—The bulk of the arecanut exported from Mangalore comes from Puttur taluk. The arecanut is sold by the growers themselves through commission agents who hold licences for the purpose and middlemen manage to get a slice from out of the transactions. This arecanut for export comes in mixed sizes and grades. For export purposes, the nut has to be fumigated with sulphur and sorted into certain standard grades. The bulk of the transactions is on a consignment basis.

Cashew-nut.—Next in importance to arecanut in the trade is cashew-nut, which is an important foreign exchange earner. American stock piling in the years 1949-52 was responsible for the huge profits fetched by the export of cashew-nut. Cashew-nut is one of the major commercial crops of the district, but the quantity produced is not sufficient to meet the requirements of the cashew-nut factories at Mangalore and large quantities of raw cashew-nut have to be imported from Africa, which, after being processed, are exported again from the district.

A broad break-up of the export figures shows that 80 per cent of the exports are sent to the U.S.A., 15 per cent to the United Kingdom and Europe and 5 per cent to Canada, Australia and other countries. In recent years, much effort is in evidence to promote the export of cashew kernels and other cashew products.

The Cashew and Pepper Export Promotion Council set up by the Government of India is taking up measures for the introduction of cashew trade in new countries. The industry is now-a-days affected to some extent by foreign competition. Some factories established in East Africa show increased exports from year to year. During the year 1972-73, about 1,190 tonnes of cashew kernels were exported to Western and European countries. Apart from the export of processed cashew kernel, Mangalore exports annually about 1,200 tonnes of cashew oil to the United Kingdom, America and the European countries.

Cotton.—There is no trade as such in this commodity, the requirements of the people for cotton and yarn being met by imports from Bombay, Bangalore and Coimbatore. The cotton yarn is supplied to the manufacturers of handloom cloth by the wholesalers who are mostly in Mangalore and Udipi.

Oilseeds.—There is no cultivation of groundnut in South Kanara. It is imported from Tamil Nadu district by a few wholesale grain merchants in Mangalore and supplied to the dealers for being fried and sold. Its consumption in this district is meagre. In recent years there has been a notable increase in the import of groundnut oil-cake which is valued as a useful feed for cattle.

Gingelly is imported from Bombay, Kozhikode and Mysore, but there are no whole-sale merchants dealing in this oilseed since the people of the district are not accustomed to use this oil for food preparations either in their homes or in public eating houses. Castor too is not grown extensively and the little that is produced is made into oil locally and used for medicinal and other purposes.

Tobacco.—Tobacco is grown in a limited area on the coast. The tobacco leaves are cured and sent by the raiyats themselves to Mangalore for trade purposes within and outside the district. Tobacco is also imported from Palghat. The average annual export of tobacco through the Mangalore port are estimated at nearly 135 tonnes.

Coffee.—Mangalore has been the gateway for ages for the export of coffee grown in the neighbouring *malnad* districts. The entire trade in coffee is confined to Mangalore port. The work of coffee curing was formerly restricted to Mangalore, but lately coffee-curing yards have been established in Coimbatore, Tellicherry, Kozhikode and in the districts of Hassan, Shimoga and Chikmagalur and other plantation areas. The entire produce is now pooled by the Indian Coffee Board and sold in auctions at zonal centres, of which Mangalore is one. On an average, about 7,800 swts. of coffee seeds are being sold to the public for purpose of consumption in the district. There are six prominent coffee-curing factories in South Kanara. Some of these dealers have their own mills for powdering coffee seeds and the powder is sold to retailers throughout the district.

Tea.—The entire demand for tea is met by imports from Chikmagalur, Coorg, Nilgiris and North-Eastern India. The volume of business in tea has been steadily on the increase on account of its rising popularity among all sections of the society. Several companies have their depots in the district and there are big merchants having agencies for different varieties of tea.

Cardamom.—Cardamom is one of the items of trade which connected South Kanara with the western countries even in the distant past. The entire export trade from the Mangalore port is from out of the purchases made from Coorg, Hassan and Chikmagalur districts and to a small extent from Virudhanagar. There are a few small cardamom plantations in Belthangady taluk of South Kanara. There is a steady foreign market for the bleached as well as the unbleached varieties. There are some firms which are the principal curers in this district. The annual exports of the principal exporters is estimated at about 81 tonnes.

Pepper.—In 1949 and 1950, the price of pepper shot up to fantastic rates and large quantities were taken by middlemen who sold it all over the country for cash and made huge profits. The export trade in pepper is mainly confined to the Mangalore port.

Vegetables and fruits.—There is no large-scale specialised cultivation of vegetables and fruits in this district and the local varieties are grown in almost every village. Producers themselves market them at the nearest weekly shandies and in the daily markets in the bigger towns. The large consumption of fruits and vegetables by the people in the urban areas has necessitated imports from outside the district. Vegetables of the English type came from Coonoor and Bangalore, lemons and oranges from Coorg and Chikmagalur, yams and sweet potato from Kozhikode, grapes, pomegranates and apples from Bombay, Poona and Bangalore and bananas from Malabar. The brinjal grown in Udipi taluk has a reputation for taste and is known as "Hatti Gulla" and "Udipi Gulla". This and the mango of Mangalore and the pine-apple of Moodabidri are exported in small quantities to Bombay, after meeting the local requirements. There are a few fruit-canning concerns in the district.

