



# REPORT

OF THE

## Burma Provincial Banking Enquiry Committee, 1929-30

VOLUME III

REPLIES TO THE QUESTIONNAIRE

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## PREFACE.

**THE** Burma Provincial Banking Enquiry Committee's complete report together with evidence collected by the committee is being published in three volumes, of which Volume I is the report prepared by the committee under the title *Banking and Credit in Burma*, while the present volume contains the replies to the principal questionnaire of the committee which is reproduced in Volume II together with various statistics and other matter supplementing Volume I. As the replies in the present volume are not generally intelligible without the questionnaire for which they were given, this volume is not being sold apart from Volume II.

2. Each chapter of the questionnaire being divided into groups of closely related questions, the replies have been divided correspondingly, so that all replies to each group are collected together. Some passages of a general nature, which were included in some replies and were not associated with a particular group of questions have been collected into Chapter XIV at the end of this volume. Otherwise the chapters and sections of this volume correspond to the chapters and sections of the questionnaire. The whole of the replies on any subject will be found collected together in the sections relating to the questions which concern it. It should be observed that in the questionnaire a fresh series of numbers was begun in each chapter; there was thus a break in the numbering at the end of each chapter.

3. The formation of district committees and their sub-committees has been described in the first chapter of Volume I. As the reports of sub-committees and individual members were generally embodied in those of the district committees, they are not generally distinguished here; but in a few cases separate reports were submitted and are separately reproduced accordingly. In some cases also, where opinion in the district committee was divided, the conflicting views are separately reproduced here. Some deputy commissioners wrote the district reply with the aid of the district committee (and its sub-committees) as a body of advisers; in some districts the deputy commissioner joined with the committee in preparing the reply; in others again the district committee prepared the reply independently and the deputy commissioner wrote comments. In some districts different methods were followed for different parts of the questionnaire. Precise information as to the course pursued in each district was not available to the provincial committee; consequently, while remarks definitely shown in the district replies as

personal remarks of the deputy commissioner have been described as such in this volume, all other replies from district committees have been given under the district's name without attempting to discriminate. Internal evidence however often indicates how the reply was prepared.

4. Questions 54 to 61 were on a special footing because deputy commissioners were asked to deal with them personally. Here too there was difference of practice. Some relied upon reports of Land-Records or other officers ; some associated the district committee with themselves in preparing the replies.

5. A uniform serial order of the witnesses has been preserved throughout in presenting the evidence of each section ; this order is shown by the classified list of witnesses at the end of this volume. Replies by deputy commissioners, including reports of subordinates submitted by them, are printed immediately after the replies of the respective district committee. The comments of divisional commissioners upon replies from districts in their divisions precede the replies from all those districts.



# CONTENTS.

	PAGE
<b>I.—Replies to the Questionnaire</b> ... ..	1
<b>CHAPTER I.—AGRICULTURAL CREDIT (INCLUDING MARKETING)—</b>	
Section 1.—Purposes of Loans ... ..	1
" 2.—Crop-loans to Cultivators ... ..	11
" 3.—Crop-loans to Landlords ... ..	73
" 4.—Long-term Loans ... ..	75
" 5.—Long-term Loans to Cultivators ... ..	80
" 6.—Long-term Loans to Landlords ... ..	106
" 7.—Intermediate Loans ... ..	108
" 8.—All kinds of Loans ... ..	115
" 9.—Marketing of Agricultural Produce ... ..	147
" 10.—Organisation of Agricultural Loans ... ..	191
" 11.—Agricultural Charge ... ..	194
" 12.—Agricultural Insurance ... ..	158
" 13.—Value of Agricultural Land ... ..	201
" 14.—Statistics—A ... ..	243
" 15.—Statistics—B ... ..	256
" 16.—Statistics—C ... ..	264
" 17.—Statistics—D ... ..	274
<b>CHAPTER II.—COMMERCIAL CREDIT</b> ... ..	281
<b>CHAPTER III.—INDUSTRIES</b> ... ..	311
Supplement.—Notes on the Financing of certain Industries ... ..	337
<b>CHAPTER IV.—CREDIT DOCUMENTS—</b>	
Section 1.—Negotiable Instruments ... ..	352
" 2.—Goods Warrants ... ..	354
" 3.—Hundis ... ..	356
" 4.—Stamp Duty on Hundis ... ..	365
<b>CHAPTER V.—CHEQUES—</b>	
Section 1.—General ... ..	367
" 2.—Language of Cheques ... ..	387
<b>CHAPTER VI.—REMITTANCES</b> ... ..	396
<b>CHAPTER VII.—INDIGENOUS BANKING—</b>	
Section 1.—General ... ..	412
" 2.—Demand Deposits ... ..	421
" 3.—Fixed Deposits ... ..	430
" 4.—Provision of Cash ... ..	433
" 5.—Advances ... ..	435
" 6.—Recoveries ... ..	445
" 7.—Money-market ... ..	457
" 8.—Co-ordination ... ..	460
" 9.—Miscellaneous ... ..	468
" 10.—Development of Indigenous Banking ... ..	493
<b>CHAPTER VIII.—JOINT-STOCK BANKING</b> ... ..	502

CHAPTER IX.—CO-OPERATIVE BANKS AND SOCIETIES—		PAGE
Section	1.—Agriculture—Crop Loans ... ..	507
"	2.—Agriculture—Long-term Loans ... ..	529
"	3.—Agriculture—Intermediate Loans ... ..	540
"	4.—Co-operative Marketing of Agricultural Produce ... ..	544
"	5.—Co-operative Purchase Societies ... ..	547
"	6.—Loans to Traders and Artisans ... ..	550
"	7.—Bills ... ..	554
"	8.—Debentures ... ..	559
"	9.—Long-term Deposits ... ..	562
"	10.—Privileges ... ..	565
"	11.—General ... ..	575
CHAPTER X.—SAVING AND INVESTMENT—		
Section	1.—General ... ..	587
"	2.—Stock Exchange ... ..	620
"	3.—Government Securities ... ..	621
"	4.—Other Securities ... ..	627
"	5.—Growth of Investment and Banking ... ..	628
"	6.—Insurance, ... ..	634
CHAPTER XI.—MISCELLANEOUS—		
Section	1.—Vernacular Script in Banking ... ..	640
"	2.—Pawnbroking ... ..	642
"	3.—Equitable Mortgages ... ..	648
"	4.—Title in Land ... ..	651
"	5.—Public Funds in Banks ... ..	660
"	6.—Imperial Bank of India ... ..	662
"	7.—Usurious Loans Act ... ..	664
"	8.—Insolvency of Agriculturists ... ..	682
"	9.—Co-operative Societies and Income-tax ... ..	688
CHAPTER XII.—LAND-MORTGAGE BANKS—		
Section	1.—Banks for Practical Cultivators ... ..	693
"	2.—Banks of a Co-operative Character for Practical Cultivators ... ..	697
"	3.—Banks of any kind for Practical Cultivators ... ..	717
"	4.—Banks for other Landowners ... ..	731
"	5.—General ... ..	733
CHAPTER XIII.—BANKING LAW AND PRACTICE—		
Section	1.—Definition of "Banker" ... ..	739
"	2.—Definition of "Customer" ... ..	743
"	3.—Underwood Decision ... ..	744
"	4.—Negligence ... ..	744
"	5.—Care in Drawing Cheques ... ..	745
"	6.—Pass Book ... ..	746
"	7.—Instruments permanently payable to Bearer!... ..	747
"	8.—Amendments to the Negotiable Instruments Act ... ..	748
"	9.—Amendments to the Bankers' Books Evidence Act ... ..	748
CHAPTER XIV.—GENERAL REPLIES ... ..		749
II.—Classified List of Witnesses in the order in which their replies to each section of the Questionnaire are printed		763

# I.—REPLIES TO THE QUESTIONNAIRE.

## CHAPTER I.—AGRICULTURAL CREDIT (INCLUDING MARKETING).

### Section 1.—Purposes of Loans.

#### *Akyab District.*

1. (a) }  
(b) }  
(c) } Yes.  
(d) }  
(e) }  
(f) }  
(g) }  
(h) Very rare in this district.  
(i) Very rare.  
(j)
2. The sale of land, gold and cattle.

#### *Sandoway District.*

1. (a) Yes.  
(b) Yes.  
(c) Not ordinarily.  
(d) }  
(e) } No.  
(f) }  
(g) *Not for funerals*, but do to replace cattle suddenly dying.  
(h) No.  
(i) No.
2. No money is commonly obtained otherwise than by borrowing.

#### *Pegu District.*

- 1 (a) }  
(b) } Yes.  
(c) }  
(d) }  
(e) No, except in a year when the market price of paddy is so abnormally low as to induce the cultivators to keep their stock with them longer than usual with the hope of obtaining higher prices later in the season. Even in such cases, borrowing is resorted to only for payment of land revenue, but never for rent or capitation-tax.  
(f) No.  
(g) Yes.  
(h) No.  
(i) No.

(j) It is a fairly common practice for the cultivators of this district to take loans whenever they are involved in litigation.

2. Borrowing is the only means by which money is commonly obtained by the cultivators of the Pegu District for the purposes indicated in (a), (b), (c), (d), (e), (g) and (j) above.

*Tharrawaddy District.*

1. (a) to (d) Yes.  
(c) & (f) No.  
(g) Yes.  
(h) No.  
(i) No.  
(j) For speculating in paddy.
2. No.

*Hanthawaddy District.*

1. (a) Most of the poor cultivators do so.  
(b) Most of the cultivators do so.  
(c) Very few.  
(d) A very few borrow to buy land and build houses and not for other purposes.  
(e) About one-third of the poor cultivators borrow to pay rent and to pay land revenue, none borrow to pay capitation-tax.  
(f) No.  
(g) Only the poorest borrow for funerals, and some of the poor cultivators borrow for replacement of cattle.  
(h) No.  
(i) No.  
(j) Some borrow for litigation.
2. Money is commonly obtained by selling articles of property.

*Insein District.*

1. (a) Yes, owing to a general tradition of thriftlessness.  
(b) Yes.  
(c) Yes, for the same reasons as in (a).  
(d) Yes.  
(e) Yes, especially in a bad year when agricultural loans are used to pay capitation-tax, fishery instalments, rents, etc.  
(f) Yes, for *shinbyus* and marriages.  
(g) Yes.  
(h) No or very rarely as village education is free. The wealthier Delta cultivator and headman who sends his sons to Anglo-Vernacular Schools is probably chronically in debt during the period of their education.  
(i) No or very rarely. These are bought on the hire-purchase system or in times of local prosperity, e.g. after harvest.  
(j) My impression is that there is a rooted objection throughout the district to paying any debt or due of whatever kind in cash and that wherever possible borrowing is resorted to. Most fines in criminal cases are borrowed, and the ordinary motor-car driver of the cultivating classes, if fined in court, usually "borrows" the money from his owner and works off his debt later on.

2. The pawnshops are the usual resort of persons who cannot borrow on a deed or a promise. At certain seasons of the year these do a roaring trade. There are no accurate statistics available to show what percentage of the Insein District populace has been charged with or suspected of murder, theft, housebreaking, cheating, embezzlement, dacoity or cattle theft, but the number of families whose financial resources must have been swelled from time to time by resort to these devices on account of debts is enormous (at least 15 per cent of the population). To the young village bachelor *pyanpe* (cattle ransom and dacoity) is quite a normal means of paying his debts or obtaining money for luxuries such as *bo-pannal* (European shoes), wrist watches or electric torches. Even the very young used to "raise the wind" in Henzada in 1924 on a fairly large scale by running bogus *pyanpe* cases against their own parents.

*Prome District.*

1. (a) Yes (current expenditure being taken to include expenses of cultivation, including seed and food).

- (b) } Yes.
- (c) }
- (d) }
- (e) No.
- (f) No.
- (g) Yes.
- (h) No.
- (i) No.

(j) Money is borrowed sometimes for litigation, but this is not a very common practice.

2. Not known.

*Myuungmya District.*

1. (a) }  
(b) } Yes.  
(c) }

(d) (i) to buy land—Yes.

(ii) To make permanent improvements. Yes, so far as landlords are concerned. No tenants undertake permanent improvements as the tenure is insecure.

(iii) To obtain permanent equipment which confers earning power very rarely. A beginning has been made by a few landlords.

(iv) To build houses—not common; but occasionally money borrowed for other purposes may be converted to this use.

(e) (i) To pay rent—No. Rent is paid out of the crop.

