

CHAPTER VI

BANKING, TRADE AND COMMERCE

PART A—BANKING AND FINANCE

THE system of ancient indigenous banking in the district of **Indigenous Banking** Chitradurga, though obscure in details, presents a striking contrast to the organised banking facilities of the present day. The middle-man, who was always dreaded but who was always in demand, dominated the credit structure of the rural parts in the old days. The indigenous banking systems were largely concentrated in a few affluent men, who had all the advantages to lend money at various rates of interest. For small sums of loan money, mutual trust and confidence constituted the sole security; there were instances, doubtless, of default in returning these loans; but by and large, the average borrower redeemed his commitments and settled all claims, to the satisfaction of the lender. There was no organised method of lending or mode of collection. It was a continuing process of trading with capital and a large number of men made it their profession to lend money and gather the interest. Economic structure in its modern aspects had not developed fully and those who were in need of money rushed to the money-lenders for obtaining their pressing needs. The entire trade of the district was affected adversely by the absence of correct banking methods. The rates of interest charged were also exorbitant and altogether prohibitive in some cases. Cases were many where borrowers went on paying interest which sometimes exceeded the capital.

In the days prior to the introduction of organised banking methods, the general trade of the district rested to a large extent on outside financial help which was responsible for goods being moved to distant places like Bombay and Madras. Chitradurga had the advantage of obtaining ready facilities in the sphere of finance flowing from Bombay. The money so obtained had a lesser rate of interest than the money obtained from Madras.

Looking back to the days of the Vijayanagar kingdom, a much clearer picture is available of the way in which money was lent for economic betterment. It is on record (Mysore Gazetteer, Lewis Rice, Vol. I, page 586) that the Government of the day

advanced money to the tiller who ploughed one *vokkala* with one plough. With the aid of this financial assistance, the raiyat used to buy cattle, agricultural implements and other necessities in order to increase the yield from his land. It may be safely surmised that this method of lending money to the raiyat was the forerunner of modern organised banking methods. But with the passage of time and the frequent wars and feudal over-lordships, this healthy system of the Government helping the farmer declined and the wealthy few began to lend money at exorbitant rates of interest and styled themselves as guardians of credit facilities.

In tracing the history of indigenous banking of the days preceding the present century, one cannot help noticing the peculiar method of lending money at the door of the borrower, on nothing more than a promised word or a visible security. As communications were still undeveloped, a few rich people who had great hold on the rural population, moved from place to place to advance money on specific rates of interest. Ledgers were maintained in the local language wherein all kinds of details were noted to make sure of the *bona fides* of the borrower. In the ledgers themselves, a crude method of book-keeping was followed with columns of debits and credits. The rural folk got familiarised with the words *jama* and *kharchu* corresponding to credit and debit. Whenever disputes arose in matters of calculating the interest, these ledgers threw a good deal of light. Defaults were settled through panchayats, as there were no codes of civil procedure of the present-day pattern.

The profession of money-lending appeared to be popular in the days before the present century, because the borrowers could obtain loans easily, without any wearisome formalities. Confidence of one party in the other was the basis for giving credit. *Kaisala* or the hand-loan, as it is called, was very popular in the rural areas of the district. These loans were discharged either in lumpsum or in instalments. Prohibitive rates of interest were charged and the rates varied from individual to individual. The charging of compound interest was the rule of the day.

Banking in the modern sense was almost unknown in the old days. In the decade 1860-1870, several prominent public men of the district met and discussed the need for regulating the methods of banking. They pooled their resources and started in July 1868 a small institution called the Chitradurga Bank to provide credit facilities to the people of the area. Due to want of statutory regulations, the Bank was not registered till 1870. In that year, Chitradurga Bank assumed a new name called the Chitradurga Savings Bank Limited, and was duly registered as per the then existing Indian Companies Act, 1866. This institution is known to be the oldest banking institution of the district. In 1913, a branch of the Bank of Mysore (now the State Bank of

Mysore) was opened in Davangere town. From then on, there was a marked development in this field and several new branches were started. A branch of the Vysya Bank, Bangalore, was opened in 1934 at Davangere and the same bank opened a branch in 1937 at Chitradurga. In the succeeding decades, the Canara Industrial and Banking Syndicate (now Syndicate Bank Ltd.) and the Canara Bank opened their branches in the district. The Bank of Maharashtra established a branch in Harihar in 1952. The Challakere branch of the Bank of Mysore Limited (now the State Bank of Mysore) was opened in 1957 and the Harihar branch in 1965.

Thus, the growth of modern banking was particularly rapid after 1926, though it is seen from the above narrative that apart from the oldest banking institution—the Chitradurga Bank—no other institution with its headquarters in the district was started. All these banks in the district catering for the needs of the borrowing public are branches of other banks having their head offices elsewhere, but these branches have played a prominent role in accelerating the economic growth and prosperity of the district. With the dawn of Independence and the implementation of the Five-Year Plans, the tempo of economic progress has quickened in the district as elsewhere in the State and the country.

The obvious dangers of borrowing money at heavy rates of interest and the consequent financial burden on the borrowers attracted the attention of public men and there were persistent efforts by legislators on the floor of the Mysore Representative Assembly and Legislative Council to put an end to this menace. Repeated demands were made to curb the undesirable tendency by necessary legislation. The Government examined the whole problem, having regard to the control measures adopted in the neighbouring provinces and came to the conclusion that a system of registration and licensing would meet the purpose. Accordingly, a bill was framed and placed before the legislature and His Highness the Maharaja of Mysore gave his assent to the bill and it became the Mysore Money-lenders Act, 1939. In conformity with the provisions of the statute, the Deputy Commissioner of Chitradurga district was appointed the statutory officer to license and regulate money-lending. The statute stipulated the rate of interests chargeable on loans, and fixed it at a maximum of 9 per cent. The Act prohibited money-lending without licence and registration. As per the 1961 census, there were 102 licensed money-lenders and pawn-brokers in the district.

Control of money-lending

The 1939 Act was replaced by the Mysore Money-lenders Act, 1961, which came into force in 1965. Money-lending throughout the State is now governed by this uniform Act. The maximum rates of interest fixed by the Government are 15 per cent on secured loans and 18 per cent on unsecured loans.

**Loans and
Advances**

The question of increasing the food production in these days of shortfalls and occasional scarcity has received the earnest attention of the State Government. In addition to special loans for grow-more-food schemes, the traditional method of subsidising the cultivating classes as an incentive to further efforts has come to stay; the age-old *taccavi* loans, the land improvement loans, subsidy loans for the construction of irrigation wells and such other loans have all become familiar features. The cultivating classes have to state their necessities and apply for loans and advances through the revenue authorities. The district authorities, after following the necessary rules and regulations, sanction the monetary help out of allotted funds. The *bona fides* of applicants are scrutinised by the local revenue authorities and the Deputy Commissioner of the district acts on the recommendations of his subordinate officers, in sanctioning loans.

The following table indicates the extent of financial help given to the cultivators of the district of Chitradurga from 1954 to the end of March 1965.