Flowers.—Among the flowers grown and sold, the most important is jasmine which is mostly grown by Roman Catholic women-folk in the rural parts. These women weave the flowers into beautiful garlands and head decorations. There is a continuous export of jasmine flowers to Bombay.

Milk and butter.—South Kanara is badly deficit in milk, ghee and butter. Due to heavy demand for milk from the hotels and restaurants in the urban areas, the available milk in the rural parts is procured by co-operative milk supply societies and middlemen and then supplied to the hotels. A Government Milk Dairy has also been started to meet the demand. Except perhaps Karkal, the rest of the district is heavily deficient in ghee. The little that is locally produced falls far short of the requirements. It is imported from Dindigal, Salem, Coimbatore, etc.

Fish-marketing.—There are two kinds of markets for fish in the district : one is the market for fresh fish and the other is for cured and dried fish. A part of the catch is consumed locally, a part is moved inland (with or without ice) for sale in fresh condition and the rest goes for curing. Local retail sales of fish are often done by the fisher-women who may have either purchased it themselves or obtained it as the share of the labour of their menfolk. In either case, the fish is carried by head-loads into the towns and nearby villages involving a walk of several miles. In the villages, the fish are sometimes bartered for rice or other domestic requirements. Fish is also moved inland by bicycles from the coast into towns like Karkal, Buntwal, etc. over a distance of 20 and more miles. Mangalore is a good distribution centre for fish landed at nearby places. Fish comes into Mangalore by train from fish landing centres in the Kasaragod taluk (now in Kerala State) and by trucks and bicycles from the landing centres in the north like Mulki and sometimes also from Malpe. With the establishment of through communication between Mangalore and other places in the north of the district along the coast-line, more fish is moving into Mangalore from places like Kaup, Udyavara and Malpe and even beyond. From Mangalore iced-fish is sent by trucks to Mercara, Chikmagalur, etc. Fish transported by trucks to inland towns like Puttur is taken to villages by cyclists. Similarly, fish is also transported from Malpe, and Coondapur over the ghats to Sagar, Shimoga, Tirthahalli, Bhadravati and other places.

While the transport of fish by head-load and selling them locally and in the nearby villages is generally done by the fisher-women, the transport and marketing of fish on a larger scale is in the hands of non-fisher middlemen. Similarly, the trade in cured fish is also mainly in the hands of people who do not follow fishing as their avocation. Efforts are being made for taking to fish-marketing through co-operatives of fishermen. The Co-operative Fish Marketing Federation is already functioning at Mangalore. (See elsewhere in the Chapter).

Exports of fish

Apart from the home market fish is also exported from this district to foreign countries like Sri Lanka (Ceylon), Burma and Malayasia. There is a long established trade in cured and pickled (wet-cured) fish, particularly mackerel and seer, with Sri Lanka. A distinct system of curing, which has come to be known as "Colombo Curing," is in vogue in some places in the district to cater to the Ceylonese market. Cured cat-fish is another commodity which is exported. "Prawn Pulp" used to be exported to Burma. But in recent years, with these countries taking up their own fisheries development schemes and imposing restrictions on imports, the foreign markets are exhibiting a downward trend,

Export of prawns to Burma has practically stopped. But fortunately, a new market has been opened up for frozen prawns. With the facilities available at the Government Ice-cum-Freezing Plant at Mangalore an increasing quantity of Prawns, lobster-tails and frog legs are being frozen and exported to the U.S.A.

During 1957-58, about 100 tonnes of these frozen foods were exported. In 1958-59, this quantity was more than doubled. In 1970-71, about 53,985 kilograms were exported to New York and another 3,223 kgs. to Los Angeles, the total value of these exports being Rs. 5,55,507. The prawns, after beheading in the case of large ones, and beheading, peeling and deveining in the case of the small ones, are graded, weighed and wrapped in alkathene paper and packed in waxed paper cartons. These cartons are exposed to cold air blast at 40°F. in the freezing tunnel. Frog legs, which are the fleshy hind legs of the large frog, the bull frog, common in this district, are separated from the body, skinned, washed and wrapped in alkathene paper and frozen. Apart from these frozen goods, the export trade in cured fish was estimated to be of the value of another Rs. 20 lakhs in 1958. By the end of 1970, the total quantity of frozen and canned shrimps, lobster-tails, cuttle fish and frog legs was 1,224 tonnes valued at Rs. 1,16,65,410. (For more details, see Chapter IV).

Fishermen's Co-operatives.—There are 35 Fishermen's Co-operative Societies in the district, out of which 34 are primary co-operatives and one is a federation of these primaries formed with the object of co-operative marketing of fish. The primary co-operatives are mostly doing credit business. They obtain short-term and medium-term loans from the South Kanara District Central Co-operative Bank Ltd., and in their turn lend them to the members (for details see elsewhere in the Chapter).