(ii) To pay land revenue—the landlords often borrow for this purpose.

(iii) To pay capitation-tax—Yes.

(f) Yes.

(g) Yes.

(h) No.

(i) Money is not borrowed specially for this purpose; but occasionally borrowed money is used to buy luxuries.

(j) Money is sometimes borrowed in order to indulge in gambling, though some other pretext must be given in order to get a loan.

2. By the sale of land or other property such as jewellery. This is resorted to only when loans cannot be raised.

*Maubin District.*

1. 

(a)	}	Yes.
(b)		
(c)		
(d)		
(e)		
(f)		
(g)		

(h) No.  
(i) No.  
(j) Payment of pressing debts.
2. By sale of jewellery and other moveable property.

*Thalon District.*

1. (a) to (h) and (f) Yes. (i) No.
2. No.

*Thalon District (Pa-an Sub-Committee).*

1. 

(a)	}	Yes.
(b)		
(c)		

(d) Very seldom.  
(e) Yes.  
(f) For *shinbyus* and *ahlus*.  
(g) Yes.  
(h) No.  
(i) No.  
(j) Yes, for magisterial fines.
2. No.

*Thalon District (Kyaikto Sub-Committee).*

1. 

(a)	}	Yes.
to		

(e) }  
(f) No.  
(g) Yes.  
(h) }  
to } No.  
(j) }
2. No.

*Tavoy District.*

1. It is common practice for cultivators in the Tavoy District to borrow for the following purposes (a), (b), (c) and (g).
2. By forward sale which is locally known as *mobe-saba* at a certain rate of their crops usually done after the paddy has been sown and in the months of July and August—delivery to be made at harvest time which is a risky transaction.

*Mergui District.*

1. (a) }  
(b) } Yes.  
(c) }  
(d) Not common.  
(e) Yes.  
(f) No.  
(g) No.  
(h) No.  
(i) No.  
(j) Nil.
2. Nil.

*Toungoo District.*

1. (a) }  
(b) } Yes.  
(c) }  
(d) Yes, to buy land to a small extent, not for other objects.  
(e) Yes.  
(f) No, but some cultivators do borrow for these objects sometimes.  
(g) Yes.  
(h) No. Most of the boys receive their education free from Monastic Schools. Some boys and girls attend Vernacular Schools. Their expenses are not large.  
(i) No.  
(j) Law suits, *i.e.*, expenses for cases, civil, criminal and revenue.
2. No money is obtained otherwise than by borrowing.

*Deputy Commissioner, Toungoo.*

2. Money is sometimes obtained, for the purposes detailed in question 1, by the sale of land, jewellery or other immovable property.

*Thayetmyo District.*

1. (a) Yes.  
(b) Yes.  
(c) Yes, generally.  
(d) Yes, only to buy land and to make improvements.  
(e) Yes.  
(f) Yes, for *shinbyu* only.  
(g) Yes.  
(h) No.  
(i) No.  
(j) Nil.

2. Some tenants get "Mokye" from landlords, *i.e.* loan without interest to be returned at the next harvest or when the land is surrendered.

*Mandalay District.*

1. The common practice is for cultivators to borrow for the purposes mentioned in (a), (b), (c), (d), (e), (f), (g) and (h). The latter very little.
2. By part sale of property and forward sale of produce.

*Meiktila District.*

1. (a) Yes to some extent.  
(b) and (c) Yes.  
(d) No.  
(e) Yes.  
(f) Yes to some extent for Shinbyu and marriage only.  
(g) Yes.  
(h) and (i) No.  
(j) To meet expenses in civil suits and criminal cases.
2. Sometimes by selling cattle or land.

*Commissioner, Sagaing Division.*

A reference is invited to paragraphs 36 to 41 of the Shwebo Revision Settlement Operations, 1918-23, pages 164 to 167 of the Second Settlement of the Katha District and Original Settlement of parts of Katha, Tigyaing and Thabeitkyin Townships, 1923-26, pages 128 to 133 of the Report on the First Revision Settlement in the Mingin Township and Original Settlement in the Kalewa and Kalemio Townships, 1926-28, and pages 49 and 86 to 89 of Settlement Operations in the cadastrally surveyed portion of the Myitkyina District, 1926-28.

These are the four most recent settlement operations in the Sagaing Division.

There is, in my opinion, undoubtedly a rise in the standard of living especially in the neighbourhood of towns and an increasing tendency to spend money on luxuries with the result that agriculturists tend to live ahead of their income.

2. Much of the money required for *shinbyu*, marriage and funeral expenses is obtained by subscriptions from friends and relatives.

*Myitkyina District.*

1. For the reasons given in sub-paragraphs (a) to (g), it is the common practice for cultivators to borrow. They do not borrow for purposes given in sub-paragraphs (h) to (j).

2. By sale of cattle.

*Sagaing District.*

1. (a) Yes—with the majority of cultivators.  
(b) Yes.  
(c) Yes : more so in years following heavy cattle mortality.  
(d) Yes, to a small extent.  
(e) Yes, to a small extent to pay rent and *thathamda* in years of crop failure. Land revenue is generally paid by the landlords.  
(f) Yes, to a small extent.  
(g) Yes, generally when there are no savings.  
(h) No.  
(i) Practically nil.  
(j) To defray litigation expenses.
2. None.



*Katha District.*

1. Money is borrowed for all purposes mentioned except those in (d), (h) and (i) ; (a) is the most common cause.
2. The usual method is making forward sales of the crop growing on the land.

*Katha District (Kawlin and Wuulha Sub-Committee).*

1. (a) Yes. About 90 per cent. of the cultivators have to borrow money to meet current expenditure in ordinary years.
- (b) Yes.
- (c) Yes, the loans received from Government to buy cattle are not sufficient to meet the requirements, as loans granted to persons individually is not such as to cover the expenses incurred in purchases.
- (d) No.
- (e) No.
- (f) No. Only when cultivators obtain money by the sale of their paddy, they perform *shinbyu*, earboring, marriage, *ahlus*, etc. They do not borrow money for these purposes in advance, but when the expenditure exceeds the money they have in their possession, they borrow.
- (g) Yes.
- (h) No. Most of the children get their primary education in Monastic Schools.
- (i) No. Only when they have money in hand they go in for expensive luxuries.
- (j) Nil.
2. By subscription generally collected in cases of *shinbyu* ceremony and funerals only.

*Deputy Commissioner, Upper Chindwin.*

1. (a) No.
- (b) to (d) Yes.
- (e) Yes, but only in exceptional cases, the cultivators resort to borrowing for such.
- (f) Yes. Only well-to-do cultivators who are sure of repaying the loans taken borrow for such purposes.
- (g) Yes.
- (h) and (i) No.
2. By timber, bamboo and cane cutting These occupations are peculiar to this district only.

*Administrator of Government Estates, Burma.*

1. (a) }  
 (b) } Yes.  
 (c) }  
 (d) No.  
 (e) }  
 (f) } Yes.  
 (g) }  
 (h) No.  
 (i) No.  
 (j) To pay off old debts and to pay the expenses of Court suits, Civil and Criminal.

*Assistant Director of Agriculture, Southern Circle.*

1. (a) Yes. It is the usual practice nowadays. About 75 per cent. of the cultivators take loans for this purpose.

(b) Yes. About 90 per cent. of the cultivators take loans.

(c) Not ordinarily except in a bad year, following a cattle epidemic.

(e) and (f) Not ordinarily.

(g) Yes. For sudden unexpected occasions.

*Deputy Director of Agriculture, Arakan Circle.*

1. (a) }  
(b) } Yes.  
(c) }

(d) Generally cultivators take loans, to make permanent improvements, but seldom to buy land. It is not the practice in this locality to purchase permanent equipment which confers earning power or to borrow for house building.

(e) No. But in special cases a loan may be taken to pay land revenue and rent.

(f) Sometimes loans are taken to meet expenses in connection with 'Shinbyu' and marriage ceremonies, but not often. It would appear that loans are never taken for 'ahlus' of various kinds or to defray the expense of journeys to famous pagodas.

(g) It is only in very rare and exceptional cases that loans are taken to replace cattle which die suddenly, or funeral expenses.

(h) No.

(i) No. Occasionally some take loans to buy gold ornaments for the family.

(j) None.

2. Not commonly obtained otherwise than by borrowing.

*Deputy Director of Agriculture, Irrawaddy Circle.*

1. (a) }  
(b) } Yes.  
(c) }

(d) (i) to buy land—Yes.

(ii) to make permanent improvements—Yes, so far as landlords are concerned. No tenants undertake permanent improvements as the tenure is insecure.

(iii) to obtain permanent equipment which confers earning power—very rarely. A beginning has been made by a few landlords.

(v) to build houses—not common; but occasionally money borrowed for other purposes may be converted to this use.

(e) (i) to pay rent—No. Rent is paid out of the crop.

(ii) to pay land revenue—the landlords often borrow for this purpose.

(iii) to pay capitation-tax—Yes.

(f) }  
(g) } Yes.  
(h) }

(i) Money is not borrowed specially for this purpose ; but occasionally borrowed money is used to buy luxuries.

(j) Money is sometimes borrowed in order to indulge in gambling, though some other pretext must be given in order to get a loan.

2. By the sale of land or other property such as jewellery.

This is resorted to only when loans cannot be raised.

*Deputy Director of Agriculture, Myingyan Circle.\**

1. (a) To a certain extent, yes.

(b) Yes.

(c) Yes.

(d) Yes, with the exception of houses.

(e) No. Land rent is a fixed portion of the crop and is paid in kind.

(f) No.

(g) Yes.

(h) No.

(i) No.

2. So far as I am aware money is not obtained for any of the above purposes otherwise than by borrowing.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch) Myinmu Range†.*

1. (a) Yes.

(b) Yes ; on more extensive scale.

(c) Yes.

(d) No ; only in exceptional cases.

(e) No ; only in some cases where they cannot be met out of agricultural income.

(f) No ; only in very rare cases.

(g) Yes.

(h) No.

(i) No.

(j) Nil.

2. Where the answers to sub-questions in question 1 are in the negative money is obtained from their own income.

*Superintendent of Land Records, Myitkyina.*

1. (a) to (g) Yes.

2. None.

*Karen National Association.*

1. It is the common practice for cultivators in Burma to borrow for the purposes indicated in (a), (b), (c), (d), (e), (f), (g) and (h), and some in (i) regarding mirrors, fine clothes and for extravagances of children.

(j) Borrowing rice or paddy to tide over the usual period of hardship between the months of June and October.

2. Money is sometimes obtained without borrowing by selling certain amount of the crop before harvest at a price fixed at the time of the sale

\* The replies given have particular application to the "ya" land areas of the dry zone.

† Joint reply : relates to Sagaing, Mandalay and Kyaukse Districts.

without reference to the price which happens to be current after harvest. In such cases buyers usually take into consideration the length of time they have to wait for the harvest, and the risk if harvest is poor or fails altogether.

It may not be out of place here to mention that the poor often resort to unlawful means to obtain money, if they can no longer borrow or sell to maintain their families.

*Mr. P. S. Subbaiya. B.A., A.I.B. (Rangoon).*

1. (a) }  
(b) }  
(c) }  
(d) } Yes.  
(e) }  
(f) }  
(g) }  
(h) No. Not many are keen to educate their children.  
(i) Yes ; but not to any large extent.  
(j) To spend in amusements and lotteries.
2. By pawning jewels or other valuables.

*Maung Maung Bya, C.I.E.*

1. (a) to (i) Yes, generally true.  
(j) The common causes of indebtedness enumerated by Mr. H. F. Searle, I.C.S., on page 11 of his Settlement Report, 1922-23, as noted by Mr. C. F. Grant, M.A., I.C.S., are as follows :—
  - (1) Deficiency in publicity and certainty in the programme of work to be carried out by the Irrigation Department.
  - (2) Heavy revenue demand and elasticity of remission for partial failures.
  - (3) Deficiency in the system of allocation of unoccupied land in opening out new areas.
  - (4) Absence of any system of proper banking and finance.
  - (5) Deficiency of proper security for the capitalists.
  - (6) Inexperience and lack of balance and foresight on the part of the cultivator.
2. By forward sale of one's produce and one's wages in kind money can be obtained.

*U Shwe Tha, K.S.M.*

1. The common practice is for cultivators to borrow for the purposes mentioned in (a), (b), (c), (d), (e), (f), (g) and (h).
2. Crop loans are usually taken for the purposes indicated in (a), (b), (c), (d) and (g).