Sl. No.	Year	Taccavi loan	Land Improvement loan	Subsidy	Loan for Construction of Irrigation wells	Fruit culture loan.
1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
1.	1954-55	41,500	30,185	N.A.	N.A.	N.A.
2.	1955-56	37,050	24,280	21,732	N.A.	N.A.
3.	1956-57	28,600	19,950	7,375	N.A.	N.A.
4.	1957-58	60,700	17,220	9,462	3,500	200
5.	1958-59	72,000	48,935	19,275	32,775	500
6.	1959-60	1,33,825	50,145	10,100	22,145	150
7.	1960-61	3,76,025	95,859	3,350	225,725	N.A.
8.	1961-62	1,79,750	63,625	5,750	2,24,495	N.A.
9.	1962-63	1,24,000	59,650	125	3,71,175	N.A.
10.	1963-64	1,48,050	56,450	N.A.	5,710	N.A.
11.	1964-65	2,42,250	1,46,250	N.A.	N.A.	500

N.A.—Figures are not available.

**General
Indebtedness**

A noticeable feature of the economic life of the workers, industrial and agricultural, in the district of Chitradurga is that they are generally indebted; many live in debt and some die in debt also. To quote a line from the Royal Commission on Labour, "Among the causes responsible for the low standard of living of the workers, indebtedness must be given a high place". The Commission further remarked: "Many indeed are born in debt and it evokes both admiration and regret to find how commonly a son assumes responsibility for his father's debt, an obligation which rests on religious and social but seldom on legal sanction"*. Thus, according to the Commission, a majority of the workers in

*Report of the Royal Commission on Labour, page 224.

the country were in debt for the greater part of their working lives, and the people of the district of Chitradurga are no exception.

In the industrial centres of the district like Davangere, Harihar and Chitradurga, it has been estimated that not less than two-thirds of the labour population are in debt and the amount of debt commonly exceeds three months wages. A systematic inquiry is necessary to have a clear idea about the extent of indebtedness amongst the workers. Such an inquiry is difficult as it involves great labour on the part of the investigators and as the workers' hesitation to disclose their real economic position to the investigating staff would come in the way of such a study. No detailed survey has been conducted in the industrial area of the district to measure the exact indebtedness.

But, however, a socio-economic survey of a village in Harihar taluk was conducted by the Census authorities in Mysore during 1963-64 which gives a picture of the extent of indebtedness in the area. The village selected was Nandigudi on the banks of Tungabhadra and is representative of the other rural areas in the district. The survey revealed that 72.75 per cent of the people of that village were in debt. The following table indicates the amount of indebtedness :—

Income group (Per month)	Number of households	Amount borrowed	Average amount of indebtedness	
			Rs.	p.
Below Rs. 25	2	600	600	—00
Rs. 25 to 50	6	3,100	1,033	—33
Rs. 51 to 75	14	3,990	363	—45
Rs. 76 to 100	5	3,150	630	—00
Above Rs. 100	28	21,505	1,075	—25

The survey has revealed that the households in debt in the income group of less than Rs. 25 per month had to mortgage their land in order to obtain a loan. In the next group of Rs. 25 to Rs. 50, 50 per cent were indebted. The average amount outstanding per indebted family in the group was Rs. 1,033-33; 79 per cent of the families were indebted in the income group of Rs. 51 to Rs. 75. The average amount outstanding per indebted household was the lowest in this group, being Rs. 363. The comparatively low average in this group is due to the fact that it consists primarily of petty cultivators or labourers with limited means of income. All the five families coming under the income group of Rs. 76 to Rs. 100 per month were indebted and the average was Rs. 630. In the highest income group of more than Rs. 100 per month, 71 per cent were indebted. The average per indebted household was the highest in this group, mainly because, the land-owners by virtue of their credit-worthiness ventured to borrow more liberally for the purpose of effecting improvement of land, as well as for defraying the expenses required for cultivation

during the years of adverse seasonal conditions. Due to partial crop failures from 1961 to 1963, these families were obliged to borrow cash and cereals even for their normal maintenance.

Causes of Indebtedness

The causes for this heavy indebtedness are many. In many cases, the son inherits the debt of his father. But the most important cause of indebtedness is the heavy, though occasional, expenditure on marriages, festivals, funerals and anniversaries. The mobility or the migratory character of workers is also an important cause of their debt. Another cause of the evil is the want of any margin for meeting expenditure of an unforeseen character. The wage levels in the district are low, and there is hardly any scope for saving. But the low wage level cannot be said to be the only cause of indebtedness, because better-paid workers in certain factories and textile mills in the district are more indebted than the poorly-paid ones. Poverty is sometimes the cause and sometimes the effect of indebtedness and often it is both. It is true that the main cause of indebtedness is disproportionate expenditure on social ceremonies; there is a growing tendency to regard such expenditure as mere extravagance, but it has to be remembered that the worker like anybody else is a part of a social organisation and has perforce to conform to certain customary social standards, even when he is not in a position to do so. In these matters, the individual is often helpless because, in the words of the Labour Investigation Committee, "custom is not only a king but a tyrant as well".

Facile credit has also proved to be a cause for the indebtedness of the workers in the district; the greatest drawback of the system is the ease with which they can borrow large sums, which they can seldom hope to repay. Their illiteracy makes it very difficult for them to develop any business sense and to think of the future, and their inability to make any calculations compels them to accept whatever figures of increase or decrease in indebtedness are mentioned to them by their money-lenders. The money-lenders do not usually receive the full interest regularly, so they add the arrears of interest to the sum lent, and the original loan of a small sum frequently develops, in a few years, into a large and permanent debt. In many cases, the money-lenders take from the workers and their families the major portion of their wages on pay day and the rest of their wages would be just sufficient for bare subsistence and this can particularly be noticed with regard to the workers in different factories like the textile mills at Davangere and other factories at Harihar and Chitradurga. Thus, in the industrial sector of the district's economy, we find that indebtedness is acting as a great check to the efficiency of labour. The extra effort put forth by the indebted workers merely benefits the money-lenders. Thus, the saying "the tyranny of debt degrades the employee and impairs his efficiency" may well be applied to the practical economic life of many workers of the district of Chitradurga.

With the progressive establishment of co-operatives, the extent of indebtedness has been diminishing slowly but steadily. Facilities have also been provided by some of the employers in industry to advance money from the bonuses or from the provident funds in times of emergency, the same being deducted in small instalments from the wages. Successive pieces of legislation have made usurious practices difficult and the money-lenders' activities are being regulated. The co-operative movement, the schemes of social insurance and the legislation for the protection of indebted workers—all these are going a long way in the liquidation of the debts of workers in the district. Before long, we can expect a better economic position being assured to the workers of this district and their indebtedness in coming years will not be so much as it was before.

**Debt
Redemption**

The following are the places in the district of Chitradurga having banking offices (other than co-operative banks): Chitradurga, Davangere, Harihar, Hosadurga, Holalkere, Hiriyr and Challakere. The table below gives the names of the banks having offices in each of these places.

**Joint Stock
Banks**

Chitradurga District—Banking Offices (other than co-operative) in 1965.