The manufacture of roofing tiles is an important industry of the district. Mangalore tiles are world famous. The saying "The Mangalore tile roofs the world" conveys the importance of this industry in the commercial world. About 5,19,94,400 (numbers) tiles were exported from the Mangalore port by sea in 1970-71. The bulk of the foreign exports go to Sri Lanka (Ceylon), Singapore, Malayasia, Australia, Africa, Burma, Goa, Bombay, Gujarat, etc. The tile factories get their raw-materials such as clay and firewood from different clay and firewood dealers and contractors. The clay for manufacture of tiles is transported to Mangalore and other tile factories by boats and lorries from the main centres of Gurpur, Sheddle, Addyar, Pudu, Ammunje, Kari-mogaru and Kammu in Mangalore taluk, Kandavara, Kandloora and Gulvady in Coendapur taluk and Mabukal, Kallianpur, Palimar and Kokkarne in Udipi taluk. There are regular clay dealers

in these places, especially in Mangalore taluk, who usually purchase clay fields from local land-lords.

The last World War gave a fillip to this industry in 1943-44 and then onwards to the end of 1951-52; the industry registered a phenomenal progress with increased volume of export trade, year after year. The following is a comparative statement showing the monthly export of tiles (numbers) from the port of Mangalore during (the shipping seasons) the years 1953-54, 1957-58 and 1970-71 :—

Months	1953-54	1957-58	1970-71
September ..	23,26,525	33,84,000	6,64,360
October ..	33,93,525	95,07,400	55,77,660
November ..	94,61,180	1,27,74,550	82,20,370
December ..	88,00,700	1,32,17,725	80,92,220
January ..	73,22,700	90,87,800	97,94,440
February ..	67,58,015	56,67,950	69,50,260
March ..	95,55,850	56,81,310	77,15,410
April ..	38,38,400	33,79,450	48,25,545
May ..	7,67,850	85,000	1,54,120
Total	5,25,24,745	6,27,85,185	5,19,94,385

During the last few years, the trade in tiles received a great setback as it was losing the foreign market. Many of the similar factories have been closed down. The Reserve Bank of India has conducted a survey very recently for assessing the seriousness of the problem and for suggesting remedial measures.

Handloom cloth

The manufacture of handloom cloth is a cottage industry of the district. There are 53 such industrial units in the district. The master-weavers of Mangalore taluk specially manufacture *lungies* known as 'Gintasu', 'Kaitra' and 'Kalli' which find a market in Kerala, Singapore, Burma and Sri Lanka (Ceylon) through the wholesalers at Mangalore to whom they sell direct. In centres such as Udyavara, Athrady, Parkala, Hiriadka, Shirur and Manipal of Udipi taluk and Surathkal, Mijar, Padupanambur and Siddakatte of Mangalore taluk, mostly sarees of 40 to 80 counts and bedsheets of lower counts are produced. In Brahmavara, mostly bath-towels and bedsheets are manufactured out of 10 to 20 counts yarn. During the last war time, the industry thrived well, but now, due to the heavy release of mill cloth for sale and partly due to scarcity of yarn and fall in export trade, especially to Sri Lanka (Ceylon), the industry has suffered much.

Mill yarn is imported into South Kanara from Bombay and partly from Coimbatore and Madras by the wholesalers at Mangalore and supplied to co-operative societies and master-weavers,

who undertake manufacture of handloom cloth. Sarees, bed-sheets and bath-towels manufactured by the local weavers are sold to the co-operative societies and the wholesale dealers in Mangalore.

Silk handloom and borders.—As there are no silk cloth or lace weaving units in this district, they are mainly imported from outside by piece-goods merchants of Mangalore city and sold to retailers and consumers. There are a few dealers doing business in these goods in the district.

The district is rich in forests and timber and minor forest produce are exported by sea and land. The big dealers and contractors purchase the forest coupes auctioned by Government, while the dealers in Mangalore taluk purchase *hadies* from local *Vargadars* in addition to purchase of Government coupes. Some of these dealers sell trees and supply timber to the wholesalers and exporters at Mangalore, Coondapur and Gangolli direct, while the others cut the wood into various sizes of timber to suit building construction and then transport the same in lorries to the exporting centres of Gangolli, Malpe and Mangalore. The timber is exported from Mangalore to Saurashtra (Gujarat), Bombay, etc., and a fair portion of this business consists of supply of railway sleepers to the Southern Railways. A considerable portion of the timber produced in the district goes to Bombay on a consignment basis and a good portion is also transported to Kozhikode. There was a large demand for timber in 1944-45 and 1945-46 from the military contractors and this gave a great impetus to timber trade in the district. After the termination of the Second World War, there has been an increased demand for soft-wood such as mango, doopa, etc. Consequent on this, most of the forests were denuded of these trees. From 1951-52, the Forest Department began to exercise strict vigilance on the movement of timber by issue of permits. This resulted in restricting the trade in timber and firewood to some extent. Yet, timber has been one of the most important products among exports from South Kanara. In 1957, 10,757 tonnes of timber were exported from Mangalore port alone. In 1966-67 the total quantity exported had gone up to 22,280 tonnes.