*U Kyi \* (Rangoon.)*

1. It is the common practice for cultivators of our locality to borrow money. There are two classes of cultivators. A majority of them are unable to meet current expenditure (in ordinary years) and also in a year following a bad harvest. Many cultivators have to borrow money

\* This evidence has particular reference to the Insein, Ma-ubin and Hanthawaddy districts and was given in Burmese ; a translation is given here.

for the purpose mentioned in item (c). Many cultivators have also to borrow money for the purposes mentioned in item (d). There are many cultivators who go away elsewhere because they are unable to pay rent. As Burman Buddhists, the people perform the religious ceremonies mentioned in item (f) when they have money. The cultivators have to borrow money for the occasions mentioned in item (g). No loans are taken for the purpose mentioned in item (h). Formerly, loans were taken to pay land revenue ; but no loans are now taken for this purpose. During the past two or three years, it is the common practice in towns and villages to borrow money using all the artifices at their command for the purpose of gambling in 36 animal game. They borrow money representing that the amount will be paid back in kind or in paddy. Some of the representations are true and some false. It is the practice of money-lenders to execute a new bond for the value of the produce in kind payable to them on the old loan and also for the amount of the fresh loan advanced charging interest on the whole amount thus compounded.

*Mr. P.L.L.N. Narayanan Chettyar (Pyapon).*

1. Yes : but money-lenders do not lend for purposes mentioned in (i).
2. Not available otherwise than borrowing.

## Section 2.—Crop Loans to Cultivators.

*Commissioner, Arakan Division.*

I doubt if easier crop-loans would lead to better crops. The Arakanese cultivator is very backward, owing to his isolated position, and neither hard-working nor thrifty, and easier money would probably lead mainly to more extravagance.

The crops could be improved but in my opinion education in better methods of agriculture is the first requisite for this.

*Akyab District.*

3. For purposes mentioned from (1-a) to (1-g).
4. (1) (a) Two-thirds.  
(b) Very little.  
(c) One-third.
- (2) Other purposes : Chettiars, Hindus and Arakanese. Chettiars are numerous. Hindu shop-keepers, moderate ; and Arakanese, few. Very difficult to estimate.
- (3) Very few.
- (4) All are not cultivators. Difficult to answer.
- (5) Omitted.
- (6) Arakanese money-lenders confine their loans to Arakanese cultivators as they find they are more honest than Chittagonians and Hindus.
- (7) Arakanese money-lenders do not give preference to any borrowers.
- (8) Borrowers prefer to deal with Arakanese money-lenders as they are not so land grabbing as the Indian money-lenders.

without reference to the price which happens to be current after harvest. In such cases buyers usually take into consideration the length of time they have to wait for the harvest, and the risk if harvest is poor or fails altogether.

It may not be out of place here to mention that the poor often resort to unlawful means to obtain money, if they can no longer borrow or sell to maintain their families.

*Mr. P. S. Subbaya. B.A., A.I.B. (Rangoon).*

1. (a) }  
 (b) }  
 (c) }  
 (d) } Yes.  
 (e) }  
 (f) }  
 (g) }  
 (h) No. Not many are keen to educate their children.  
 (i) Yes ; but not to any large extent.  
 (j) To spend in amusements and lotteries.
2. By pawning jewels or other valuables.

*Mung Mung Bya, C.I.E.*

1. (a) to (i) Yes, generally true.  
 (j) The common causes of indebtedness enumerated by Mr. H. F. Searle, I.C.S., on page 11 of his Settlement Report, 1922-23, as noted by Mr. C. F. Grant, M.A., I.C.S., are as follows :—  
 (1) Deficiency in publicity and certainty in the programme of work to be carried out by the Irrigation Department.  
 (2) Heavy revenue demand and elasticity of remission for partial failures.  
 (3) Deficiency in the system of allocation of unoccupied land in opening out new areas.  
 (4) Absence of any system of proper banking and finance.  
 (5) Deficiency of proper security for the capitalists.  
 (6) Inexperience and lack of balance and foresight on the part of the cultivator.
2. By forward sale of one's produce and one's wages in kind money can be obtained.

*U Sine Tha, K.S.M.*

1. The common practice is for cultivators to borrow for the purposes mentioned in (a), (b), (c), (d), (e), (f), (g) and (h).
2. Crop loans are usually taken for the purposes indicated in (a), (b), (c), (d) and (e).

*U Kyi \* (Rangoon)*

1. It is the common practice for cultivators of our locality to borrow money. There are two classes of cultivators. A majority of them are unable to meet current expenditure (in ordinary years) and also in a year following a bad harvest. Many cultivators have to borrow money

\* This evidence has particular reference to the Insein, Ma-abin and Hinthawaddy districts and was given in Burmese ; a translation is given here.

for the purpose mentioned in item (c). Many cultivators have also to borrow money for the purposes mentioned in item (d). These are poor cultivators who go away elsewhere because they are unable to pay rent. As Persian Buddhists, the people perform the religious ceremonies mentioned in item (f) when they have money. The cultivators have to borrow money for the occasions mentioned in item (g). No loans are taken for the purpose mentioned in item (h). Formerly, loans were taken to pay land revenue ; but no loans are now taken for this purpose. During the past two or three years, it is the common practice in towns and villages to borrow money using all the articles at their command for the purpose of gambling in the annual game. They borrow money *regardless* that the amount will be paid back in kind or in paddy. Some of the requirements are true and some false. It is the practice of money-lenders to execute a new bond for the value of the produce in kind payable to them on the old loan and also for the amount of the fresh loan advanced charging interest on the whole amount thus compounded.

*Mr. PILLAY, Narayanam Cichilar (Puducherry).*

1. Yes : but money-lenders do not lend for purposes mentioned in (a).  
 2. Not available otherwise than borrowing.

### Section 2.—Crop Loans to Cultivators.

*Commissioner, Arakan Division.*

I doubt if easier crop-loans would lead to better crops. The Arakanese cultivator is very backward, owing to his isolated position, and neither hard-working nor thrifty, and easier money would probably lead mainly to more extravagance.

The crops could be improved had an air equinox education in better methods of agriculture in the first requisite for this.

*Akyah District.*

1. For purposes mentioned from (1-a) to (1-g).  
 2. (1) (a) Two-thirds.  
     (b) Very little.  
     (c) One-third.  
 (2) Other purposes: Chinese, Hindus and Arakanese. Chinese are numerous. Hindu ship-deckers, *malabar* ; and Arakanese, few. Very difficult to estimate.  
 (3) Very few.  
 (4) All are not cultivators. Difficult to answer.  
     (a) *Overvalued*.  
 (5) Arakanese money-lenders confine their loans to Arakanese cultivators as they find they are more honest than Chinese and Hindus.  
 (6) Arakanese money-lenders do not give preference to any borrowers.  
 (7) Borrowers prefer to deal with Arakanese money-lenders as they are not so hard-grabbing as the Indian money-lenders.

5. (1) (a) May and June, August, September, November and December.

(b) Average Re. 1-4 per cent. to Re. 1-6 per cent. per mensem.

(c) Annas fourteen to five rupees per cent. per mensem.

(d) According to circumstances of the borrowers and prevailing agricultural prospects of the locality.

(e) Town money-lenders English months and in the District Burmese months.

(f) Gold-jewellery and land.

(g) Omitted.

(h) 85 to 90 per cent. Yes.

(i) Memo taken to redeem within certain time. Burmese by the Arakanese money-lender.

(j) No.

(k) A time limit for redemption is fixed. This is stated in the memo.

(l) Nil.

(m) No deductions are made by the Arakanese money-lenders.

(n) Nil.

(o) Nil.

(p) It is not customary to charge compound interest in this locality.

(2) Omitted.

(3) As a rule, no.

(4) Fairly steady. Owing to the increase of the numbers of Arakanese money-lenders the rates of interest have come down by 25 per cent.

6. (1) Yes.

(2) We are not in a position to answer, but the Land Records Department should be in a position to give this information.

(3) Mostly borrowed money.

(4) Yes.

(5) (a) Less than other money-lenders.

(b) Nil.

(6) (a) The tenant cannot raise money from outside. The landlord has to raise money for his tenants.

(b) According to circumstances.

(c) Depends upon the landlord.

(7) Nil.

7. *Sabape* is common. *Sabanyun* is not in use. After the ploughing season, 50 per cent. below season rate. To pay wages of ploughmen and other expenses.

8. Very little. By poor cultivators when they are hard up. Usual rate 100 per cent.

9. Yes.

10. The meaning of the term "Responsible" is not understood. If by responsible cultivators, "Cultivators who own land" are meant, some difficulties are met at present in raising necessary crop loans. About three years ago land revenue tax receipts showed whether there is any encumbrances on the land or not. The money-lenders take the tax receipts as an indication whether the land is free from any encumbrances. Usually lent the money required by the cultivators when he finds that the land is free from encumbrances; as it is they feel very risky without examining the registration records. This



entails a lot of delay and cost. We see no reason why the old practice of tax receipt showing encumbrances should not be adopted.

11. Not understood.

12. (1) Crop loans from Township Officers :—

Advantages : Small rate of interest.

Disadvantages : Undue delay in obtaining loans. A borrower does not get the full amount of the loan owing to the malpractices of the Township Offices' clerks. Besides the cultivator does not get sufficient amount of money to cover his requirements.

*Akyab District. (Note by Deputy Commissioner.)*

6. (2) Tenants, as far as I know, generally get crop loans from their landlords.

*Sandoway District.*

3. For (a) and (b).

4. (1) (a) From banks . . . Nil.

(b) From Co-operative Societies. Nil.

(c) From other persons. Whole.

(2) "Other persons" Only Burmese and Zerbadis and the former provide the most loans.

(3) Mostly cultivators.

(4) Very small.

(5) The practice is unknown in the District.

(6) No.

(7) No.

(8) No distinction is made.

5. (1) (a) The month of May.

(b) An average of Rs. 2-8 per cent. per mensem.

(c) 3 per cent. and 2 per cent.

(d) According to season or urgency of the loan.

(e) Burmese month.

(f) Gold ornaments and landed property.

(g) No others.

(h) Largest loan commonly granted is Rs. 50 and Rs. 5 respectively on Rs. 100 and Rs. 10 worth of gold. Interest is less for such loans than for others.

(i) Mortgage deeds written on non-judicial paper in Burmese.

(j) No.

(k) No other conditions.

(l) Nil.

(m) Deductions are made for the cost of executing the deed.

(n) No.

(o) No presents

(p) There is no practice of taking interest on interest.

(2) No.

(3) No.

(4) Steady.

6. (1) Good many, about 10 per cent. of owners.

7. Loans when taken on *sabaji* system. In some villages along the seashore there is a similar system connected with *wagaji* industry. The usual rates of interest are 2 and 3 per cent. The usual reason for

taking such loans are for "wunsa," to buy cattle and in the case of *ngapi-be* loans to buy fishing nets, etc., and boats.

8. No considerable amount.

9. No.

10. No difficulties.

11. Crop loans can always be easily obtained.

12. There are neither Chettians nor co-operative societies in the district and agricultural advances are popular.

*Pegu District.*

3. The borrowing is usually done by a crop-loan for the purposes indicated in question 1 (a) and (b).

4. (1) The total crop-loan taken in this district are in the proportion of *nil* from (a) banks, one-tenth from (b) co-operative societies, and nine-tenths from (c) other persons.

(2) Of the "other persons" the Chettians constitute four-tenths; Chinese, three-tenths; Burmese, two-tenths; Tamil, Moplahs and Chulias constitute one-tenth.

(3) Not one of the people mentioned in the answer to item 2 is a cultivator.

(4) A very few of the people mentioned in the answer to item 2 own agricultural land; and the amount provided by them would be about a hundredth part of the total crop-loans in the district.

(5) The people mentioned in the answer to item 2, borrow, to a very little extent only, from others to get money for loans.

(6) No.

(7) No.

(8) The borrowers of crop-loans in this district do not show any preference for any particular kind of money-lender but usually go to the one from which they can get loans with the minimum of inconvenience to themselves.

5. (1) (a) The usual times for taking the loan are May and August of each year.

(b) The usual rate of interest varies from 2 to 3 per cent. per mensem.

(c) The lowest rate of interest commonly taken is  $1\frac{1}{2}$  per cent. per mensem; while the highest is that known as the *sababe* rate under which the borrower has to pay 20 to 50 per cent. of the principal at the harvest by way of interest.

(d) The different rates of interest are fixed in accordance with the credit and solvency of the borrower, the nature of the security offered, and the emergency of the case.