<i>Name of Place</i>	<i>Name of Bank</i>
1	2
Chitradurga	State Bank of Mysore
	Vysya Bank
	Syndicate Bank
	Karnataka Bank
Challakere	State Bank of Mysore
Davangere	State Bank of Mysore
	Canara Bank
	Indian Bank
	Vysya Bank
	Central Bank of India
Harihar	Syndicate Bank
	Bank of Maharashtra
	Karnataka Bank
Hosadurga	State Bank of Mysore
Holalkere	Karnataka Bank
Hiriyr	Jayalakshmi Bank

All are Branch Offices

As there were no banking facilities for the public of Chitradurga town, the founders of this institution started this bank with a small capital under the name of "Private Pecuniary Aid Society, Chitradurga", on 1st July 1868. Subsequently, on 13th July 1870, it was registered as "The Chitradurga Savings

**Chitradurga
Bank**

Bank Limited" in conformity with the Indian Companies Act of 1866, with a capital of Rs. 20,000 consisting of 2,000 shares of Rs. 10 each. It has to be noted that this bank is one of the oldest in India. The above capital was found insufficient for purposes of banking and so sanction of the Government of Mysore was obtained to increase the capital to Rs. 50,000. The name of the bank was also changed to "The Chitradurga Bank Ltd.," as per Government direction in 1949. With the establishment of several industrial concerns, there was a great demand for additional banking facilities. Therefore, the capital was further increased by the issue of additional shares during the 1950's. When the bank was merged with the Karnataka Bank Ltd., it had a share capital of Rs. 1,22,830 and the total deposits amounted to Rs. 2,29,000.

State Bank of Mysore

The erstwhile Bank of Mysore Limited, which is now reconstituted as the State Bank of Mysore (a subsidiary of the State Bank of India), has its registered office at Bangalore. It has four branches within the confines of Chitradurga district and they are located at Chitradurga, Davangere, Challakere and Harihar. Out of these, the Davangere branch was established in 1913 and was the earliest. It was then followed by the opening of a branch at Chitradurga in 1926 and at Challakere in 1957. The latest branch to be established was at Harihar on the 6th December 1965. Merchants, industrialists and agriculturists of these and surrounding places are being greatly benefited by these branches.

The deposits and advances of these four branches of this Bank as on the 31st December 1965 are embodied in the following table :

Place			Deposits	Advances
			(Rs. in lakhs)	(Rs. in lakhs)
1. Davangere	..	..	37.00	89.63
2. Chitradurga	..	..	25.24	33.25
3. Challakere	..	..	7.32	2.43
4. Harihar	..	..	0.65	0.50

Advances are made by the Davangere and Challakere branches against Warehousing Corporation receipts, at concessional rates of interest in order to encourage the raiyats as well as small traders. All the four branches allow advances to small-scale industries on liberalised terms including concessional rates of interest, margins and the like.

Syndicate Bank

The Canara Industrial and Banking Syndicate (now called the Syndicate Bank Ltd.) which was incorporated at Udipi in 1925 to finance cottage industries took up, after three years, commercial banking and began to expand its activities by establishing branches. As at the end of 1965, it had 204 branches of which 89

were in Mysore State. The district of Chitradurga has two branches which are situated at Davangere and Chitradurga. Besides catering for the needs of traders and industrialists, the two branches have deposit schemes to promote small savings. There is also a cumulative deposit scheme which is a monthly savings scheme. The pigmy deposit scheme, which is a daily deposit scheme, under which savings are collected at the doors of the depositors, is a speciality of this bank. The volume of annual business of the two branches of this bank in the district ranges approximately from 20 to 30 lakhs of rupees. Loans on commercial products to merchants and millers and transport contractors, and on other approved securities to the community as a whole, were granted upto Rs. 35 lakhs in Chitradurga district annually.

With a view to improving the economic condition of the people, to instilling the habit of saving among them and to giving financial assistance to the businessmen to run and improve their business, a band of enthusiasts started at Mangalore in 1906 a 'nidhi' with the name "The Canara Hindu Permanent Fund Limited". In 1910, the fund was re-constituted into a regular bank and was named "The Canara Bank, Ltd.". This bank has a branch at Davangere which was opened on 25th March 1935. This branch is not merely advancing finance on all types of marketable securities but is also financing industries on a long-term basis. The deposits in the branch were to the extent of Rs. 30 lakhs in 1965 and long-term advances are given to industrial concerns, as also advances against cotton yarn and for imports of machinery.

Canara Bank

The Vysya Bank which was established at Bangalore in 1930, has two branches in Chitradurga district, one at Davangere and the other at Chitradurga, which were opened on 11th January 1934 and 14th February 1937, respectively. Apart from providing general banking facilities, the object of the bank is also to advance finance to trade and commerce. The branches have also both the cumulative deposit and savings bank deposit schemes. This is one of the important scheduled banks in the State, affording financial accommodation to some extent for the growth of industries and commerce in the district.

Vysya Bank

The Bank of Maharashtra is a scheduled bank established on the 16th September 1935 with its head office at Poona. In December 1965, it had a net-work of 100 branches and its total deposits exceeded Rs. 43 crores. This bank opened its branch at Harihar on the 26th December 1952. At Harihar, the bank has been playing a notable role in financing industrial enterprises and encouraging small engineering concerns. The bank has also considerably financed the expansion of the textile industry at Tolahunase in the Chitradurga district as also the Mysore Kirloskar Ltd., at Harihar.

Bank of Maharashtra

Central Bank of India

The Central Bank of India which was established in 1911 at Bombay has got a branch at Davangere. This bank is one of the largest Indian joint stock banks. Davangere, which is one of the oldest industrial and business centres of the old Mysore State, attracted the attention of this bank, and the branch established there is now catering for the financial needs of the people of the place.

Indian Bank

The Indian Bank which was incorporated in the year 1907 at Madras has opened a branch at Davangere. This bank is one of the important joint-stock banks and is rendering financial help for the economic betterment of the Davangere taluk in particular and the district in general.

Karnataka Bank

The Karnataka Bank, Ltd., was incorporated in the late thirties in Mangalore, South Kanara, and has three branches in the district at Chitradurga, Harihar and Hosadurga. This bank has 35 branches all over Karnataka. At the end of 1965-66, the bank had a total deposit of Rs. 4.80 crores and earned a profit of Rs. 2.50 lakhs. In the district, the branches are promoting trade and commerce, by advancing timely financial help. The Chitradurga Bank was recently merged with this bank.

Jayalakshmi Bank

The Jayalakshmi Bank Ltd., was incorporated as a scheduled bank with its registered office at Mangalore, South Kanara. It has two branches in the district, one at Holalkere and another at Hiriur. The Holalkere branch commenced banking business from the 28th October 1963 and the Hiriur branch on 17th May 1965. The branches transact all types of banking business, including deposits and current accounts, and advance loans to merchants on liberal terms. Documentary and other bills are also discounted and purchased at the branches.

Co-operative Banks

The District Co-operative Central Bank Ltd., Chitradurga is the central financing agency of the district and was established on 25th January 1955. The membership of this bank at the end of 1965 included 544 primary societies and also the State Government, with a subscribed share capital of Rs. 21,44,900. The total amount of credit facilities provided by this bank during 1965 was Rs. 90,92,414. During 1965, the bank had made a net profit of Rs. 1,12,754.