Timber and
firewood

The dealers in timber purchase standing trees in the forest areas of Moodabidri, Karkal, Belthangady, Punjalkatte, Gurpur, Kalladka, etc. When the trees are cut, the tops and branches, which are found not suitable for timber, are sold away as firewood. If the locality is far away from the town and the transport of the firewood to the towns is uneconomical those remnants of the trees, excluding the trunk, are burnt into charcoal. Forests grown with 'Karimara' and other coupes are auctioned by the Forest Department and private *hadies* of the best variety of firewood are also

sold by *Vargadars*. Firewood from Coondapur taluk is transported from Gangolli port to Mangalore by country crafts and from Ajekar, Moodabidri, Buntwal and Panemangalore, it is transported by lorries. Firewood from Coondapur is mainly consigned to commission agents, who, in their turn, sell it largely to tile factories. Lorry loads of firewood from interior places in Karkal and Mangalore taluks are also transported by many dealers in the rural areas and sold to the tile factories and firewood depot-keepers at Mangalore. The people of the district are not in the habit of using charcoal extensively for cooking in private houses, public hotels and eating establishments. Small quantities of charcoal are prepared at Ajekar, Venoor and Moodabidri and transported to Mangalore.

Bamboos.—Bamboos are mainly grown in Moodabidri and Subramanya areas and in the uplands of the Puttur taluk and they are transported to Mangalore and sold to the wholesale timber-dealers. Many wholesale dealers who deal in bamboo are found in Mangalore-Bunder.

Furniture.—There is no specialised industry on a big scale as such for the manufacture of furniture in the district. Mainly petty dealers here and there manufacture furniture on a small-scale and dispose them off locally. Besides, the people's requirements are generally met by the local carpenters who manufacture the furniture to suit the individual needs. The Karnataka Polytechnic, Mangalore, a trade school under the management of the State Government, also undertakes manufacture of furniture required for large educational institutions and firms. Teakwood chairs, almirahs, tables, camp-cots, etc., are imported from Malabar.

Minor forest produce.—The vast dense forests spreading on the eastern slopes of the Western Ghats all along the eastern boundary lines of Puttur, Karkal and Coondapur taluks yield valuable minor produce such as *rampatre* or wild nutmeg, rinte, vatsol, cinnamon, canes, soapnuts and *nux vomica* which are specially procured from centres like Ajekar, Venoor, Moodabidri and Pujalkatte. These commodities are procured mostly by the dealers in cashew-nut, arecanut and pepper in the rural areas of Karkal and Puttur taluks and transported to the commission agents of Mangalore. These are exported mainly to Bombay where they are sold on consignment basis.

Sandalwood Oil.—The manufacture of sandalwood oil was an important industry during the 4th and 5th centuries A. D. and it formed a part of the exports of the district. Sandalwood oil and cinnamon oil are prepared on a small scale by the people of the ghat side in Coondapur taluk and their produce is sold to the Gangolli dealers who later on export them to Bombay.

Baskets.—Koragas, who belong to a nomadic tribe and move from village to village in search of means of livelihood, prepare baskets from canes and creepers obtained from the forests. This has been their age-long profession. They sell their baskets to the local residents, petty dealers, middlemen and road contractors. The baskets produced at Belthangady, Puttur, Moodabidri, Panchanadi, Buntwal, etc. are of good quality. They are also employed at Mangalore for preparing baskets. The petty dealers and middlemen in the interior transport the baskets purchased by them to Mangalore for sale to the wholesalers at Bunder.

Other items of trade.—Among the other items of trade may be mentioned the bicycles and the bicycle spare parts, cement, gunny bags and electrical goods. There is no industry for manufacturing bicycles and bicycle parts in this district. But, there are several principal dealers who import bicycles and bicycle spare parts from Bombay. There is no cement producing factory in this district. Cement is obtained from Coimbatore and other manufacturing centres and distributed among public by the authorised dealers. Manufacture of packing cases out of dealwood planks and dealing in gunny bags specially meant for packing cashew kernels, cardamom and arecanut have been in vogue in this district, especially in Mangalore, from where these products are exported to foreign places. Dealwood boxes are also exported to various parts of Kerala. As regards electrical goods, they are mostly imported from Bombay, Bangalore and Madras.

The Agricultural Produce Market Committee, Mangalore, was established in the year 1951 under the Madras Commercial Crops Act, 1933. The jurisdiction of the committee extends to the entire district of South Kanara. The provisions of the Mysore Agricultural Produce Marketing (Regulation) Act, 1966, and the Rules framed thereunder were later extended to this district. The main object of the committee is to see that the agricultural producer gets what can be regarded as a fair price for his produce and that he is not to be deprived of any part of the value of his produce by the intervention of middlemen. For purposes of enforcement of the Act, arecanut, coconut and copra have been declared as notified commodities. It is proposed to bring also commodities like paddy, rice, cashew-nut, ginger, banana, jaggery, pepper, chillies, sweet-potato and mango and livestock under the purview of the Act. The market year commences from the 1st of July and ends on the 30th day of June every year.

