

Government, however, after considering the objections, saw no reason to abandon the proposal and constituted this a municipality with effect from 1st November 1935. The area of the municipality is about 3.77 square miles.

The strength of the council is fixed at 16 councillors. In order to make arrangements for the election of councillors and chairman and to exercise the powers and functions of the municipal council, a special officer was appointed to look after the town's affairs till the council was formed. The investigating officer has estimated the income of the municipality at Rs. 51,480 and expenditure at Rs. 46,822. To meet the expenses connected with the inauguration of the municipality, the Government have been pleased to advance a sum of Rs. 20,000 as a loan from provincial funds, to be repaid in five annual instalments with 3½ per cent interest. Notification to levy the following taxes have been issued: (1) property tax, (2) scavenging tax, (3) profession tax, (4) tax on carriages and some animals and (5) tax on carts. The area fixed for the municipality is more than the town area and its population may be roughly taken at 18,000. The number of houses occupied and under construction is 3,604. There is good scope and need for development of municipal administration in Udipi and signs of industrial and economic progress are visible. Elections have been held and the new councillors elected their chairman in August 1936.

## CHAPTER XVIII.

### ECONOMIC CONDITION.

*Page 231.—Add* at the end of the chapter the following:—

As an agency for affording financial assistance to agriculturists to meet their cultivation expenses, to pay kist or to pay off old debts and for granting loans at fair rates of interest to middle and lower classes of the population, there is nothing comparable to the urban and rural banks started under the Co-operative Societies Act. The movement is both popular and useful. It was first introduced in this district in the year 1909. As a result of the enthusiasm of a few pioneers of Puttūr, a rural co-operative society at that place was registered under Act X of 1904 (India) and began work in October 1909. Till the second Act namely Act II of 1912 (India) was passed, the progress in the formation of societies was very slow and by the end of the year 1912-13, only fifteen agricultural credit societies on the unlimited liability basis, one urban credit society and one agricultural grain bank had been working in the district.

The co-operative movement.

The South Kanara Central Bank was established in 1914. Till then the primary societies were financed by the Coimbatore District Urban Bank. The South Kanara Central Bank has had a fairly prosperous career ever since its start. Its paid-up capital rose from Rs. 8,460 in 1914 to Rs. 1,28,059 in 1935, its deposits from Rs. 56,287 to Rs. 7,77,670, its loans from Rs. 50,900 to Rs. 5,90,772 and reserve fund from Rs. 7,259 to Rs. 64,837.

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Finance and  
membership.

A number of societies had to be liquidated, however, in recent years in accordance with the policy pursued by the department of weeding out all thoroughly bad societies which are beyond revival. There has also been a reduction in loan transactions as a large number of affiliated societies are defaulters to the Central Bank and are not therefore eligible to borrow. The repaying capacity of the borrowers has been affected by the economic depression and the Bank has been following a cautious policy in the matter of granting fresh loans. There has been a drop in profits also as substantial amounts have had to be retrenched from profits for strengthening the bad debts reserve of the bank, which amounted to Rs. 29,365 on 30th June 1935.

At the end of June 1935 there were besides the central bank 391 societies of all classes (328 agricultural and 54 non-agricultural societies and 9 unions). The total number of members in all societies excluding the unions and the central bank then was 29,862 or 76 per society. Classified according to occupations they were—non-cultivating land-holders 1,514, cultivating land-holders 4,674, tenants 7,122, field labourers 1,020, non-agriculturists 11,143, and those that came under more than one class 4,389.

The progress of primary credit societies ever since the establishment of the central bank has been marked. Among agricultural societies, membership rose from 3,666 in 1914 to 20,767 in 1935, share capital from Rs. 9,063 to Rs. 1,82,689, deposits from Rs. 80,467 to Rs. 2,72,296 and reserve fund from Rs. 1,558 to Rs. 2,35,650 and they had lent out about 25 lakhs of rupees during these 20 years. In the case of non-agricultural societies also, their membership rose from 321 to 8,133 in 1935, share capital from Rs. 5,928 to Rs. 2,15,611; deposits from Rs. 53,292 to Rs. 7,49,799 and reserve fund from Rs. 12 to Rs. 1,45,422.

The total of working capital and reserve fund of all societies in the district at the end of June 1935 was as much as Rs. 33.57 lakhs and Rs. 3.94 lakhs.

From their inception, the societies were under the supervision of the Central Bank. Local unions were started in 1919 and a district council of supervision was organised in 1923.

Supervision.

The object of this council was to control the several unions and co-ordinate their activities and conduct training classes for the education of non-official co-operators. The council was liquidated in 1931, the Central Bank having once again undertaken 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 Bank and the supervisors working in the unions are paid by it.

Depressed  
and backward  
classes'  
societies.

The Labour Department first started work in the district in 1923 and one of its main activities was the organization 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 are exclusively for fishermen and are under the direct supervision of the Fisheries Department, through a special co-operative inspector deputed for their supervision. The remaining 79 societies are now under the direct control of the co-operative department to which supervision of Adi-Drávida societies has been transferred from the Labour Department.

Non-credit  
societies.

Some of the consumers' societies or stores had to be closed down. The labour unions intended to provide work on road contracts for the poor classes and also to secure for themselves all the profits of their labour by eliminating the contractor or the middlemen, worked well for sometime but all of them had to be liquidated in due course, as the labourers were not well organised and could not execute the works to the satisfaction of the local board authorities. Building societies were established for helping the people to re-build their houses which were washed away by the devastating floods of 1923 and 1924 and to relieve the congestion in Mangalore and Puttúr. On 30th June 1935, there were 4 building societies and one mutual benefit fund society for the taluk board servants. Only two of the building societies are at present indebted to Government.

Purchase and  
sale societies.

The Kótashéry Loan and Sale Society for the benefit of pepper-garden owners was registered and started work in 1932-33 and it advanced loans on the pledge of produce to the extent of Rs. 47,370 during the year 1934-35. The Bantvál Loan and Sale Co-operative Society which was dormant for a long time was revived and it advanced loans on the pledge of produce to the extent of Rs. 10,000. The Puttúr Agricultural Co-operative Wholesale Society started a branch office and engaged a godown in Mangalore. It sold goods to the value of Rs. 60,974 during 1934-35 to the purchasing agents of the merchants of Bombay. All these societies were