The bank has tapped substantial deposits from its members. As at the end of 1965, the current deposits stood at Rs. 39.66 lakhs, savings amounted to Rs. 1,16,616, fixed deposits amounted to Rs. 5,01,037 and other kinds of deposits stood at Rs. 20,15,561. Thus, the bank has been developing on sound lines.

There are five urban co-operative banks in the district and they are :—

- (i) The Chitradurga Town Co-operative Bank Ltd., Chitradurga.
- (ii) Merchants' Co-operative Bank Ltd., Chitradurga.
- (iii) Kanyakaparameshwari Co-operative Bank Ltd., Chitradurga.
- (iv) Jagalur Town Co-operative Bank Ltd, Jagalur.
- (v) Harihar Town Co-operative Bank Ltd, Harihar.

These banks are not issuing loans to the agriculturists but only to non-agriculturist classes like merchants and artisans. Special mention may be made here regarding the Chitradurga Town Co-operative Bank, Ltd., which has taken up stores activity like sales of manures, implements, cement, iron, paper, etc., along with banking activity. The bank has a Power Printing Press, and has been taking up printing works, and has invested about Rs. 36,700 for it. The bank had, at the end of 1965, 1,529 members with a share capital of Rs. 97,730, reserve fund of Rs. 97,047, other reserves of Rs. 61,468, and deposits of Rs. 3,85,528. The loans outstanding on members amounted to Rs. 4,00,482. The net profit earned during the year 1964-65 was Rs. 16,361.

The agricultural co-operative credit societies form the bulk of the co-operative credit organisation of the district. They generally have one village as their area of operation but occasionally neighbouring villages are also clubbed together in a single society. Providing of short-term loans to their members for productive purposes is their main function. Loans are advanced mostly on the personal security of the borrower supplemented by the guarantee of two approved sureties. These sureties are checked up by the local revenue authorities.

**Co-operative
Societies**

In December 1965, there were 390 agricultural credit societies in the district, with a total membership of 51,000. The share capital, including the Government share, was Rs. 17.88 lakhs and the deposits in the various societies amounted to Rs. 1.34 lakhs. Loans amounting to Rs. 24.77 lakhs were issued to various members.

The non-agricultural credit societies are in the nature of thrift societies and save their members from borrowing from private money-lenders. The total number of these societies as at the end of 1965 was 56. The number of members during 1965 was 12,000. Total deposits during the year were of the order of Rs. 30.31 lakhs. During 1965, they issued loans to members to the tune of Rs. 5,20,600. The net profit during the year was Rs. 1,50,000.

Apart from the societies mentioned above, there were at the end of 1965, 19 house-building societies, 17 farming societies, and 24 consumers' co-operative societies. The house-building societies

in the district had 5,919 members on their rolls with a paid-up share-capital of Rs. 1.87 lakhs. They had built up reserves to the tune of Rs. 0.64 lakh. Their borrowings as at the end of the said year stood at Rs. 28.48 lakhs. The loans outstanding amounted to Rs. 29.84 lakhs of which Rs. 2.35 lakhs remained overdue. During 1965, 12 houses were constructed bringing the total number of houses constructed to 600.

The farming societies functioning in the district had at the end of 1965, 1,059 members with a paid-up share capital of Rs. 0.71 lakh. They owned 7,235 acres of land and produced Rs. 1.46 lakhs worth of foodgrains.

The total membership of the consumers' co-operative societies in the district stood during 1965 at 6,463. They had a share capital of Rs. 0.92 lakh and borrowed Rs. 0.64 lakh. They purchased goods to the tune of Rs. 24,86,000 and effected sales to the tune of Rs. 7.75 lakhs and earned a gross profit of Rs. 0.15 lakh.

All the societies mentioned above are striving their utmost to create a healthy and sound financial atmosphere for developmental activity. Under the successive Five-Year Plans, the activities of these institutions have been spreading all over the area. It is hoped that in the years to come, these co-operative institutions will play an increasingly important part in providing remedies for the economic ills of the district.

Life Insurance

Prior to the nationalisation of life insurance companies, there were no insurance offices as such in the district. Agents of private insurance companies and helpers of the Mysore Government Insurance Department were stationed in several places in the district.

The Life Insurance Corporation's branch office at Davangere was opened on 1st September 1956. The business was confined in the initial stages to the taluk headquarters and, gradually efforts were made to spread the insurance business into the interior places of the district. The business done in the district during 1957 was slightly below Rs. one crore, but during 1964-65, the Corporation secured business of well over one and a half crores of rupees in the district. There are eleven field officers working in the district with a Branch Manager at Davangere and they are engaged in developing the insurance business, especially in the rural parts.

There is no stock-exchange in the district.

State aid to industrial development

The Government of Mysore, in their declaration of industrial policy, have made it clear that they would make all efforts to assist the growth of private industrial enterprises. Even as a princely

State, Mysore was noted as a pioneer in the field of industrial expansion. Recently, the Government have established a Financial Corporation to advance loans and provide other assistance in furthering industrial activities. Prior to the starting of this autonomous corporate body, the Mysore State Aid to Industries Act, was promulgated as Act No. XX of 1951, with a view to helping industrial entrepreneurs. Many have benefited from the operative clauses of this statute, which, while sustaining the starting and growth of industries, provides timely financial help to the small, medium and big industries. The Act has 24 clauses mainly detailing the mode and method of advancing financial help for industrial growth. It was made applicable to the district of Chitradurga also. The Director of Industries and Commerce in Mysore, Bangalore, is the statutory authority to sanction advances to the applicants. There is a Board of Industries consisting of ten members with a Chairman appointed by the Government. This Board is invested with powers to deal with applications for the grant of State aid. Loans, guarantee of cash credit, overdraft or a fixed advance through a recognised bank are some of the forms of assistance. There is also a statutory provision for paying subsidy in the case of cottage industries. All applications for loans are received by the Director of Industries who then submits them for scrutiny to the Board. If the extent of the aid applied for exceeds Rs. 50,000, the Director of Industries has to publish a notice in the prescribed manner calling upon any person, who objects to the grant, to state his objections.

Several industries in the district have obtained financial assistance for implementation of their developmental schemes. In addition to the loans granted under the Mysore State Aid to Industries Act, liberal sums have been canalised through other agencies also. The Mysore State Financial Corporation sanctioned a sum of Rs. 10 lakhs as security loan and a further sum of Rs. one lakh on the strength of Government guarantee to the cotton textile industry in the district.

Under the State Aid to Industries Act, six industries, *viz.*, engineering, wood works, tobacco-curing factories, textiles, cotton ginning and utensils-manufacturing units have received in all Rs. 3,44,000 upto 1965-66.

A total financial assistance of Rs. 21,40,359 had been sanctioned by the Mysore Central Co-operative Rural Industrial Financing Bank Ltd., under various categories like security loan, liberalised small-scale industries loan programme and the like. From its own funds also, the Mysore Central Co-operative Rural Industrial Financing Bank, Ltd., had advanced a sum of Rs. 16,12,825 as security loans.

In order to assist poor artisans, who do not have any financial backing or security, the State Government have sponsored a

security loan scheme under the rural industrialisation programme. A maximum loan of Rs. 300 to an individual artisan is given on personal surety. Up to 1965-66 the State Government had advanced loans of Rs. 72,323 to artisans in the district through the Mysore Central Co-operative Rural Industrial Financing Bank, Ltd.