Agricultural
Produce
Market
Committee

The notified commodities are put for auction at the premises of the commission agents and co-operative institutions as there is no independent market yard of the committee. The buyers are expected to pay a market fee and it is the work of the commission agents and other respective institutions to collect the fee from

the buyers and remit the same to the Committee. For purposes of collecting the fee, the commission agents have to obtain licences by paying Rs. 50 to the Committee. In addition to them, weighmen, hamals, brokers, crushers, exporters, importers, etc., should also obtain licences, the licence fee charged for each of the first two categories being Rs. 5, for broker Rs. 10 and for all others Rs. 50. The total number of licence-holders in 1969-70 was 1,227 and this had increased to 2,074 by 1971-72. The total amount of licence fee collected by the Committee in 1966 was Rs. 9,072 and it had increased to Rs. 42,155 by the end of 1971-72. Similarly, the market fee collected from the buyers had also gone up from Rs. 52,352 in 1966 to Rs. 4,25,422 in 1971-72. The Committee has also provided the facility of direct sales of the notified commodities at its premises in small quantities. This is being done for the benefit of the growers who would like to sell their products without the help of commission agents.

By the end of the decade (1960-1970), the Committee started three sub-markets at Puttur, Udipi and Coondapur, which were till then functioning as assembling markets. It has also proposed to start a livestock market at Kota. It has taken up the work of constructing a market yard in an area of 87 acres near Panambur Harbour Project. The arrivals and sales of arecanut, coconut and copra in Mangalore market for the last four years were as follows :—

(Amount in rupees)

Year	Arecanut		Copra		Coconut	
	Arrivals (tonnes)	Sales	Arrivals (tonnes)	Sales	Arrivals (numbers)	Sales
1968-69 ..	1,96,860	1,94,674	9,672	9,672	10,71,585	10,33,713
1969-70 ..	2,32,947	2,32,856	12,429	12,429	16,43,360	17,44,758
1970-71 ..	2,25,553	2,20,424	17,282	17,282	12,36,324	12,37,604
1971-72 ..	3,19,522	3,26,540	27,650	27,650	21,66,016	21,40,960

The Market Committee had a surplus amount of Rs. 5,10,000 by 1972 which was kept in fixed deposits, etc. The amounts of receipts and expenditure of the Committee for the last few years were as given below :—

(Amount in rupees)

Year	Receipts	Expenditure
1966-67 ..	81,769	64,429
1967-68 ..	97,956	71,786
1968-69 ..	1,15,032	84,164
1969-70 ..	2,28,126	1,40,372
1970-71 ..	2,65,043	1,44,876
1971-72 ..	5,13,588	2,27,297

A Government Oil Grading Station has been functioning at Mangalore since 1964 and a laboratory has been attached to it. It undertakes the grading of ghee, butter, honey and edible oil in order to ascertain the purity as well as quality. The packing of these graded products with "Agmark" seal is taken up by two authorised dealers of the district. Individuals and institutions who are engaged in the production of these commodities are coming forward to get them graded and sealed with "Agmark" seal. A Primary Grading Unit is also functioning at Mangalore since 1966. It undertakes the grading of arecanut on a commercial basis according to specifications prescribed by the Agricultural Marketing Adviser, Directorate of Marketing Inspection, Nagpur. The quantity of arecanut graded in 1970-71 was 49,823 quintals valued at Rs. 3,63,99,260. Under the centrally sponsored scheme of experimental grading of arecanuts, an Areca Grading Centre was established in 1965 at Mangalore. It looks after the grading of arecanut which arrive at the premises of the Kanara Agriculturists Co-operative Marketing Society Ltd., Mangalore. Between the years 1967-68 and 1969-70, a total quantity of 45,262 kgs. of arecanut worth about Rs. 3,20,272 was graded at this Centre. Grading of eggs under "Agmark" has also been taken up by the Regional Poultry Farm, Mangalore, the South Kanara District Poultry Farmers' Co-operative Society, Ltd., Mangalore and the Poultry Extension Centre, Coondapur.

Grading

Price-reporting agents have been stationed at Puttur since 1960-61 and at Coondapur since 1964-65. They collect and report to the Chief Marketing Officer in Mysore, Bangalore, the daily wholesale rates of important agricultural commodities, weekly vegetables, livestock and livestock products and review monthly arrivals and wholesale prices of agricultural commodities. They are also required to furnish information regarding weekly arrivals, sales, despatches of stocks and prices of agricultural commodities to the Economic and Statistical Adviser to the Government of India, New Delhi.

There is also a Survey Assistant (Cashew-nut) working at Mangalore since 1971. He has been entrusted with the work of collecting data regarding the channelisation of raw cashew-nuts from the producers to the processing factories, storage and marketing practices adopted, quantities disposed of and the price realised thereon, marketable surplus of cashew-nuts, the nature of credit facilities available to the growers, etc.

A central warehouse was started at Mangalore in 1959 with a capacity of about 300 tonnes. The work of this warehouse was very slow in the beginning. As the years passed by, it improved considerably and the warehouse started offering credit facilities

Central
Warehouse

and scientific storage facilities. The capacity of the warehouse was later increased to 5,000 tonnes. Commodities like paddy, rice, wheat, jowar, bengalgram, greengram, blackgram, redgram, cardamom, coriander, chillies, turmeric, cumin, mustard, copra, gingelly, groudnut, sugar, arecanut, cashew-nut, cement, iron, pepper, tapioca chips and flour, chemical fertilisers of various types, gunnies, etc. are being received for purposes of storing. About 220 merchants, individuals and institutions have so far availed themselves of this benefit. In order to make the work of the warehouse more purposeful, an advisory committee consisting of local members has been formed. It meets periodically and recommends the ways and means of making the warehouse more useful to the public.