(e) When the rate of interest is fixed by the month, the Burmese month is generally used.

(f) The usual kind of security is land.

(g) Other kinds of security commonly offered are house, jewellerys and cattle.

(h) The largest loan given on Rs. 100 worth of gold is Rs. 80. The interest is less for such loans than for others.

(i) Promissory notes are executed for the loan, and they are written in the Burmese language.

(j) No oral agreement is made to supplement the promissory note.

- (k) No other conditions are usually made for such loans.
- (l) It is understood, though not specifically mentioned, that if the borrower is, through unavoidable circumstances, unable to repay the loan at the harvest, the interest due must be paid.
- (m) Only stamp fees are deducted from the principal money at the time of giving it out.
- (n) No interest is deducted at the time of giving out the loan.
- (o) There is, in this district, no custom requiring either borrowers or lenders to make presents to the other party.
- (p) If interest is not paid on due date, lenders generally wait for a year, at the end of which they either sue for the recovery of the principal or interest due in a Court of Law or compel the borrowers to execute fresh promissory notes so as to enable them to reckon interest on the original principal *plus* the interest due.
- (2) No.
- (3) No definite promise is given, but lenders usually give the borrowers further loans as required until harvest.
- (4) The rates of interest on crop-loans vary from year to year. The rates of interest have increased by about half per cent. per mensem during the last ten or twelve years.
6. (1) Yes.
- (2) About seven-tenths.
- (3) The landlords generally borrow on each occasion the money as required by their tenants.
- (4) Yes.
- (5) (a) About the same rate.  
(b) No.
- (6) (a) Slightly better.  
(b) Distinctly better.
- (c) The landlord generally charges the tenant eight annas per cent. per mensem more interest than he himself pays.
- (d) No.
- (7) No. The remaining two questions do not arise.
7. Loans are commonly taken in this district on *sabape* system ; but *sabanyun* system is unknown here. The usual rate of interest varies from 20 to 50 per cent. of the principal payable at the harvest. Such loans are usually taken by the cultivators living from hand-to-mouth and having no security of any kind to offer.
8. No.
9. There are a few.
10. Yes, owing to scarcity of money. The creation of agricultural banks is the only remedy in the opinion of the Committee.
11. Yes. Yes.
12. (1) The only advantage is the lower rate of interest. The disadvantage is that the Chettiars and Co-operative Societies advance more money on less security and are more lenient when the time for realization of the loan comes.
- (2) In the opinion of the Committee, the disadvantages are greater than the advantages.

*Tharrawaddy District.*

3. For (a) and (b) of question 1.
4. From banks—Nil.

From Co-operative Credit Societies about 2 per cent. or 3 per cent. The rest from other persons.

(2) Chettiars and Burmese. Mostly Chettiars. 99 per cent. Chettiars and 1 per cent. Burmese. Chettiars one lakh as against one thousand by Burmese.

(3) Nil.

(4) Cent per cent. They provide about 75 per cent. of the total crop-loans.

(5) Chettiars 75 per cent. from banks and Burmese 25 per cent. from Chettiars.

(6) No racial distinction. Loans are given to all sorts of people, provided adequate security is forthcoming.

(7) Better terms to big traders than to small traders or cultivators as the former pay back more easily. Indians (Chettiars) get better terms than Burmans from banks. Locally Indians and Burmans get the same treatment.

(8) Under all circumstances borrowers prefer to deal with Chettiars than with Burmans.

5. (1) (a) Between April and November.

(b) Two per cent. per mensem.

(c) One and half per cent. lowest interest and 2½ per cent. per mensem highest.

(d) Interest increases in trade seasons *i.e.*, between January and April.

(e) Burmese month.

(f) Paddy land.

(g) Jewellery.

(h) Sixty rupees for Rs. 100 worth of gold. Interest is a little less for such loans than for others.

(i) Pro-notes and mortgage deeds generally used and they are written in Burmese.

(j) to (l) Nil.

(m) Cost of stamp and registration fees.

(n) No deduction.

(o) No presents.

(p) No extension of time allowed.

(2) No modifications.

(3) Yes.

(4) Interest varies. Steady increase year by year.

6. (1) Yes.

(2) Seventy per cent. from landlords and the rest from others.

(3) Mostly borrowed money.

(4) The interest increases year by year.

(5) (a) Just like any other lender.

(b) No.

(6) (a) By about two to four annas less in monthly interest per hundred.

(b) Same as above.

(c) By about four annas per cent. per mensem than he himself pays.

(d) He takes no security from tenants.

(7) Yes. This practice not common. In such cases tenants get bigger loans than they would get themselves.

7. *Sabape* not common.

*Sabanyun* is in use, but very rare.

Cent per cent interest is charged on such loans. They are taken only when borrowers are faced with starvation or when they are in the tightest corners. No customary conditions.

8. No.

9. Almost nil.

10. No difficulties if adequate security available. Otherwise there is considerable difficulty. Owing to high rates of interest, paddy land and other property have gone into the hands of Chettiars. Hence this difficulty. Opening of land mortgage banks with cheap rates of interest may improve matters.

11. Yes.

12. *Advantage*.—Low rate of interest.

*Disadvantage*.—Strict verification of security and strict recovery.

12. (2) People think so.

*Hanthawaddy District.*

3. The borrowing usually done by a crop loan is for the purposes of (a), (b), (c), (d) and (g) mentioned in question 1.

4. (1) From Chettiars only.

(2) Chettiars who are numerous.

(3) None.

(4) Practically all the Chettiars own land which cannot be said to be taken over temporarily as they have held it for years: they would like to sell, but cannot get high enough prices to suit them.

(5) The Chettiars do not borrow money in this district.

(6) The Chettiars lend money to anybody.

(7) The same terms are obtained throughout.

(8) There is only one kind of lender.

5. (1) (a) The usual time is from April to November.

(b) The usual rate of interest is 2 per cent per month.

(c) Rs. 1-8-0 per cent the lowest and Rs. 2-8-0 per cent the highest, but cases up to 3 per cent highest and as low as 1-2-0 per cent have been known.

(d) Old customers, of good standing, get the lowest rate, casual borrowers get the highest.

(e) Burmese month is generally used.

(f) Gold and jewellery is used, but in some cases in Twantè Subdivision land is also used as security.

(g) Cattle and agricultural instruments in Kyauktan but not in the Twantè Subdivision.

(h) Seventy to 80 per cent is given for loans when gold ornament is pledged.

(i) When land is offered as security a registered document is executed, when other forms of security are given, or when no security is given an on-demand pro-note is executed. Documents are written in Burmese only, but pro-notes are sometimes written in Tamil also.

(j) None.

(k) None.

(l) None, except that the money will be repaid at harvest.

(m) A deduction of Rs. 0-4-0 to Re. 1 is made on account of writing fees and stamps.

(n) No.

(o) None.

(p) The interest is included with the principal at the end of the year, not at harvest time, *i.e.* if the crop loan is taken in *Kason* and becomes repayable after harvest, say in *Tabaung*, the interest is not compounded until the coming *Kason*.

5. (2) No, except that loans are also granted without security at all and on these the highest rate of interest is charged, *i.e.* 3 per cent per month.

(3) No.

(4) The Chettiars alter their rates according to the prevailing bank rate in Rangoon. Also Chettiars have raised interest some years owing to the scarcity of money throughout the country, although there has been no rise in the bank rate. There has been no change during the last 10 or 20 years except the occasional changes mentioned in this answer.

6. (1) Yes.

(2) & (3) Four-fifths of the tenants borrow money from their landlords, but much of the money comes from the Chettiars as the landlords generally borrow the money they lend to their tenants from the Chettiars and in many cases the landlords are Chettiars, but there are many landlords in *Kyauktan* Subdivision who do not need to borrow.

(4) No.

(5) (a) He charges the tenant less.

(b) Yes ; the difference for 5 (i) as follows :—

(f) No security. (i) No documents except pro-notes. (m) No deductions. (p) No compounding of interest.

(6) (a) He generally gets lowest rate and tenant would get highest.

(b) It depends on status of landlord and cultivator.

(c) From Rs. 0-2-0 to Rs. 0-6-0 per cent per month more.

(d) See answer to 6 (5) *supra*.

(7) Does not arise in this Subdivision.

7. Such system is not common in these days, though it was said to be customary in the old days when the price of paddy was low.

8. No crop-loans are given as loans of paddy or other produce.

9. No cultivators sell their crop before harvest instead of taking loans.

10. After a bad harvest loans are difficult to obtain and they can only get the loans at a high rate of interest.

The only remedy is that Government Agricultural loans of sufficient amount and a more simple procedure than at present should be introduced.

11. No, the cultivators cannot get better crops though they can get crop-loans more easily.

12. (1) The advantage of Government advance is a better rate of interest.

The disadvantages—

(i) not able to get as much as they want,

(ii) complicated and long procedure of applications, enquiries, etc. ;

(iii) liability of a portion of the loan not reaching their hands; and

(iv) uncompromising attitude of Government towards repayment.

The advantage of a Chettiar loan is that it is quick to obtain and a sufficient amount is obtainable. Also the Chetty extends time for repayment and even reduces the rate of interest after a bad harvest.

(2) The disadvantages far outweigh the advantages.

*Insein District.*

3. Yes, usually for the purposes mentioned in 1 (a), (b), (c) and (g).

4. (a) None.

(b) Very little, probably under 10 per cent.

(c) Ninety per cent since Government Agricultural loans were closed down.

(2) (i) Burmese land owners (many), (ii) Chinese shop-keepers (many), Chettiars (numerous), Indians of the Kaka class. The exact proportions in which these classes lend it has been impossible to ascertain in the time at the Committees' disposal.

(3) The answer depends on what is meant by "cultivators." As soon as a man gets to a position in which he can lend money, he ceases to cultivate though he may own land and interest himself in its working.

(4) (a) The great majority—(b) not known.

(5) Not known.

(6) Not known.

(7) Not known.

5. (a) At the start of the rains, May to July 1st.

(b) Four per cent per mensem.

(c) Highest Rs. 7-8-0 per cent per mensem, lowest Rs. 2-8-0 per cent per mensem.

(d) The urgency of the need, the difficulty of obtaining money, the reliability or otherwise of the security all affect the rate of interest.

(e) Burmese month.

(f) Paddy land or jewellery.

(g) Cattle, houses and other personal effects are frequently pledged

(h) Not known for certain. One estimate is Rs. 60 for Rs. 100 worth of gold.

(i) For large amounts registered deeds, for small amounts promissory notes.

(j) No.

(k) There are rarely any other conditions except a stipulation as to the time limit of the interest.

(l) Nothing.

(m) Eight annas or Re. 1 per cent deduction is made from the principal for writing, stamp and paper fees.

(n) Very rarely; it is impossible to lay down a general rule.

(o) This custom is not known for certain; it possibly exists with Indians in the case of large loans and there may be small presents to lubricate the giver.

(p) One month.

6. (1) Yes.

(2) One estimate for this district gives 35 per cent. I am doubtful if this figure can be reckoned with any accuracy.

(3) The landlords generally borrow from Chettiars.

(4) Not known.

(5) (a) and (b) Not known.

(6) (a) He gets slightly better credit and terms as his security and position is better.

(b) See (a).

(c) About 1 to 1½ per cent.

(d) No.

(7) This practice appears to be very rare.

7. *Sabape* loans are agreed to be rare except by cultivators buying goods on credit from Chinese shop-keepers. The rate is stated to be usually 100 baskets of paddy for every hundred rupees borrowed. Owing to the scarcity of money in the last year, this rate has risen to 100 baskets for Rs. 80. *Sabanyun* and *pe-be* are unknown.

8. No.

9. No.

10. They meet a general constriction of credit and a feeling of distrust due to the low moral tone and wholesale embezzlements so prevalent in the country side. The Accountant General informs me that Burma is in this respect the worst province in India. Honesty is not considered a good policy if any other is obtainable. Also cultivation is too often uneconomic, *viz.*, waste of manure, water, cattle, labour. The remedy lies only in improved education and civilization and is not likely to be found for many years to come.

11. It is very hard to say. Thrift is almost unknown and "easier money" would tend to make the cultivator revolve in a vicious circle or spend what he has on the luxury of the moment.

12. (1) *Advantages*.—(I presume this means from the cultivator's point of view.) It used to be much easier, interest was low, and no one cared how the money was spent. With a slack Township Officer, there is no formality and an even chance of never having to repay the money. (e.g. Tantabin Township loans *passim*).