Machinery worth about Rs. 21.27 lakhs has been supplied to 114 industrial units on hire-purchase basis.

Large amounts running to several lakhs of rupees had been given in the past to major textile industries like the Ganeshar Textile Mills, Davangere and Shanker Textiles, Davangere, for purposes of expansion as follows :—

Ganeshar Textiles—Rs. 6,50,000 on 15th September 1946 and again a sum of Rs. 13,50,000 on 13th January 1948. Up to 1965, about rupees ten lakhs had been recovered with an interest of five per cent.

Shanker Textiles—Rs. ten lakhs on 14th October 1948. The sum was fully recovered.

Other textile establishments have received small sums ranging from Rs. 10,000 to Rs. 20,000.

Coinage system

Under the Indian coinage system, beginning from the one rupee coin down to the coins of smaller denominations, called subsidiary coins which are token coins and whose face value is higher than their intrinsic value, the district has all the coins common to the country. Rupee and half-rupee coins are unlimited legal tender, whereas the subsidiary coins are legal tender upto Rs. 10 only. Decimal coinage has been acclaimed all over the world as the simplest form of coinage, making calculations quicker and easy. In the modern complicated system of trade and commerce, easy conversion of money is most essential, and a decimal system, which works in multiples of ten makes the task of conversion easier. From 1st April 1957, India changed over to the decimal coinage system and the district of Chitradurga also has had the beneficial impact of this change. To give effect to this change, an amendment to the Indian Coinage Act of 1906 was passed by Parliament in August 1955. Under the Amendment Act of 1955, it was declared that the Indian rupee would continue to be the standard coin but it would be divided into 100 paise, the half-rupee and the quarter-rupee being equivalent to 50 and 25 paise respectively. Since 1st April 1957, ten, five, three, two and one paise coins have been issued all over India and they are in circulation in the district.

PART B—TRADE AND COMMERCE

Course of trade

The district of Chitradurga is a land-locked area. It is contiguous with the Bellary and Dharwar districts in the north

and Tumkur and Shimoga districts in the south and west, and from time immemorial, the course of trade had confined itself to these areas. One significant feature of the district is its present-day net-work of roads, which has been responsible for the development of trade with other parts of the country. There is no reliable data to define the manner in which old-time trade was carried on before the advent of railway communications.

Many factors seem to have impeded the growth of trade in the old days. The recurring feuds between ruling dynasties and the frequent large-scale military raids during the time of the Hoysala and Vijayanagar kingships were certainly of no help for the normal flow of trade. The absence of navigable rivers in the area was also a factor responsible for an adverse influence on the growth of external trade.

**Impediments
to growth of
trade**

In those days of localised wants, self-sufficiency was an easy matter. The population produced what it needed for its own requirements and any surplus, which was really little, was sent to places nearby. Trade channels were not organised. Absence of timely monsoons created immediate distress, as foodgrains could not be moved with any degree of expedition. Chitradurga shared in many respects the disadvantages of the other adjoining areas in regard to trade development, because of the difficulties of transport. Except the common bullock cart, which was capable of carrying only small loads, there was no other means of quick transport. Road communications were pitifully absent and some of the so-called highways built during the old days were unfit for vehicular traffic. The cart tracks which traversed from village to village were useless during the monsoon months. In spite of the fact that single dynasties held sway for long periods over this area, the variations in the levy of customs and in the licensing systems prevented the easy flow of goods from one place to the other. In between the decline of one rule and the emergence of the other, the standards of currency and weights and measures varied due to the unsettled nature of Governments. All these acted as a check to the growth of trade, before the advent of a settled Government in the nineteenth century.

As has been noted by travellers of those days and particularly by Abbe Dubois, a Christian missionary, who wandered from place to place, the trade of the district before the introduction of the roads and railways must have depended upon the primitive country carts. Pack animals were also employed to carry goods from place to place. It was not possible under these circumstances to carry a large bulk from one place to another. The result was that the trade was restricted to articles of high value.

The Vijayanagar rulers encouraged foreign merchants to visit their domain and to sell their wares. These merchants took

advantage of this opportunity and settled in various parts of the dominions. These foreigners had their own trade headquarters and established branch offices in various parts of the dominions and carried on trade through authorised trade representatives. The trade carried on by these people was not restricted to imports. They also helped the export trade of the country.

In the days of Haidar Ali and Tipu Sultan, a new order emerged through the commercial regulations which controlled the various trade channels of the district. A strict ban was imposed on commercial intercourse with Europeans, in the interest of internal security. Exports were totally prohibited because they resulted in a rise of local prices and imports were not encouraged because they impoverished the growers. A Board of nine Commissioners of Trade was established regulating exports and imports. State monopoly was introduced in the trade of certain commodities. The sovereign was the chief merchant who controlled the whole trade. There was no incentive for profits and private enterprise had a serious setback.

New phase

The course of trade after the reign of Tipu showed no improvement as the customs system then existing was very oppressive. In line with the rest of the State, the district of Chitradurga had many *Kattes* or toll gates and goods passing through them were subjected to the payment of various levies like the *Sthaladaya*, *Margadaya* and *Mamuladaya*. The toll gates were manned by farmers, who, after paying some rent to Government, acquired the sole right of collecting customs duties. Some privileged people were exempted from the payment of tolls and the whims and caprices of the Government of those days created a great confusion in the minds of the traders. As a result of all these burdensome measures, the entire trade was monopolised by the toll-gate contractors or their subordinates who stood in the way of easy flow of normal trade. A few traders who had great influence with the sovereign had earned a monopoly in trading and this had also a deleterious effect. All these trends persisted upto the time of the establishment of the British Commission in 1831. The emergence of order out of chaos beginning from that year saw a new phase in the development of orderly trade and a Commission was set up to suggest ways and means to develop the trade of the State. The Commission immediately applied their mind to the task of resuscitating the fallen trade and the removal of many abuses prevailing in the old system. As a result of quick reforms, all unnecessary imposts were removed, and instead, octroi duties were introduced to regulate the flow of trade between the State and the neighbouring areas. In the days of the British Commission, the means of communications were improved to a large extent. Metalled roads were laid from the headquarters of the district to Bangalore and roads were extended to the frontiers giving an outlet to the road-borne traffic of the State. The introduction

of the British Indian currency also tended to facilitate the development of trade. The railway line from Bangalore to Harihar marked yet another improvement in the means of communication. With these rapid developments in the communications, large quantities of raw cotton came to Davangere for ginning purposes. There was also a perceptible vigour in the matter of export and import trade of the district.

The chief places of business in the district are Davangere, Harihar, Hiriya, Molakalmuru and Chitradurga. Davangere which is on the Bangalore-Harihar-Hubli railway route has grown considerably and is now an important centre known for its trade in cotton, groundnut, jowar, oil and woollen blankets. Molakalmuru is the chief centre for silk fabrics. The Molakalmuru silk fabrics are in great demand, particularly the upper cloth worn by men and women's cloths like khanas. Chitradurga town is known for its trade in grains and cotton. Harihar and Hiriya have also developed into important trade centres.