A branch at Kuloor with a capacity of 6,052 tonnes has been started very recently. There is a proposal to start another unit at Panambur before the completion of the work on the Mangalore Harbour Project. The Central Warehouse at Mannagudda (Mangalore) is air-tight and arrangements to fumigate the stocks, which are stored inside, from outside with the help of conveyor tubes have been provided. In order to prevent pests and insects, the stocks are first subjected to inspection and grading and curative measure like spraying and fumigation are resorted to during the period of stocking. In order to help those who cannot make use of the warehouse easily, the members of the staff visit the residences of the respective persons and offer their services in stocking the produce in a scientific way at the premises of the customers themselves. This new scheme is slowly gaining ground.

Shandies

The shandies are of ancient origin. Wherever there was need for the exchange of surplus commodities, a shandy came into existence. These shandies, where varieties of village products are marketed, help a good deal. Generally, dealers as well as producers pool their goods in these shandies and the consumers and middlemen make their purchases. The shandies make available to the raiyats and others the things they need and also help them in finding a good market for their products.

The principal shandy in the district is at Coondapur from where coconuts, arecanuts, jaggery and groceries are transported to other taluks and to other districts of the State beyond the ghats and also to places like Honnavara, Bhatkal, Kumta and Gokarna along the coast. These products are also transported by country carts and sometimes by head-loads through forest paths and valleys across the slopes of Western Ghats. In the bright season, after the south-west monsoon, goods from the Coondapur Shandy go as far as Hosanagar in Shimoga district.

Next in importance to the Coondapur Shandy is the Puttur Shandy where the various usual requirements of the rural population are marketed. Less important shandies are held at Kota, Uchila, Halady, Padubidri, Udipi, Shirva, Kemmannu, Kaup, Katpady and Kallianpur—all in Udipi taluk, Nagar, Uppunda, Guddengady, Siddapur, Shiroor and Baindoor in Coondapur taluk, Moodabidri and Karkal in Karkal taluk, Bajpe, Gurpur, Surathkal, Panambur, Kinnigoli, Mundkur and Siddakatte in Mangalore taluk and Belthangady in Belthangady taluk. Besides these weekly shandies, there is a dialy shandy at Shedigudde in Mangalore city which has an extensive volume of business in vegetables, fruits, coconuts and palmyra jaggery. Shandies usually start after day-break and go on till late in the afternoon.

There are several Hindu temples, Jain *basties* and other holy palces situated in different parts of the district which attract large numbers of pilgrims from within and outside the district every year on occasions of certain festivals when fairs (*jatras*) are held. These fairs facilitate the transaction of trade and business to some extent. The more important among these temple festivals is the Paryaya in Udipi town which attracts a large number of people once in two years. This festival lasts for over a fortnight and in this period, a good volume of business in brassware is transacted and also, among other things, in that famous variety of brinjal called *Matti gulla* or *Udipi gulla*. Eating and coffee houses make a good turnover. Retail trade in cloth and stitched clothes is showing an upward trend of business.

Among the other pilgrim centres may be mentioned Subramanya, Dharmasthala and Kollur. The "Laksha Deepothsava" in the Manjunatha temple at Dharmasthala in Belthangady taluk and the car festival at Subramanya in Puttur taluk attract large number of pilgrims, when there is a brisk sale of *Kamblies* (blankets), etc. The Subramanya festival is also the occasion for the famous *Kulkunda* cattle fair which is held two miles away from the temple for a period of 21 days beginning from the full-moon day of the month of Karthika. About 15,000 head of cattle are brought to this fair. (A list of important fairs is given at the end of this Chapter.)

In 1942, the Foodgrains Control Order was passed by the old Madras Government and all exports of foodgrains outside the district were prohibited. Later, in 1950, the Government opened fair price shops in the district and a few merchants were also entrusted with the responsibility. At present (1972), there are 826 fair price shops in the district which are run by private merchants, co-operatives and Panchayats. The taluk-wise distribution of these shops is given below :—

Sl. No.	Name of taluk	Fair-price shops run by			Total	Average population served in each shop
		Co-operatives	Private merchants	Panchayats		
1.	Buntwal ..	44	67	1	112	2,000
2.	Belthangady ..	29	29	2	60	2,200
3.	Coondapur ..	39	43	13	95	2,700
4.	Karkal ..	27	80	4	111	2,000
5.	Mangalore (City) ..	14	37	..	51	3,300
6.	Mangalore (Rural) ..	26	147	..	173	1,800
7.	Puttur ..	24	2	31	57	3,000
8.	Sullia ..	29	8	..	37	2,300
9.	Udipi ..	53	75	2	130	3,000
	Total ..	285	488	53	826	

Identity cards are issued to families so as to enable them to obtain their quota of controlled articles from these shops. The Director of Food and Civil Supplies in Mysore, Bangalore, has been making allotments of rice, wheat and sugar every month for local distribution. Rice is distributed among the vulnerable sections for local utilisation on an adhoc basis. About 6,00,000 quintals of rice and 15,000 quintals of wheat are being imported every year for this purpose.