*Disadvantages*.—There is always a slight risk of prison and ultimate oppression from the "Asoya." There is also the disadvantage of having to bribe headmen to recommend one for the loan.

(2) From the cultivator's point of view, no.

From the point of view of economics the main disadvantage is that only a fraction of the cultivating populace can get loans from Government owing to shortage of funds.

#### *Prome District.*

3. For (a), (b), (d) and (g).

4. (1) (a) Nil.

(b) One quarter.

(c) Three quarters.

(2) Burmese, Chettiars and very few Sikhs and Marwaris.

A rough estimate of relative numbers is—

Chettiars	...	30 or 40 firms or branches.
Burmese money-lenders	...	1,000.
Sikhs and Marwaris	...	20.

These provide the following percentages of the total crop loans :—

Chettiars	...	30 per cent.
Burmese	...	65 per cent, about half of which they themselves borrow from the Chettiars.
Sikhs and Marwaris	...	5 per cent.



- |                    |     |  |
|--------------------|-----|--|
| (3) Chettiar       | ... | Nil.   |
| Burmese            | ... | 50 per cent, providing 15 per cent of total crop loans.    |
| Sikhs and Marwaris | ... | Nil.   |
| (4) Chettiar       | ... | Nil.   |
| Burmese            | ... | 50 per cent providing 15 per cent of the total crop loans. |
| Sikhs and Marwaris | ... | Nil.   |

(5) The Burmese money-lenders borrow about 50 per cent from the Chettiars. Chettiars depend upon borrowed capital to a great extent. It is believed that at least 80 per cent of their capital is loan capital.

(6) No.

(7) There is no racial distinction, but borrowers who will repay promptly or can furnish security, in short those whose credit is good, can get better terms.

(8) Those whose credit is sufficiently good prefer to deal with Chettiars direct in this matter, as they get better terms.

5. (1) (a) Before the rains and in some cases before the harvest.

(b) The usual rate is Rs. 3 without security and Rs. 1/12 with security.

(c) Highest 3 per cent per mensem, lowest Rs. 1/8 per cent per mensem.

(d) The rate of interest depends upon whether security is good and upon the reliability of the borrower and the amount of loan taken.

(e) Burmese month.

(f) Jewellery or standing crops for small amounts, and immovable property for large amounts.

(g) Nil.

(h) Seventy five per cent. Interest is less.

(i) Promissory notes except when land is mortgaged on a mortgage deed. In the Burmese language.

(j) No.

(k) None.

(l) Although an on demand may be executed it is understood that demand will not be made until after the harvest.

(m) For writing fees, stamps and registration, if necessary.

(n) No.

(o) None.

(p) Interest is not reckoned on interest due until a fresh instrument is executed. In some cases such an instrument is executed after one year.

(2) No, except possibly as regards the usual time of year for taking the loan, which may vary with crops other than paddy.

(3) No.

(4) The rates of interest vary with the rate of interest in the money market. They have probably gone down by about 30 per cent during the last 10 years.

6. (1) Yes.

(2) Eighty per cent.

(3) The majority have to borrow money to lend to their tenants.

(4) No, so far as is known.

(5) (a) In case of cash loans, the charge is the same.

(b) There is no difference in the case of those answers which are relevant to this question.

(6) (a) As a land owner he naturally gets a lower rate of interest, estimated at 50 per cent less.

(b) If the ordinary cultivator is a land owner, he will get the same terms as a landlord.

(c) About 100 per cent more.

(d) Principally in that no security is taken from the tenant.

(7) The practice is not known here.

7. *Saba* is common. *Saba-nyun* also is common in some parts of the district. The rates this year are as follows :—

*Saba*—100 baskets at harvest for Rs. 100 at ploughing.

*Saba-nyun*—Rs. 100 plus 25 baskets at harvest for Rs. 100 at ploughing.

These rates depend upon the price of paddy and if the price of paddy remains low this year, they will presumably be changed next year. The usual reason for taking such loans is to provide *wunza* and working expenses for the tenant.

8. No. Occasionally loans of paddy are taken for *wunza* and seed. The terms vary so considerably that it is impossible to give usual terms.

9. This practice is rare.

10. There is no difficulty for a land owning cultivator to obtain crop loans if his land is free from encumbrances, but he has to pay a high rate of interest; the minimum rate of interest being Rs. 1-4-0 per mensem. There is room for a great improvement, if further capital could be made available. It is apparently the lack of capital to finance such transactions that is responsible for the high rate of interest, and the only remedy is the provision of more capital.

11. This is a question of agricultural economics upon which the Committee is not competent to advise. Almost any land can be improved by manuring, but would have to be decided in each individual case whether the improved outturn would justify the cost of obtaining it.

12. (1) The advantages are :—

A lower rate of interest and the convenience of furnishing joint security (enjoyed also by Co-operative Societies).

The disadvantages are :—

The troublesome formalities to be gone through and the fact that a borrower does not know whether he will get the money until he actually receives it. In some cases the whole amount is said not to reach the borrower.

(2) The readiness with which such advances are taken up shows that the advantages are greater than the disadvantages.

*Myaungmya District.*

3. (a) (b) (c) Yes.

(d) No.

(e) For capitation-tax.

(f) No.

(g) Yes.

(h) No.

(i) No.

4. (1) (a) Very little if any.  
(b) Very little.  
(c) Mostly.

(2) Burmese, including Karens, are numerous. Indians other than Chettiars are in moderate numbers. Chettiars and Chinese few. Opinion was divided on this question. The majority decided as follows :—

Chettiars about 70 per cent.

Burmese about 15 per cent.

Chinese about 10 per cent.

Chulias, Bengalis, Gujerati and Mohamedans 5 per cent.

- (3) Practically none.

- (4) Chettiars very few.

Burmese almost all.

Chinese almost all.

Others almost all.

} Own agricultural land.

(5) Chettiars—almost all their business is done with borrowed money. Burmese borrow a good deal from Chettiars.

(6) No racial or other distinction is made except in the case of Chinese who prefer to lend to persons of their own race.

(7) Provided the security, credit and standing are the same all get equal terms.

(8) Borrowers take loans from the most convenient and most favourable source. Otherwise, no preference is shown.

5. (1) (a) August—September.

December—January—February.

(b) and (c) Rs. 2 to Rs. 3 per cent. per mensem.

(d) The rates depend on the money market, security offered and the credit of the borrower.

(e) Burmese month.

(f) Landed property.

(g) Jewellery.

(h) Some members state that only 65 per cent of the value is advanced. Dawson's Bank gives 80 per cent of the value of the gold but allows nothing for precious stones which may form part of the jewellery. Chettiars are said to give slightly more than 80 per cent of the value of gold.

In normal years the interest on loans for which gold is offered as security is slightly less than for other loans. In the present year owing to depreciation in the gold exchange rate interest is slightly higher.

(i) In the case of jewellery, promissory notes. For landed security registered mortgage deeds.

(j) No answer.

(k) That the loan and interest will be repaid at harvest.

(l) When jewellery is deposited as security, the borrower gets no receipt from the lender for the property handed over. The latter retains a list on the lower half of the pro-note. The understanding is that when the principal and interest are repaid the jewellery will be returned. The Committee would suggest that the adoption of a document similar to the bail bond used by Dawson's Bank may be insisted upon in order to safeguard the borrower.

(m) Stamp fees, registration fees and writing fees are deducted.

(n) No.

(o) None.

(p) It is said that there is no fixed time ; but there is generally a recognized settling day soon after the cultivator has disposed of his crop or most of it. When he cannot pay interest in full on the settling day he has to execute a new deed for the principal plus unpaid interest.

(2) No.

(3) No.

(4) The rates of interest vary with the fluctuation of the money market. This year they are slightly higher than usual. There has not been much change during the last ten years.

(A reference to paragraph 76 of the Report on the Settlement Operations in the Myaungmya District, 1916-19, is invited.)

6. (1) Yes.

(2) All.

(3) Few landlords are able to lend money from their own pockets. Most of them borrow from other sources.

(4) Yes.

(5) (a) He usually charges at the rate which other lenders charge men of the borrower's standing.

(b) Tenants borrow from landlords in May and June as well as August—September.

Rs. 2-8-0 to Rs. 3 per cent. per mensem.

Generally no security is offered ; but in some cases the crop is mortgaged to the landlords to prevent the tenants from disposing of it to others, when the tenant is not considered reliable. "On demand" promissory notes and sometimes mortgage deeds are executed for loans.

Landlords usually agree to advance money to their tenants throughout the season as required for *bonâ fide* current expenses.

(6) Tenants usually have no security to offer. They are therefore unable to raise loans from any one but their own landlords.

(a) Thus the landlord can raise a loan on ordinary terms where the tenant cannot get one at all.

(b) The security offered being equal a large landlord is not likely to get better terms than a small owner cultivator, unless he is a favoured client of the lender. Large loans, amply secured, usually carry less interest than small loans.

(c) About half per cent. per mensem more than he pays.

(d) No, except that the tenant usually has little or no security to offer.

(7) Yes, but rarely.

To the extent that without the security offered by the landlord the tenant would not be likely to obtain money. Otherwise the terms are the same.

7. The practice is dying out but still exists to some extent. "Saba-nyun" is common amongst Mohamedan money-lenders. Usual rates are from 12 to 25 baskets of paddy in lieu of interest for a loan of Rs. 100.

Usual reasons for taking such loans are that the landlord from whom the money is borrowed is prohibited by his religion from taking interest, and the tenant is unable to obtain money elsewhere.

8. To a small extent among Burmans, but common among Chinese and Chulias. Repayable after harvest, usual rate being one basket of

paddy for every rupee's worth of produce taken. Such loans are usually taken by owner cultivators who have no landlords to finance them.

9. Very rarely ; only in cases of great necessity.

10. Apparently none.

11. Not probable in the case of tenant cultivators. Owner cultivators may effect minor improvements in their lands and thereby get better crops. Yes.

12. (1) Compared with Co-operative Societies and the Chettiars, crop loans from Township Officer are more advantageous as regards interest. They are, however, more difficult to obtain and are subject to greater delays. The amount of money available is usually very small.

(2) Cultivators appear to think so.

*Maubin District.*

3. For payment of pressing debts, current expenses, purchase of cattle, land-revenue and capitation-tax.

4. (1) (a) Very little, (b) very little, (c) 7/8ths.

(2) Burmese (moderate) 30 per cent. Chinese (few) 20 per cent. Chettyars (numerous) 50 per cent. Burmese Rs. 2,40,000 : Chinese Rs. 1,60,000 : Chettyars Rs. 12,00,000.

(3) Burmese very few : Chinese nil : Chettyars nil. About Rs. 40,000.

(4) Omitted.

(5) Omitted.

(6) Uriyas are favoured as they work well and never fail to pay up, but crop-loans are not confined to any race in particular. Outside Kaukkyi paddy crop, crop-loans are negligible.

(7) No.

(8) Usually Chinese money-lenders are preferred as they do not usually resort to Court for recovery.

5. (1) (a) About June and July.

(b) Two per cent per annum is usual.

(c) 1½ per cent. lowest and 3 per cent per mensem highest.

(d) Much depends upon borrower's credit.

(e) Always fixed by Burmese month.

(f) Usually crop is mortgaged.

(g) Sometimes jewellery, cattle and carts are pledged.

(h) Rs. 70 is advanced for Rs. 100 worth of gold. Yes : the rate drops to about 1½ per cent. per mensem.

(i) Usually an on demand pro-note in Burmese is executed.

(j) Oral agreements are often made in addition, but are not admitted in evidence as against the document.

(k) No other conditions.

(l) The usual understanding is that payment will be made after harvest.

(m) No deductions.

(n) No.

(o) Nil.

(p) Lenders wait till crop is sold and if no payment is made a fresh pro-note is executed for principal and interest combined.

(2) No.

(3) Further loans are usually given as it is more or less the practice to do so.

(4) Have not varied appreciably from year to year, but the rate has a downward tendency being now about  $\frac{2}{3}$  of what it used to be 10 to 20 years ago.

6. (1) Yes.

(2) Seventy-five per cent.

(3) Landlords generally borrow the money required by their tenants.

(4) Not many.

(5) (a) Same interest as another lender, but if the tenant has worked the land for a number of years and may fairly be trusted the loan is issued at a slightly lower rate of interest.

(b) No.

(6) (a) About Rs. 1-4 to annas 10 cheaper interest.

(b) No better terms if security is equal.

(c) He borrows at Rs. 1-6 to Rs. 1-12 per cent. and lends to his tenants at Rs. 2 to Rs. 3 per cent per mensem.