Imports and Exports

The items of export from the district in normal times are ragi, jowar, cotton, oilseeds and rice. With the advent of lorry traffic, the trade picture of the district of Chitradurga has undergone a thorough change. Since the arterial highway between Bangalore and Bombay runs through the district, a large number of laden lorries can be seen constantly going across the district from the borders of the Hiriya taluk to the banks of the Tungabhadra at Harihar. The import and export trade of Davangere largely makes use of lorry transport, but the railways also carry a considerable portion.

In any description of the trade pattern of the district, the mention of Davangere is inevitable. The town is situated about 40 miles to the north-west of the district headquarters town of Chitradurga. Trade relations are maintained, among other places, with Walajapet in North Arcot district of the Madras State and with the arecanut growing areas of Sagar and Hosanagar in the malnad areas of the Mysore State. The arecanut grown in the malnad goes through Davangere to Walajapet and other places and goods from the neighbouring State of Madras are largely imported into this town via Jalarpet. Foreign goods find their way to Davangere largely through the Madras harbour. The large volume of inward and outward trade at Davangere compares favourably with bigger places like Bangalore and Bellary.

The Government of Mysore had taken steps in the direction of marketing much before the advent of the Five-Year Plans and had enacted the Mysore Agricultural Produce Markets Act of 1939 with a view to ensuring a fair price to the agriculturists. Under this Act, the Government established a regulated market at Davangere in 1949, but the actual working of this market began at a much later

Regulated Markets

date. After the establishment of the regulated market at Davangere, five more markets were established at Chitradurga in 1951, Challakere in 1957, Hiriyur and Hosadurga in 1959 and Harihar in 1961. During 1965, there were six regulated markets in the district. The main object of establishing these markets is to ensure to the agriculturists a better price, fair weighments and relief from collection of illegal fees.

**Agricultural
Produce
Market
Committee,
Davangere**

The Agricultural Produce Market Committee, Davangere, is the oldest in the district. Davangere occupies a very important place in the trade of the district and the regulated market at this place is mainly controlling the marketing of groundnut, cotton, jowar, castor, pulses and chillies. This being a big market, there were 209 traders, 20 commission agents, 154 *hamals* and 105 carts as on 31st March, 1965. On an average, the following arrivals are expected in the market annually, but these figures are subject to variations on account of seasonal conditions.

1. Cotton	..	2,00,000 quintals.
2. Groundnut	..	3,00,000 quintals.
3. Jowar	..	1,00,000 quintals.

The market yard covers an area of 222 acres and 39 guntas of land. About 50 acres of land were converted into 190 sites and sold to the market functionaries at an upset price. Most of them have already built their godowns. In 1960, 7 acres and 19 guntas of land were sold to the Central Warehousing Corporation for the construction of a warehouse.

A statement showing comparative statistics in respect of arrivals of agricultural commodities at the Davangere market for the years from 1960-61 to 1964-65 is given below :—

Name of the Commodity (regulated)	1960-61	1961-62	1962-63	1963-64	1964-65
	<i>In quintals</i>				
Groundnut	2,79,196	2,54,191	3,79,031	3,29,552	2,83,850
Castor	3,563	4,191	5,719	12,056	6,269
Cotton	2,96,386	92,733	35,559	2,29,988	1,01,371
Ragi	5,415	62,643	40,723	42,035	58,506
Jowar	71,615	65,609	49,448	1,49,835	1,14,742
Navane	3,669	3,524	2,500	2,731	3,849
Niger	1,315	1,428	1,230	1,797	2,652
Coriander	2,152	1,967	2,331	3,973	2,584
Horse gram	2,737	6,198	7,613	5,850	7,790
Green gram	1,720	2,841	2,170	3,406	2,918
Black gram	534	476	1,363	1,349	1,487
Bengal gram	4,092	2,698	4,033	10,096	9,217
Tur	2,238	2,523	1,549	9,336	13,405
Sesamum	2,258	2,609	5,128	5,805	4,253
Chillies	9,065	9,951	7,093	7,712	8,458
Jaggery	37,752	..	30,609	40,931	73,975

The Agricultural Produce Market Committee, Chitradurga, which was established in 1951, is rendering useful service to the producers-sellers of this place. This market was also established under the Mysore Agricultural Produce Market Act of 1939. The entire area of the market is fenced in with barbed wire and as many as 79 godown sites have been formed. The sites have been allotted at an upset price to the licensees for the construction of godowns and more than 45 of them have already constructed godowns.

**Agricultural
Produce
Market
Committee,
Chitradurga**

Cotton is the most important commodity having a marketable surplus of about 12,000 to 18,000 bales (one bale=392 lbs) in the district. Next in importance is groundnut. On an average, more than 80,000 bags of groundnut are sold in the market in a year. Jowar, tamarind, black gram, sesamum and millets are other important commodities marketed. There were in March 1965, 52 traders, 32 commission agents, 18 hamals, 25 weighmen, 18 cartmen and 7 lorries under this market.

Important arrivals of agricultural commodities in the market for the years from 1960-61 to 1964-65 are given in the following statement.

Name of the Commodity (Regulated)	1960-61	1961-62	1962-63	1963-64	1964-65
	(In quintals)				
Groundnut	3,822	18,633	19,596	11,334	7,657
Castor	1,561	..	941	2,969	1,127
Cotton	4,26,177	42,677	85,787	1,59,348	88,240
Tamarind	2,581	6,517	..	1,770	1,891
Ragi	10,997	12,176	12,774	17,622	12,928
Jowar	17,115	..	..	26,043	27,293
Navane	24,461	2,892	4,591	5,151	2,844
Horse gram	517	1,749	1,922	458	1,137
Green gram	279	1,953	766	..	147
Black gram	5,855	5,797	3,668	1,224	510
Bengal gram	1,163	1,442	1,394	6,691	5,279
Saje	1,566	..	..	..	3,760
Onion	..	..	..	7,632	9,034
Tur	1,533	4,174	1,290	1,679	..
Sesamum	2,657	..	9,641	6,901	3,393
Bajra	..	1,849	5,732	2,545	3,760
Areca nut	..	..	10,050	..	..
Chillies	..	..	..	1,278	1,310
Jaggery	..	..	..	16,590	46,615

The market committee is making every effort to see that trading is so carried on as to assure fair prices to the growers.

The Agricultural Produce Market Committee, Challakere, was established in 1957. An area of 59 acres of land was sanctioned by the Government for the formation of the market yard and the work in connection with it was in progress. The most prominent of the commodities handled in this market are pulses, groundnut,

**Agricultural
Produce
Market
Committee,
Challakere**

paddy, ragi, jowar, onion and tamarind. In this market, as on 31st March 1965, there were 39 traders, 14 commission agents, 30 weighmen, 22 hamals and 8 cartmen.