Procurement of paddy

In order to create a buffer stock of foodgrains, the Government passed the Mysore Paddy Procurement (Levy) Order, 1966, and started procuring paddy. The Food Corporation of India, which has a branch office at Mangalore, is entrusted with the work of procurement. In addition to procurement, it makes bulk purchases from the open market also. The levy grains thus procured or purchased are sold either to the public or sent to the internal rationing areas in the State as per the instructions of the Director, Department of Food and Civil Supplies, Bangalore. The quantity of paddy procured and its value during the last four years are given below :—

Year	Quantity of paddy procured in quintals	Value in Rs.
1968-69 ..	1,02,279	51,65,094
1969-70 ..	88,419	46,42,005
1970-71 ..	4,533	2,37,985
1971-72 ..	21,138	11,09,753

The number of associations of traders and merchants connected with different trades, industries and business in the centres of trade in the district of South Kanara is not very large. Associations like the Kanara Chamber of Commerce, South Kanara, District Hotel Proprietors Association etc. have been formed with a view to bringing out closer co-operation amongst the members of the trade or industry concerned to formulate a common policy and to devise ways and means of further promotion of their business. Often, disputes among the merchants are referred to these associations for amicable settlement.

Trade.
Associations

The Kanara Chamber of Commerce and Industry occupies a pre-eminent position among such associations. In the late thirties of this century, the need was felt to have an organised body of traders, businessmen and industrialists to strive towards the betterment of conditions in the region. The Chamber of Commerce and Industry was established in the year 1940 with Mangalore (Bunder) as its headquarters, its main object being to promote, foster and protect the general interests of trade, commerce and industry in the district. The membership of the Chamber in 1958 was 342, and it had increased to 561 by the end of June 1972. The membership of the Chamber represents various commercial and industrial units of the district and as such it continues to be the recognised and accredited organisation of various sections of trade, commerce and industry in South Kanara. In membership strength and activities, this Chamber is one of the foremost among such bodies not only in the State but also in the whole of South India.

Kanara
Chamber of
Commerce
and Industry

The Export Inspection Agency, Cochin, which is under the administrative control of the Export Inspection Council of India (working under the Union Ministry of Foreign Trade), Calcutta, established under the Export (Quality Control and Inspection) Act, 1963, has a sub-office at Mangalore. It looks after the work of quality control and pre-shipment inspection of fish and fishery products, cashew kernels and coir meant for export purposes. It is only on the production of certificates issued by this agency that the customs authorities allow the cargo for purposes of export.

Export
Inspection
Agency

In South Kanara, the system of weights and measures in the old days was not quite satisfactory. There was no definite initial standard of measurement and the arrangements for the manufacture of measures of uniform capacity were not to be found. In 1836, it appears that a grain measure called *seer* contained 78 tolas of rice in most parts of the district but in Coondapur it contained 80 tolas. It was in 1886 that the standard of conversion of 80 tolas of rice for a *seer* began to be followed in other parts of the district also. In December 1884, the work of putting stamps on weights and measures according to the accepted

Weights and
Measures

standard was taken up on an experimental basis in the Mangalore taluk. Two years later, the work extended to the Udipi taluk. The standard rates of weights and measures that were in force during those days were as follows :—

Grain measures :

- One Pavu or $\frac{1}{4}$ Seer = 20 Tolas
- Half-a-Seer = 40 Tolas
- One Kalasi = 14 Seers.

Liquid measures :

- Half Kudti = 6 Tolas of distilled water
- One Kudti = 12 Tolas
- Half-a-Maund = 5 Kudtis
- One Maund = 10 Kudtis.

Liquid weights :

- $\frac{1}{4}$ Seer = 6 Tolas, $\frac{1}{2}$ Seer = 12 Tolas
- $\frac{1}{4}$ Ratal = 10 Tolas, $\frac{1}{2}$ Ratal = 20 Tolas
- 1 Ratal = 40 Tolas, $\frac{1}{4}$ Maund = 7 Ratal
- $\frac{1}{2}$ Maund = 14 Ratal, One Maund = 24 Ratal.

Gold measures :

- 4 Rice Grains or Visa = One Guligunji
- 2 Guligunjis = 1 Manjalathi or Adda
- 2 Manjalathis = One Hana
- 9 Hanas = 1 Pagoda or Varaha
- 3 Pagodas and $3\frac{3}{4}$ Hanas = One Tola or Rupee.

The following were some of the units of measurement that were in force in the district on the eve of the introduction of the metric system :—

Heavy weight articles :

- 1 Khandi = 20 Maunds, 1 Maund = 28 lbs., 1 lb. = 40 Tolas
- 1 Seer = 24 Tolas or 4 Pavu ($\frac{1}{4}$ Seer).

Grains :

- 1 Korji = 42 Muras, 1 Mura = 3 Kalasige,
- 1 Kalasige = 14 Seers, 1 Seer = 4 Pavu ($\frac{1}{4}$ seer),

Liquids :

- 1 Khandi = 20 Maunds, 1 Maund = 10 Kuthi,
- 1 Kuthi = 9 Kudti.

Betel-leaves :

- 1 Soodi=4 Kavalige (100 leaves),
1 Kavalige=25 leaves.

As regards other measures, the English units were followed. The metric system of weights and measures has replaced the old system which had prevailed in the district. In order to popularise the new system, a good deal of propoganda was done in the district. (See also Appendices-General).