(d) No.

(7) No. Remaining questions do not arise.

7. In certain tracts of the Maubin District, the *sabape* system of loan is common. The *Saba-nyun* system is unknown. *Sabape* is resorted to only by the needy who cannot otherwise get a loan. For Rs. 80 borrowed at the beginning of the ploughing season or Rs. 100 in the middle of the rains, the borrower has to return 100 baskets of paddy worth about Rs. 180. The labourer class can get loans only at these *sabape* rates. In the badly flooded tracts where the crops are precarious, the credit of the cultivator is so low and money-lenders so scarce, that he has to resort to several persons to obtain a small loan of Rs. 100. Even this is not obtainable unless the tenant agrees to return the loan half at "*sabape*" rates and the other half at exorbitant interest of Rs. 25 to Rs. 30 per cent. fixed. Over most parts of Danubyu Township the *sabape* system is in force, due as much to the scarcity of money-lenders as to the comparative poverty of the landlord class.

8. No.

9. Yes.

10. The loans are usually made in such small instalments especially by landlords to their tenants that operations are sometimes impeded by want of ready money. Time is lost by frequent visits to the money-lender. No remedy can be suggested.

11. Yes. Crops would be better and people could pay interest on larger loans and still have a larger balance for themselves.

12. (1) The advantage of taking a crop-loan from the Township Officer is that the borrower gets the loan in a lump sum and at a cheap rate of interest, but he can never be sure of his loan as the amount at the Township Officer's disposal is small and is usually fixed with reference to his ability to issue loans profitably. The procedure for obtaining a loan is also too complicated to suit a rustic, who has no inclination to pay back on due date, but likes to take some time over repayment. He finds the Chettiar more accommodating though the interest is higher. Co-operative Societies do not exist everywhere and the borrower does not wish to go to the length of being a member of a Co-operative Society in order to be able to borrow from it.

(2) The disadvantages are greater.

*Thatôn District.*

4. (1) Loans are not taken from Banks and Co-operative Societies but from other persons.

(2) Other persons include Chettiars, Burmese, Chinese and Indians of other races. Chettiars are numerous. Burmese in moderate numbers and Chinese and Indians of other races few. About three-fourths of the cultivating class take loans from the Chettiars and the remaining one-fourth from other sorts of people. In Thatôn and Paung Townships, Chettiars lend out for crop loan and long-term loan, not more than 80 lakhs, Burmese not more than 10 lakhs and Chinese and other races, not more than 2 lakhs.

(3) About three-fourths of the Burmese are cultivators. The second subsidiary question does not arise.

(4) As statistics are not available, answer is not possible.

(5) No.

(6) No.

(7) No.

(8) No.

5. (1) (a) Between April and November.

(b) Between rupee one and annas four and rupee one and annas eight.

(c) Answered in (b) above.

(d) Unsecured loans carry higher rate of interest than secured loans.

(e) In towns English month is generally adopted; but in villages Burmese month is invariably adopted as it carries less days than the English month, in calculation, and is therefore an advantage to the money-lender.

(f) Landed properties.

(g) Jewelleries, carts, cattle and other agricultural implements.

(h) Lenders used to lend Rs. 20 for an article of pledge worth Rs. 30. Rate on interest is between  $1\frac{1}{2}$  and  $1\frac{1}{2}$  per cent per mensem. It is not less for such loans than others.

(i) Either by registered documents or promissory notes. They are written mostly in Burmese.

(j) No. It is generally and commonly understood between the parties that repayment of the loans should be made at the coming-harvest.

(k) No.

(l) Answered in (j).

(m) If the money-lenders are Chettiars, they make a small deduction of few annas, say about four annas as charges for writing, stamp, ink and paper. If the loans are secured by registered instruments, borrowers stand necessary expenses.

(n) No.

(o) No.

(p) A fresh document is executed.

(2) No.

(3) No. But the lenders make further loans if the security is sufficient.

(4) No change. The same during the last twenty years.

6. (1) There are many.

(2) Most of the tenants take loans from the Chettiars say about three-fourths of them.

(3) Land owners generally take loans from the Chettiers and make loans to their tenants.

(4) No.

(5) (a) At the same or less rate.

(b) No.

(6) (a) to (d) Landlord will profit by the difference between the two rates of interest.

(7) No. Not common.

7. *Sabape* system is carried on among the Chinese and Kaka shop keepers on a small scale. Repayment is made at a rate of interest equivalent to 25 per cent. per mensem. This usually depends upon the prevailing price of paddy.

If rupees ten is lent, repayment of ten baskets of paddy is promised, but at harvest, repayment in value of the paddy promised at the prevailing rate is made.

8. Yes. To a very small extent.

9. Yes. But very few.

10. When there are unfavourable circumstances, such as drought, flood, prevalence of pests and other destructive calamities, the cultivators meet difficulties in raising crop loans. To overcome the financial difficulties the Government should make sufficient loans to them.

11. Yes.

12. There is too much red tape when loans are issued in the Township Offices. No sufficient loans are made to the cultivators, nor can they be got at any time. Disadvantages are greater than advantages.

*Thaton District. (Pa-an Sub-Committee.)*

3. (a) (b) (c) (e) (g) (j).

4. (1) whole from (c).

(2) Burmese, Chinese, Bengalese, Chulias and Tamils.

Burmese are numerous.

The rest in moderate numbers.

Ratio of 5 to 2.

Not possible to estimate.

(3) About 75 per cent of Burmese are cultivators.

The rest non-cultivators.

Not possible to estimate, or answer.

(4) Burmese all.—About 50 per cent.

(5) About 25 per cent.

(6) Confine to cultivators. Reason is obvious, they depend on the crops which serve as surety for the loan.

(7) Better terms were given to Karens, as Karens are more reliable.

(8) No distinction.

5. (1)(a) May and September.

(b) 45 per cent interest.

(a) 65 per cent. highest and 25 per cent lowest.

(d) The earlier the loan the higher the interest.

(e) Burmese months.

(f) Deposit of *Pycas*.

(g) Pledging of live-stock.

(h) 75 per cent.—Rs. 6.

Yes.



- (i) Bond—in Burmese.
  - (j) Not generally.
  - (k) Forfeiture of land and cattle.
  - (l) To compound interest for sums left unpaid.
  - (m) Stamp fee and writing charges.
  - (n) No.
  - (o) Help in domestic affairs.
  - (p) Up till the time of new cultivation.
- (2) Yes—standardisation of rate of interest by enactment if necessary.
- (3) No.
- (4) Vary from year to year according to prevailing price of paddy. Rates of interest have risen very high and are still rising as the money market is very tight.
6. Not many.
7. No "Sabape."  
No.  
See answer to Question 5 (b) (c) (d).
8. No.
9. Yes.
10. Want of adequate number of money-lenders.  
Death of cattle, want of seed grains and transplanting charges.
- Establishment of an agricultural bank.
11. Yes.
12. *Advantages*—Lower rate of interest.  
*Disadvantages*—Unnecessary expenditure to procure loan.

*Thaíen District (Kyaikto Sub-Committee).*

3. For all the purposes mentioned in 1 above a crop loan is raised.
4. (1) (a) Nil. (b) Nil. (c) Very little.  
(2) Chettiers numerous, Chinese few, Mohamedans and Hindus few, Burmese few.  
(3) Burmans only.  
(4) Burmans predominate. Others very few.  
(5) Chetties from big chetty firms in Rangoon to the extent of about 5 to 6 lakhs and others from their own funds to the extent of about Rs. 50,000.  
(6) No.  
(7) Yes. Not for any other reason than financial position of the lender.  
(8) Mostly deal with chetties owing to business of money-leading being generally carried out by this class of people.
5. (1) (a) June, July and August in each year.  
(b) 2 per cent per month.  
(c) 3 per cent per month maximum and 2 per cent per month minimum.  
(d) Judged by the social position and the value of crops.
- (4) Almost steady. Rates of interest are higher during the last 10 or 20 years.
6. (1) Yes.  
(2) About 50 per cent.

(3) Some lend out from their own money and some from borrowed funds.

(4) No. Usually loans are repayable after the harvest. There are few long outstanding loans.

(5) (a) Neither less nor more interest is charged.

(b) No.

(6) (a) He gets loans at reduced rates of interest as he owns landed property.

(b) At annas 4 to annas 8 interest for a loan of Rs. 100.

(c) At an increased rate of from annas 2 to annas 4 more for a loan of Rs. 100.

(d) No.

(7) No.

7. Yes. No. The rate of *sabape* is Rs. 100 per 100 baskets. To buy cattle and to meet living expenses and wages of labourers.

8. Few. For a loan of Rs. 100, 100 baskets of paddy is re-payable. To meet living expenses and wages of labourers.

9. No.

10. None known.

11. None known.

12. (1) The advantage of a loan from the Township Officer is in reduced rate of interest and the disadvantage is the strict enforcement of rule for the repayment of the loan within a fixed time the reason being that most of the borrowers who are unable to repay the loan on the fixed date will be compelled to sell the crops at reduced rates.

(2) Almost counterbalanced.

#### Tavoy District.

3. Crop Loan System is not known in this District.

6. (1) Yes, there are many tenants in this district to the extent of 80 per cent.

#### Mergui District.

3. See answer to (a), (b), (c) and (e).

4. (1) Other persons.

(2) Burmese.

(3) Half.

(4) Half.

(5) Nil.

(6) No.

(7) No.

(8) No preference.

5. (1) (a) *Taboung* or February and March.

(b) 20 to 30 baskets per hundred rupees per season.

(c) 20 baskets lowest and 30 baskets highest.

(d) According to position of financial market and the position of the borrower and duration of the loan.

(e) Burmese.

(f) Land and buffaloes.

(g) Jewellery and personal surety.

(h) 80 per cent.

(i) Generally pronotes though other kinds of documents are also executed as acknowledgements, mortgage deeds. Language is Burmese.

- (j) In the case of pronotes, and acknowledgements, Yes.
  - (k) Time and place of payment and variety and quality of crops.
  - (l) Time and place of payment and variety and quality of crops.
  - (m) No deductions except cost of agreement.
  - (n) No.
  - (o) No.
  - (p) Generally 2 or 3 months.
5. (2) No.  
(3) Yes.  
(4) Steady. Changed from 40 baskets to 30.
6. (1) No.
7. Yes on "saba-pe." Saba-nyun in use.
8. No, except in case of extreme necessity.
9. Yes.
10. No.
11. No.
12. (1) The loans from Township Officers are usually subject to long delays, frequent attendance at his office and the preliminary enquiries made before loans are actually paid.  
(2) Yes.

*Toungoo District.*

3. Crop loans are taken for the purposes mentioned in 1 (a) (b) (c) and (g).

4. (1) (a) Nil.  
(b) Very little.  
(c) Almost all.

(2) Chettiaris, Chinese traders and shop keepers ; Burman village money-lenders.

Out of a total crop-loan the land owner contributes  $\frac{1}{3}$ , the Chettiaris  $\frac{1}{3}$ , the Chinaman  $\frac{1}{4}$  and Burman  $\frac{1}{4}$ .

- (3) About one-tenth of the Burman land-owners.  
(4) Almost all.  
(5) From 50 to 100 per cent.  
(6) No.  
(7) No.  
(8) No.

5. (1) (a) From the beginning of the working season e.g., for paddy crop from May to December, for cold season crops such as tobacco or peas from October to March following.

- (b) Rs.  $\frac{1}{8}$  per cent per mensem.  
(c) Rs.  $\frac{1}{4}$  and Rs.  $\frac{2}{8}$ .

(d) (1) According to the time of the year—the interest is highest when money is scarce during the rains when cultivators want most and lenders have exhausted their resources ; secondly the rates of interest vary accordingly to the reliability, integrity and regularity of the borrower.

(e) Burmese month.  
(f) Immoveable property if of any value, gold and ornaments and cattle.

(g) No other.  
(h) From 60 to 75 per cent according to the position of the borrower.

- (i) Most On-Demand pro-notes and in Burmese.  
 (j) Yes, in cases when the loans are to be treated as *Sabape*, *Pe-be*, etc., though executed on an ordinary pro-note.  
 (k) Not that we know of.  
 (l) Not that we know of.  
 (m) In cases pro-notes are executed Re. 0-4-0 for each pro-note is charged by the lender for stamp and paper.  
 (n) No.  
 (o) Nothing of value.  
 (p) If interest is not paid after the harvest, it is made as capital, after a month or so.