The arrivals of several agricultural commodities in the market from 1960-61 to 1964-65 are shown below :—

Name of the commodity (Regulated)	1960-61	1961-62	1962-63	1963-64	1964-65
	(In quintals)				
Jaggery ..	27,483	16,790	14,917	18,307	23,900
Groundnut ..	44,375	15,012	..	30,632	60,788
Til ..	683	1,403	..	3,413	1,607
Castor ..	554	498	5,375	8,726	4,451
Tamarind ..	3,965	5,327	6,328	14,059	7,385
Ragi ..	6,085	13,949	9,878	16,944	25,961
Jowar ..	15,398	15,763	22,415	38,733	25,966
Navane ..	278	270	..	..	1,558
Horsegram ..	29	805	8,549	16,517	15,376
Honge seed ..	238	654	1,388	352	856
Paddy ..	53,895	44,587	67,596	1,25,285	1,10,897
Onions ..	67,908	..	..	64,403	70,211
Sajje ..	1,652	..	..	2,437	3,759
Tur ..	3,389	5,176	2,151	1,422	9,047
Coconut (Numbers) ..	..	8,95,000	11,70,300	10,46,000	8,08,510
Chillies ..	..	8,589	2,924	3,739	5,005

**Agricultural
Produce
Market
Committee,
Hosadurga**

Though the Agricultural Produce Market, Hosadurga, was established in 1959, the market committee started functioning on 29th May 1961. The important commodities handled in this market are coconuts, groundnut, ragi, til seeds, castor and chillies. This is only a small market having only five or six traders.

The statement showing the arrivals of several agricultural commodities in the Hosadurga market for the year 1964-65 is as under :—

Commodity	Arrivals (in quintals)
1. Ragi ..	1,212
2. Jowar ..	213
3. Horsegram ..	193
4. Coconuts ..	2,64,000 (numbers)
5. Castor seed ..	960
6. Til seed ..	59
7. Coriander ..	306
8. Chillies ..	376

**Agricultural
Produce
Market
Committee,
Harihar**

The Government of Mysore established the Regulated Market at Harihar in 1961 and the first market committee was constituted in February, 1962.

Jowar, ragi, navane, paddy, sajje, jaggery, rice, horsegram, cotton, chillies and groundnut have been brought under regulation in this market. During the year 1964-65, there were 21 traders, 4 weighmen and 9 hamals in this market.

The statement given below indicates the arrivals of important agricultural commodities in the market for the years 1963-64 and 1964-65 :—

Commodity	1963-64 1964-65	
	(In quintals)	
1. Jowar ..	28,126	25,771
2. Rice ..	9,912	10,692
3. Ragi ..	481	3,630
4. Paddy ..	4,300	3,608
5. Jaggery ..	2,034	2,096

The Hiriyr Regulated Market was established in 1959 for regularising the sale of the following agricultural commodities and actually started functioning from 1st December 1960.

**Agricultural
Produce
Market
Committee,
Hiriyr**

- | | |
|--------------|----------------|
| 1. Paddy | 8. Niger |
| 2. Ragi | 9. Safflower |
| 3. Chillies | 10. Tobacco |
| 4. Castor | 11. Honge seed |
| 5. Jaggery | 12. Arecanut |
| 6. Horsegram | 13. Soapnut |
| 7. Groundnut | 14. Tamarind |

In this market, 37 traders, 17 weighmen, 34 hamals and two cartmen were functioning in the year 1964-65.

The important arrivals of agricultural commodities in the market during 1964-65 were as under :—

Commodity	(In quintals)
Paddy ..	25,576
Ragi ..	6,245
Groundnut ..	37,095
Jaggery ..	11,506
Coconut ..	2,28,900 (Nos.)

With the development of trade in the district, the necessity for establishing warehouses for scientific storage of foodgrains, for their protection against pests and consequent loss and for obtaining fair prices to growers was keenly felt. The Central Government's promulgation of a law called the Agricultural Produce (Development of Warehouses) Corporation Act, 1956 (Act XXVIII), resulted in the starting of a warehousing corporation in every State. In Mysore State also, a State Warehousing Corporation was established to afford storage facilities for foodgrains in principal markets. Private traders, agriculturists and co-operative institutions are allowed access to these warehouses. At present, there are three warehouses functioning in the district of Chitradurga. Two warehouses functioning at Chitradurga and Challakere were

established by the State Warehousing Corporation and the one at Davangere was established by the Central Warehousing Corporation. The Central Warehousing Corporation purchased land in the Regulated Market yard at Davangere and constructed the warehouse at a cost of about three lakhs of rupees.

Wholesale Trade

Wholesale business in the district is confined to foodgrains and consumer goods in the same way as in the other parts of the State. There are two distinct categories of wholesale business, one confined to grains which are stocked in *mandies* and the other being the goods market where big business is transacted either by local merchants or by branches of big companies established in other centres. The consumer goods are handled wholesale through authorised representatives who go from place to place to book orders. Whenever goods are received they are stored in godowns for canalisation to the retail business. Big firms handling tea, vanaspati and cigarettes have established branch depots in places like Davangere and Chitradurga, manned by representatives who move about from place to place in order to assess the requirements of trade and to supply goods.

From time immemorial, wholesale business in foodgrains, spices and condiments is confined to fixed localities where wholesalers have their *mandies* for the transaction of business. In Davangere and Chitradurga, there are the usual areas with traditional names like Doddapet, Chikkapet, Santhepet, Laxmi Bazaar, Tambak Road and Mandi Road where rows of godowns have been constructed to store goods. The buyers from these wholesale bazaars know where to get their supply and at what time, without much inconvenience. Wholesale business was usually confined in the towns and cities to the Doddapet region, the Kannada word "Dodda" meaning 'big'. The Chikkapet or the little bazaar is the place where retail transactions were conducted. Of course, the course of modern trade is such that these old distinctions are fast disappearing.

In the wholesale markets, proprietary interests transacting business have their own methods of importation from outside or purchase from the producers. These are based on tradition and have not changed much in spite of modern business ideas.

Railway transport

Davangere, Harihar and Chitradurga are the three pivotal trade centres and through these centres, much of the wholesale business in cotton, *thangadi* bark, grains and pulses, oil cakes and the like is transacted. It has not been possible to determine the extent of the total inward and outward movements since most of the imports and exports are carried through lorries. Having regard to this deficiency, an attempt has been made here to assess the inward and outward movements through the three railway stations

at Harihar, Davangere and Chitradurga. The commercial branch of the Southern Railway Divisional Office at Mysore has prepared a three-month period assessment, and the particulars have been given in the following three tables. The tables give an account of the actual imports and exports through railway goods yards in Harihar, Davangere and Chitradurga for three months beginning from September 1965.