Statement showing particulars of important fairs in the district of
South Kanara

Sl. No.	Name of place	Approximate month when held	Deity/Saint etc., in whose honour it is held or occasion	Duration (days)	Approximate average attendance
1	2	3	4	5	6
<i>Buntwal taluk :</i>					
1.	Polali	.. April	Rajarajeswari	.. 5 days	20,000
2.	Kavalmudur	.. February	Karinjeshwara	.. 3 days	10,000
3.	Buntwal	.. March	Venkataramanaswamy	5 days	10,000
4.	Vittal	.. January	Mahalingeshwar	8 days	5,000
<i>Belthangady taluk :</i>					
1.	Dharmasthala	.. November	Manjunatheshwara	.. 3 days	10,000
2.	Machina	.. December	Ananthanathaswamy	3 days	5,000
<i>Coondapur taluk :</i>					
1.	Kollur	.. November	Mookambika	.. 10 days	5,000
2.	Chittor	.. January	Mahalingeshwara	.. 3 days	5,000
3.	Shankaranarayana	.. January	Shankaranarayana	.. 1 day	2,000
4.	Koteshwara	.. November	Kotilingeswara	.. 7 days	2,000
5.	Kumbashi	.. January	Vinayaka	.. 1 day	2,000
<i>Karkal taluk :</i>					
1.	Karkal	.. November	Venkataramanaswamy	N.A.	40,000
2.	Karkal	.. May	Mariyamma	N.A.	40,000
3.	Nitte	.. January	St. Mary	.. 3 days	25,000
4.	Sooda	.. December	Subramanya	.. 3 days	10,000
5.	Kanthavara	.. February	Kanteshwari	.. 3 days	10,000
6.	Mudar	.. March	Kodamanthaya	.. 3 days	10,000
7.	Marpadi	.. April	Mariyamma	..	10,000
8.	Nellikar	.. April	Teerthankara	..	10,000
9.	Badagamijar	.. March	Bailakala Nema	..	10,000
10.	Puthige	.. April	Somanatheswara	..	10,000
11.	Kadandala	.. November	Subramanya	..	10,000
12.	Beivai	.. February	Baidarkala Kola	..	5,000
13.	Hebri	.. December	Ananthapadmanabha	..	5,000
14.	Irvail	.. March	Durga parameshwari	..	5,000

1	2	3	4	5	6
<i>Puttur taluk :</i>					
1.	Puttur	.. April	Mahalingeshwara	.. ..	10,000
2.	Uppinangady	.. March	Sahasralingeshwara	.. ..	10,000
<i>Mangalore taluk :</i>					
1.	Ullal	.. Once in five years (Feb.)	Syed Madani Urs	.. ..	5,00,000
2.	Bappanad	.. March	Durgaparameshwari	7 days	50,000
3.	Kankanady	.. December	Baidanema	.. 3 days	50,000
4.	Kudupu	.. November	Ananthapadmanabha	2 days	25,000
5.	Badagayadapadavu	N.A.	Baidanema	.. 2 days	10,000
6.	Gurpur	.. February	Mundathaya	.. 2 days	10,000
7.	Paduperar	.. N. A.	Balandinema	.. 3 days	6,000
8.	Kailpady	.. N. A.	Venkataramana	.. 7 days	6,000
9.	Kavathar	.. April	Nandikola	.. N.A.	6,000
10.	Kateel	.. April	Durgaparameshwari	9 days	7,000
11.	Thiruvail	.. January	Anantheshwara	.. 2 days	6,000
12.	Kandavara	.. February	Mundathaya	.. 2 days	5,000
<i>Sullia taluk :</i>					
1.	Subramanya	.. December	Subramanya	.. ..	15,000
2.	Subramanya	.. December	Kulkunda Cattle Fair	.. ..	10,000*
3.	Parye	.. January	Panchalingeshwara	.. ..	2,000
4.	Sullia	.. January	Channakeshava	.. ..	5,000
5.	Bellare	.. Feb./March	Venkataramana	.. ..	3,000
<i>Udipi taluk :</i>					
1.	Udipi	.. January	Lord Krishna	.. 7 days	25,000
2.	Udipi	.. January	Swamiji's Paryaya	.. 2 days	30,000
		(Once in 2 yrs.)			
3.	Udipi	.. November	Lord Krishna	.. 4 days	15,000
4.	Udipi	.. March	Anantheshwara	.. 1 day	10,000
5.	Udipi	.. April	Chandramouliswara	1 day	10,000
6.	Kadavor	.. December	Balarama	.. 1 day	15,000
7.	Abalampadi	.. March	Janardhana & Mahakali	1 day	15,000
8.	Do	.. December	do	.. 1 day	15,000
9.	Perdoor	.. July	Ananthapadmanabha	1 day	25,000
10.	Do	.. March	do	.. 1 day	10,000
11.	Hiriadka	.. May	Veerabhadra	.. 7 days	5,000
12.	Mandarathi	.. February	Durgaparameshwari	8 days	10,000
13.	Yellur	.. March	Vishwanatha	.. 1 day	10,000
14.	Kaup	.. March	Mariyappa	.. 2 days	15,000

*Persons and also of cattle head.