(2) No.

(3) Yes.

(4) Slightly. Since the formation of Co-operative Societies. About 20 years ago the rates of interest have slightly declined.

6. (1) Yes.

(2) About 75 to 80 per cent get their crop loan from their landlords, when the latter could not meet their requirements they go to others.

(3) They started with their own money and borrowed from Chettiars and Co-operative Societies to lend to their tenants.

(4) Yes.

(5) (a) Same rate of interest. If any, he charges little more.

(b) No.

(6) (a) (b) Being man of substance and standing he gets better terms, say 1 to 1½ per cent. per mensem better.

(c) From 1 to 1½ per cent per mensem higher.

(d) Nothing materially.

(7) No.

7. Yes, *Sabape*, *Pebe*, *Saype*, etc. *Sabanyun* system is dying out though there is still some in out-of-the-way places. *Sabanyun* 20 to 25 baskets of paddy for a season or year for Rs. 100 principal.

8. In some cases the tenants want paddy for seed-grain and for consumption—they borrow the paddy and pay it back with 25 to 30 per cent interest in the following harvest.

9. Yes. But very rarely.

10. Most of the cultivators do not get enough loan for cultivation and household expenses nor in the right time—sometimes the lenders have no money, secondly the lenders wish to wait and see if the rains are regular and crops alright, etc. The only remedies we can suggest are opening of Agricultural Banks and more Co-operative Societies—more speedy and liberal issue of Agricultural loans by Government.

11. We think so. As it is the work of the cultivators are hampered for want of funds at the right time.

12. (1) *Advantages*.—Small rate of interest, the loans are repayable in two to three years with a further concession to extend the period to five years in special cases.

*Disadvantages*.—Government loans are not obtained at all times or when they are required. The amount at the disposal of the Township Officers is very limited.

The cultivators cannot get the amount they actually require. There are difficulties in getting the loans, *viz.* to get the Headman to stand security to satisfy the Township Officer. Sometimes the borrowers do not get the full amount. They have to make many trips to the Township Officer's office.

*Deputy Commissioner, Toungob.*

12. It is remarkable that Agricultural loans by Government are unpopular in this District. The reasons are contained in the opinions of the Committee ; but I think the Committee lay undue stress on the fact that the amounts available for distribution by Township Officers are limited. In this District, the amounts allotted to Townships are very seldom spent. I am informed that the higher rate charged by money-lenders is discounted by the fact that the borrower receives the loan in full, and that none sticks to the palms of clerks or other intermediaries. Moreover, Government insists on repayment, and is not anxious, like the money-lender, to secure eventual control over the land.

*Commissioner, Magwe Division.*

3. In respect of all loans I have an idea that the rate of interest specified in the document is *in terrorem*. If the borrower repays the principal promptly, the lender will probably knock something off the total amount of interest due. But if the borrower by failing to pay drives the lender to Court, the full amount is demanded.

12. Agricultural loans are of considerable benefit to cultivators in Magwe Division and few suspensions are applied for or granted. But the system is incapable of any great extension. The Township Officer has too many other duties.

*Thayetmyo District.*

3. For 1 (a), (b), (e) and (g).
4. (1) All from other persons (there being no bank or Co-operative Societies making crop loans).
- (2) All Burmans except a few Chettiars. About 90 per cent of these loans are advanced by Burmans and about 10 per cent by Chettiars.
- (3) Lenders—Cultivators 80 per cent, amount advanced 50 per cent.
- (4) Lenders—Land-owners 10 per cent, amount advanced 15 per cent.
- (5) Burman lenders mentioned in item 2—raise about 25 per cent of the loans issued by them by borrowing from others.
- (6) Lenders do not confine their crop loans to any particular race or to cultivators of any special kind.
- (7) No, but to approved borrowers at lower rate than to casual borrowers.
- (8) Borrowers do not confine to any particular kind of lender.
5. (1) (a) March and April.
- (b) Rs. 2 to Rs. 3 per cent per month.
- (c) Lowest 2 per cent and highest 3 per cent.
- (d) It depends on—
- (1) the financial condition of the debtor.
- (2) the amount of the loan, and
- (3) the previous dealing of the debtor with the creditor.
- (e) Burmese month.
- (f) Usually no security other than personal security is taken in advancing crop loans.
- (g) Nil.

- (h) (1) Half to two-thirds of the value of jewellery pledged.  
 (2) Yes.
- (i) (1) Simple pro-note.  
 (2) Burmese.
- (j) Yes, as regards the time of repayment, and, in case of repayment in kind, the nature of the basket to be used also.
- (k) No.  
 (l) No.  
 (m) Nil.  
 (n) No.  
 (o) No presents are required to be made in this District.  
 (p) Generally about 12 months.
- (2) No modification necessary.  
 (3) Yes.  
 (4) No variation.
6. (1) Not many, very few.  
 (2) to (7) Not answered.
7. *Sabape* and *Hnanpe* are fairly common. *Sabanyun* system is unknown.

*Sabape* advance is made at Re. 1 per basket.

*Hnanpe* advance is made at Rs. 3 per basket.

Reasons given in answer to Question 1.

8. No. Not considerable. *Sabape* and *Hnanpe* advances are made at the rates mentioned in Answer 7 above. The usual term is that the repayment must be made at the next harvest. They are taken by the cultivators for their subsistence till the harvest.

9. No. Not in this District.

10. Responsible cultivators find great difficulty in obtaining crop-loans, partly owing to a fall in prices of paddy, sesamum and cotton and ground-nut ; partly owing to losses incurred by lenders on account of depression of trade and bad harvests of successive years and partly owing to the inability of borrowers on account of the above grounds to repay loans. The only remedy is the opening of land mortgage banks.

11. If loans are easily got cultivators would get better crops, but not so much.

12. (1) The advantages are that the money could be borrowed at a cheaper rate of interest. The disadvantages are that the borrower cannot obtain the loan so easily as from a Chettiar or a Co-operative Society. Moreover the amount allotted to a Township Officer for this purpose is limited.

(2) Yes. The rules are too stiff to enable loans to be promptly disbursed.

#### Mandalay District.

3. For purposes mentioned under Question 1 (a), (b), (c), (d), (e) and (g).

4. (1) About a quarter from Chetties Bank, a quarter from Co-operative Societies, a quarter from other persons, Burmese and Indians (about half each), and about a quarter from Government as Agricultural Loans.

(2) Other persons include Burmese, Zerbadis, Ponnas, Chettians and other caste Indians, very few Chinese. Proportion not known.

(3) Not known.

- (4) Omitted.
- (5) Omitted.
- (6) No.
- (7) None.
- 5. (a) Sowing season ; transplanting season, and before harvest.
- (b) Rs. 3 to Rs. 4.
- (c) Highest is Rs. 4—lowest is Rs. 2.
- (d) Lenders position and security offered is taken into consideration in fixing rates.
- (e) Burmese month.
- (f) Land, crops and gold is the usual kind of security.
- (g) Jewellery, cattle and carts.
- (h) Fifty to seventy-five per cent of the value of gold ornaments.

Yes, the interest is a little less, Rs. 1-8 to Rs. 2-8.

(i) The usual Promissory Note. These are written in Burmese by Burmese lenders and in Indian language by Chettiars and other Indian lenders. In the latter case the amount is usually written in English figures also.

- (j) No.
- (k) None.
- (l) In the case of crop loans it is generally understood that repayment will be made after harvest.
- (m) Eight annas for the supply of Promissory Note forms and for stamps used (applies only to Chetties and other Indians).
- (n) No.
- (o) No.
- (p) No interest is charged on unpaid interest. If interest has accumulated to a large amount a fresh document is usually executed. All overdue interest is added to the principal in the new document. This practice is not common. Chettiars usually wait for nine to twelve months and then foreclose.

- (2) No.
- (3) Depends on circumstances, but not usual.
- (4) Variation negligible.

- 6. (1) Yes.
- (2) Eighty per cent of the tenants usually go to their landlords for loans which are usually granted. Landlords do not like their tenants to borrow money from others.
- (3) From their own money and from borrowed money.
- (4) Very few from Chettiars. Societies should answer this question.
- (5) (a) No difference.
- (b) No.
- (6) (a) 50 to 75 per cent.
- (b) 75 to 100 per cent.
- (c) Varies according to security offered, but generally about 50 to 75 per cent.

(d) Yes. Generally speaking he takes a far greater risk than the man who loans him the money.

7. Yes. Yes. The rate depends upon the time of taking loan, distance, quality of crops and standing of borrower (*Sabaps* and *Pebel*) because it is not possible to mortgage State Lands owing to strictness of enforcement of Regulations. *Sabanyas* system very little in use ; cannot give information regarding this.

8. Yes, Rs. 3 to Rs. 4. The lender usually in arrangement with the borrower fixes the price per 100 baskets at the time of giving the loan and takes the value of this in produce as soon as it is reaped and threshed. He usually also gets in lieu of interest a proportion of produce previously arranged upon. Usually 20 to 30 per cent.

9. Yes, such sales are common.

10. The price of land has risen in sympathy with the rise in the price of paddy and other produce, and poor cultivators sell their land at a good price to well-to-do people who have spare money for investment in land. They sell their land to those, generally speaking, who will allow them to work on as tenants. They do a little trade with the money or a little money-lending. Their money in most cases gradually diminishes and their credit gets very low. They thus meet with difficulties when they require money in the shape of crop loan.

The majority of the small land holding cultivators are hunger-stricken people, there are many things which they have long been in want of, but which they have had to defer obtaining from want of money. When they do get money these long deferred wants are first satisfied. These people seldom get nourishing food and what few clothes they have are worn out. In these days tempting foods and clothing are hawked about, and the people cannot resist the temptation to buy when they have money in hand. The cloth sellers especially encourage them to buy for a small cash deposit and the balance on credit. Prices under these circumstances are naturally high, the result is that the people get hopelessly in debt. There is not much difficulty in raising a loan by cultivators who have land to be given as security. The remedy for such poor cultivators is to provide cheaper money

By :—

Establishing land mortgage banks,

Assisting cultivators by :—

(a) Supplying improved seeds at cost.

(b) Assistance by Government in obtaining artificial manure.

(c) Control of crops from improved seed grain [*i.e.*, that Government should buy all crops from the improved seed grains (if the strain is successful) at the market rate or a little over and Government should re-distribute seeds so obtained the following year. If this was done for a period of say 5 years, practically the whole of the area under cultivation could be supplied with the improved seeds].

(d) Propaganda work by Government to enable the cultivator to obtain maximum results from his labour and from the land.

11. Yes. Where the land is good and the seed is good also, it follows they would, otherwise doubtful. See remedy suggested above which if accepted would undoubtedly enable them to pay interest on mortgage loans and have a larger balance for themselves.

12. (1) It is not easy for cultivators to obtain enough crop loans from Township Officers, and some do not think it advantageous to merely get a portion of the amount they actually require. Considering the trouble and expense they have to undergo in getting this sort of loan, and also the fact of taking such loans from Government results sometimes in their being refused loans from other money-lenders. The Chettiar usually lends as much money as he thinks the security is worth to him, and waits for payment so long as interest is paid regularly.

(2) Yes. The disadvantages are greater than the advantages. If such Government loan could be given through the Crop Loan Society, the disadvantages would be greatly diminished.



*Meiktila District.*

3. for (a) (b) and (g)
4. (1) Other persons.
  - (2) Burmese and Chettiars.- Burmese two-thirds in number, but about one-third in amount.
  - (3) Most of the Burmese are cultivators. They provide about one-fourth of the total.
  - (4) Most of the Burmese, who are not cultivators, own agricultural land. They provide about one-eighth of the total.
  - (5) We do not know.
  - (6) No.
  - (7) There are practically no non-Burman cultivators in our district.
  - (8) We do not know.
5. (1) (a) October-November for paddy. May for sesamum and white beans.
  - (b) 30 per cent per annum.
  - (c) 24 per cent to 48 per cent per annum.
  - (d) Rates differ according to amount, the social position of the borrower, and the value of security furnished.
  - (e) The Burmese month is used in every case.
  - (f) Gold and jewellery, when dealing with Chettiars.
  - (g) Burman cultivator-lenders usually accept land or cattle.
  - (h) Rs. 60 on one hundred rupees worth of gold. Yes, slightly less.
    - (i) "On demand" note in Tamil by Chettiars. Some in Burmese by Burman lenders, but in the villages when the amount of the loan is small, no documents are executed.
    - (j) We do not know.
    - (k) We do not know.
    - (l) We do not know.
    - (m) A stamp fee of annas four per hundred and a witness fee of rupee one per head. This is the rule with Chettiars, and Burman lenders are beginning to copy their example.
    - (n) No.
    - (o) Nil.
    - (2) No.
    - (3) No.
    - (4) Rates remain steady. These rates have been considerably lowered during the last ten or twenty years.
    - (6) (1) No.
7. Yes. The usual rate is about 120 per cent per annum. They are usually taken by the poorer class of cultivators from their well-to-do brethren to meet current expenditure, especially in a year following a bad harvest.
8. Please see answer to No. 7.
9. Yes. This is the kind of loan mentioned in No. 7.
10. If they do not possess jewellery to be given as security it is very difficult to get crop-loans, especially from the Chettiars.
11. Yes. Yes.
12. (1) There is the advantage of a lower interest, but the disadvantage of illegal deductions by the headman, the clerk, or the Township

Officer. At present the usual practice of deduction from the cash received have been substituted by a pre-payment to the Headman of a certain per cent of the loan, the usual rate is said to be 10 per cent.