HARIHAR RAILWAY STATION

Commodity	INWARDS (Weight in Quintals).		
	September 1965	October 1965	November 1965
Iron	3,249	2,216	1,338
Cement	2,036	2,085	377
Kerosene Oil	330	182	218
Beedi leaves	156	242	97
Salt	190	130	..
Grains and Pulses	424	..	223
Manure .. ..	..	..	545
Tiles	192	..	..
Aluminium .. ..	..	..	400
Bentomite	284	..	..
Yellow earth .. ..	..	188	..
Silicon .. ..	..	308	..
M. S. Rods .. ..	..	154	473
Fire Clay .. ..	..	..	718
Machinery .. ..	..	..	114
OUTWARDS			
Machinery	1,141	931	1,424
Sand	2,638	2,020	2,443
Iron Dust	1,712	1,369	666
Bark (Thangadi)	60	..	..
Bones	80	80	..
Agricultural implements	570	389	573
Tins	35	..	..
Seeds .. ..	..	5,032	1,647
Bamboo chips .. ..	..	884	1,285
Grains and Pulses .. ..	..	..	1,256
Aluminium .. ..	..	..	200

DAVANGERE RAILWAY STATION

Commodity	INWARDS (Weight in Quintals)		
	September 1965	October 1965	November 1965
Grains and Pulses	15,371	13,269	30,812
Coal	2,973	10,902	12,083
Oil	3,513	1,721	3,160
Oil Cake	661	2,410	20,415
Cement	3,468	3,071	3,885

<i>Commodity</i>	OUTWARDS (Weight in Quintals)		
	<i>September</i> 1965	<i>October</i> 1965	<i>November</i> 1965
Grains and Pulses	417	1,070	1,384
Oil Cake	19,398	39,530	42,330
Oil Seeds	1,340	11,180	4,793
Cotton	163	179	350
Husk	2,714	3,558	2,652
Cotton Lint	530	1,032	1,082
Pig Manure .. ..	..	..	160
Puri (Husked rice)	333	293	334
Tins	129	35	140
Jaggery .. ..	..	..	125
Soap	138	..	250
Stores .. ..	..	..	752
Other Goods	747	903	1,074

CHITRADURGA RAILWAY STATION

<i>Commodity</i>	INWARDS (Weight in Quintals)		
	<i>September</i> 1965	<i>October</i> 1965	<i>November</i> 1965
G. I. Sheets	209	..	..
Tur Dhal	588	447	1,564
Asphalt	262	446	845
Kerosene Oil	545	884	3,262
Salt	539	1,145	1,384
Jowar	1,865	..	..
Wheat	537	5,967	..
Cement	1,786	1,895	2,238
OUTWARDS			
Til Seeds	521	281	..
Thangadi Bark	1,136	1,451	1,295
Barrels	455	..	140
Oil Cake	1,248	1,238	817
Cotton (Raw) .. ..	..	599	..
Cotton Seeds .. ..	..	..	876

The retail trade is not confined to any particular town. It is spread all over the district. At one time Chitradurga, Davangere, Harihar, Jagalur, Hiriya, Holalkere, Hosadurga and Molakalmuru were the principal retail centres. But with the growth of population and rapid urbanisation, even villages have retail shops selling a variety of commodities. Consumer goods for the retail trade are obtained either through local wholesaler or from Bangalore. According to the 1961 census there were in all 3,610 shops both in rural and urban areas doing retail business.

Retail Trade

The retail shops in the important towns of the district are usually well-stocked and there is no dearth of goods. The rapid growth in the means of communication and the changed outlook in methods of trade have resulted in a large retail trade.

Retail shops have increased enormously in number since World War II; the reason for this is obvious. The margin of profit to the retailer is now much wider than it was before 1940, in spite of increased cost of living. The habits of the people have been changing and what were once considered avoidable luxuries are now essential necessities. Every nook and corner of the urban areas of the district has these shops transacting all kinds of business. The growth of extensions in towns like Davangere and Chitradurga has also been responsible for the increase in the number of retail shops.

The fairs and *melas*, locally called as *jatras*, serve a useful part in canalising trade. These *jatras* attract a good number of people from the neighbourhood. More often than not, these fairs are held in important centres of pilgrimage and the volume of business, both retail and wholesale, transacted at these fairs is considerable.

Fairs and Shandies

The most important *jatra* is the Davangere Duggamma Jatra at which more than 60,000 people congregate. This *jatra* is held once in two years in the month of *Phalguna*. A similar fair is held in the month of *Magha* at Avaragola in Davangere taluk. At Harihar, the festival of Sangameshwara held in *Phalguna* attracts a large number of people and a cattle show is also held. At Bommaghatta in Molakalmuru taluk, a car festival is celebrated in honour of Ramadevaru in the month of *Phalguna*. The Maremma's *jatra* held in the month of *Bhadrapada* at Gourasamudra in Challakere taluk is also quite famous. A large volume of business is transacted at all these *jatras*.

Weekly fairs or *shandies* known as *santhes* are held in many places in the district. The largest weekly fair in the district is held at Challakere where a large volume of business is transacted. The weekly fairs at Chitradurga, Davangere and Holalkere are also fairly well attended. *Santhes* are also held at Hosadurga, Nayanahatti, Aimangala, Devasamudra, Hireguntanur, Jagalur and Budihal.

**Marketing
Co-operatives**

As on 30th June 1965, there were 11 marketing societies in this district. The paid-up share capital of these marketing societies was Rs. 16.69 lakhs and the reserve and other funds were of the order of Rs. 5.65 lakhs. During 1965, these societies earned a profit of Rs. 1.30 lakhs. Sufficient financial aid—to the tune of Rs. 14.63 lakhs—was given by the Government to these societies for various purposes like the construction of godowns, share capital and managerial cost.

Special mention should be made of the Agricultural, Industrial and Commercial Co-operative Society at Davangere which was formed for the purpose of supplying agricultural requirements to the raiyats and for marketing their produce, as also to stock manure and promote mining activity in the district.

**Fair Price
Shops**

Regulated distribution of foodgrains both by wholesale and retail in the district is being done through co-operative societies, municipal and panchayat grain depots. As on 1st January 1966, there were 14 wholesale and 438 co-operative, village panchayat and municipal depots functioning as fair price shops in the district. Davangere with a large population is having informal rationing from 1st April 1965. The food supply in city is being managed by three wholesale societies and 33 retail co-operative societies with an average assignment of ration cards from 500 to 700 for every society. The second big town in the district is Chitradurga and it has three wholesale and 16 retail societies. Except for Davangere, food-grains for all the other places are being released on an *ad hoc* basis at least once in a fortnight. The average issue of foodgrains and sugar for the district per month was as follows.—

	<i>Rice</i>	<i>Wheat</i>	<i>Jowar</i>	<i>Sugar</i>
	(In quintals)			
Davangere city ..	2,500	2,000	2,000	720
For other taluks ..	2,000	3,000	2,000	1,610

**Trade
Association**

The only trade association in the district of Chitradurga is the Davangere Trades Association. This association was started at Davangere on 31st January 1939 and registered under the Mysore Societies Regulation No. III of 1904. At the end of 1965, there were 214 members. This association which is housed in its own building is striving to bring about closer co-operation amongst the members of trade and industry. Among the other important functions of the association may be mentioned, the laying down of a common policy, devising of ways and means of further promotion of their business and amicable settlement of disputes among the merchants.

The weights in use in the district prior to the introduction of the metric system were the standard maund of 40 seers, the seer of 24 tolas and the five-seer weight which was familiarly called as *pancheru* or *viss*. Fluids were either measured or weighed according to local practices. Ghee and butter were weighed employing the *viss* as the unit weight and oils were measured employing the standard seer as the unit. Petrol and diesel oil were sold to customers using the gallon as the unit. With the introduction of the metric system, they are now sold in litres. With the emergence of the decimal coinage system, it was found desirable to introduce the metric system of weights and measures also. The metric system of weights and measures was introduced in the district with effect from 1st June, 1962. All transactions in trade are being done through the metric system. A good deal of propaganda has been done to familiarise the people with the new system. Handbills and brochures have been freely distributed describing the beneficent effects of the metric system.

**Weights and
Measures**