(2) The disadvantages are as great as the advantages.

*Commissioner, Sagaing Division.*

3. The main purposes of crop loans are current expenditure and purchase of cattle.

4. The proportion of money taken from co-operative societies has decreased in recent years due to the failure of the societies to follow the principles under which they were formed and the greater part of crop loans in the Division are taken from Burman landowners and money-lenders. There are very few Chettiers in the Division. Chinese traders lend out money on crops in Kawlin and Wuntho Townships and in Bhamo and Myitkyina and a few Indian money-lenders reside in Myitkyina, Katha and Mawlaik ; but the bulk of the money-lending is done by Burmans who, in Sagaing, Shwebo and the Lower Chindwin, are both landlords and cultivators. In the other districts the communal tenure has hitherto prevented a landlord class being formed.

The proportion of money lent by persons belonging to nationalities other than Burmans is higher in the districts in which communal tenure prevails than elsewhere.

I do not think that many Burman money-lenders borrow from others to obtain capital for advances. Borrowers have no particular preference for any kind of lender.

5. May and June is the ordinary time for taking loans, but floods or drought may compel the taking of loans later in the year.

The ordinary rate of interest is Rs. 2 per cent per mensem, but varies from Re. 1-8 to Rs. 3 per mensem. In the frontier districts the rate is sometimes Rs. 5 per mensem.

The *sabape* system involves a very high rate of interest often from 50 to 100 per cent depending on the credit of the borrower. The rate of interest is generally fixed by the Burmese month.

Cattle and crops are generally given as security. Gold ornaments are accepted as security up to between three-fourths and four-fifths of their value, and a less rate of interest is allowed with such security.

Promissory notes are usually drawn up and are generally in Burmese. In the frontier tracts there is often an oral agreement that the borrower will sell his crop to the lender but the tightening up of conditions by an agreement that the principal and interest shall run as a new loan bearing the same rate of interest is generally made, not when the loan is first taken, but when there has been failure to repay.

A deduction for cost of forms and stamp at the rate of Re. 1 per 100 is sometimes made by the lender, but interest is not usually deducted from crop loans at the time of making the loan, nor is there any custom of making a present to the lender. Such a present of fruit or food may be made later if there has been a failure to repay.

A borrower is usually called upon to execute a new bond for principal and interest as a new loan if he fails to repay after harvest.

Sagaing and Kawlin report that rates of interest have fallen. My own recollection of rates is that they have remained very much the same during my 33 years service and with the increase of the price of paddy the interest on *sabape* loans must have increased as the quantities fixed for repayment have remained much the same.

6. (1) There are few tenants in areas in which communal tenure prevails and many in all others. Probably the greater portion of tenants get their crop loan from the landlords who lend from their own money. There is so much profit in financing tenants that probably few landlords have to borrow money to make their loans.

A landlord will nominally charge his tenants the same rate of interest another lender would charge, but probably is more lenient in writing off parts of overdue debts than an outsider especially when crops particularly fail.

7. The *sabape* system is commonest in the more backward areas where credit is lowest.

8. Loans of paddy or other produce for seed or *wunsa* are often given by landlords to their tenants when required especially after some disaster.

9. The practice of selling a crop before harvest at a fixed price without reference to price current after harvest is not uncommon.

10. The principal difficulty in obtaining necessary crop loan is the high rate of interest, but as a Burman will borrow every anna he can without much regard to the question of repayment, easier money is not likely to be of much help. In the areas where Co-operative Credit Societies for a few years issued money on easy terms and without much supervision the easier term on which the money was obtained has not resulted in any lasting good. I do not think that easier money will have much effect on cultivation until the cultivator learns to be more thrifty. At present easier credit means more anticipation of income.

12. (1) The principal advantages of agricultural loans over money-lender loans is the lower rate of interest and fixation of repayment. On the other hand he is given a good deal of trouble in having the security thoroughly checked and he probably does not get all the money he wants and if he defaults the action eventually taken against him is more certain and rigorous than that taken by a Chettiar. Also except in the areas where the communal tenure prevails security in immoveable property is generally required.

#### *Myitkyina District.*

3. For purposes mentioned in all the sub-paragraphs mentioned in Question 1 excepting sub-paragraphs (d), (f), (h) and (i).

4. (1) None from banks and co-operative societies. Loans are taken from "other persons."

(2) These are Indians. Hindustanis are numerous. Gurkhas moderate and Marwaris and Punjabis few. No idea of their relative number could be given. The proportion of crop-loan given by each class is also not known.

(3) It would be safe to estimate that 8 per cent of lenders are cultivators who provide about 10 per cent of the crop-loan.

(4) None.

(5) From their own class of people in Mandalay and Rangoon.

(6) No. Loans are not confined to any particular class.

(7) No.

(8) Borrowers prefer to deal with those with whom they have had previous transactions.

5. (1) (a) July for those who cultivate paddy; August and September for those who cultivate potato.

- (b) Three per cent per mensem.
  - (c) Two and three per cent per mensem.
  - (d) This depends to a large extent on the kind of security offered and standing of the borrower.
  - (e) English month generally.
  - (f) Houses and cattle and sometimes crops.
  - (g) No other kinds.
  - (h) It varies between 75 and 80. Interest is 2 per cent.
  - (i) Pro-notes and bonds in English are drawn up.
  - (j) None.
  - (k) None.
  - (l) None.
  - (m) All incidental charges such as cost of stamp, paper, registration fees, drawing up of documents, etc.
  - (n) Yes, a month's interest is deducted.
  - (o) None.
  - (p) Immediately at the time fixed for the settlement of the loan.
- (2) No.
- (3) Yes.
- (4) Rates have declined owing to the keen competition amongst money-lenders to get customers.

6. No.

7. "Ah-lu-pe" is extant in Myitkyina. The loan is taken for the purchase of seed potatoes and the rate of interest is 3 per cent per mensem. There are no other usual circumstances and customary conditions with regard to such loans, worth mentioning.

8. Potato crop loan. Please see answer to question 7 above.

9. Not in Myitkyina Town and its suburbs. But the practice prevails in villages like Waingmaw and Katcho.

10. No difficulties.

11. The condition of crops has no connection with the ease or difficulty in raising loans.

12. (1) Formalities one has to undergo in taking loans from the Township Officer and attendant delay in getting the loan, are the disadvantages as against the advantage of low interest.

(2) The disadvantages are more or less counterbalanced by the advantages.

#### Sagaing District.

3. For the purpose of meeting current expenditure.

4. (1) (a) None.

(b) to a small extent—only by the members of Co-operative Societies.

(c) The major portion is from the Burman landowners and money-lenders and about 10 per cent. from the Chettiars.

(2) About 90 per cent are Burman landowners and money-lenders and about 10 per cent Chettiars.

(3) About 60 per cent are cultivators. About 50 per cent of the loan.

(4) About 8 per cent only are not cultivators. Others are all cultivators. They provide only a small amount.

(5) Only the spare money is lent. They do not borrow from others to lend out to others. There may be a small number who borrow from Chettiars for that purpose.

(6) No.

(7) No.

(8) They have no preference : they deal with those who give better terms.

5. (1) (a) May-June (*Kason-Nayon*).

(b) Twenty-four per cent per annum.

(c) Thirty-six and eighteen per cent per annum.

(d) Rates vary with the security and the assets of the borrower.

(e) By the Burmese month.

(f) Personal security.

(g) Land—most common when large sums are borrowed.

(h) To the extent of three-quarters of the value. Yes.

(i) Promissory notes. Burmese language.

(j) No.

(k) None.

(l) None.

(m) Stamp duty and writer's fees. About Re. 1 for a loan of Rs. 100.

(n) No.

(o) None.

(p) One to three years.

(2) No.

(3) No.

(4) They remain steady—compared with rates about 20 years ago, the present rates are lower.

6. (1) Yes.

(2) About four-fifths.

(3) From their own money.

(4) No.

(5) (a) No difference in rate.

(b) No.

(6) No difference for all sub-questions.

(7) Yes, to a small extent. Not common. Rates of interest are slightly lower.

7. Yes, for both *sabaŕe* and *sabanyun*. Usual rate is 30 per cent per annum mostly for seed and *wunsa*, repayable in kind or money according to market rate.

8. Mostly for the same terms as in Question 7. They are taken when pressed for money to purchase seed and *wunsa*.

9. Yes. This is more so after a succession of bad harvests.

10. Difficulties met with are due mostly to unfavourable agricultural conditions, health of cultivator and cattle. No remedy could be suggested.

11. Yes. Yes.

12. (1) Advantages lie in that lower rate of interest is charged and that a longer time is allowed for repayment which is fixed at the most convenient time for the cultivators—harvest time. On the other hand, difficulties are that the cultivators cannot get sufficiently large loans and

that they are very often kept waiting for them. Security rules and punctual payment of principal and interest are too strict and elaborate for the people's liking.

(2) Advantages are greater.

*Katha District.*

3. The usual purpose is 1 (a) and occasionally 1 (c).

4. (1) All loans are taken from Class (c).

(2) Burmese, Chinese, Punjabi Indians, Bengali Indians, and and to a very small extent, Chettiars. Burmese are in the majority but only deal with small loans. Punjabi Indians are in about the same numerical strength as Chinese. Twenty per cent provided by Burmese, 40 per cent by Chinese, 30 per cent by Punjabi Indians, 10 per cent by others.

(3) The majority of the Burmese cultivate.

(4) The remainder while being land-owners do not themselves cultivate.

(5) This is almost unknown.

(6) No.

(7) The interest charged depends entirely on the reliability of the borrower. A tenant will get harder terms than a land-owner.

(8) Cultivators go to anyone who will lend.

5. (1) (a) May and June.

(b) Fifty per cent interest on loan taken to be repaid at harvest irrespective of length of loan, *i.e.* a loan taken in November will bear same interest as one taken in June.

(c) The above is the common rate. Two other kinds of borrowing are fairly common:—

(1) The principal in money plus half the principal in paddy is repaid at harvest

(2) The principal in money plus the principal in paddy is repaid at harvest *i.e.* a man borrows Rs. 100 and repays Rs. 100 plus 100 baskets of paddy.

(d) The rates vary purely with the risk undertaken

(e) The Burmese month.

(f) Cattle and crops.

(h) Eighty per cent of the value. The interest is approximately 50 per cent less.

(i) About half the loans are covered by a document of sorts. About 50 per cent are on Non-Judicial paper and about 50 per cent on On-demand Forms with a one-anna stamp. The language is Burmese.

(j) Yes. The lender usually stipulates that borrower must sell his crop to him.

(k) It is usually agreed that if the loan is not repaid in full the principal and interest shall run as new loan bearing the same rate of interest as the original loan.

(l) Nil.

(m) Nil.

(n) Nil.

(o) Nil.

(p) When the crop has been harvested, if the borrower does not pay he is usually called on to execute a new bond for principal and interest as a new loan.

- (2) No.
- (3) No promise is made.
- (4) There is no variation nor has any variation been known within living memory.
6. (1) Very few real tenants,
7. *Sabape, pebe, sabanyun* are the usual forms in this District. Usual rate 50 per cent. Reasons, see Question 1. For Customs, see 5 (1), (j) and (k).
8. None except interest-free loans amongst relatives.
9. Yes.
10. No difficulties are known.
11. No. Every cultivator already carries a loan of every penny he can borrow.
12. (1) The only advantage is low rate of interest. The disadvantages are the time that it takes for necessary enquiries to be made before the loan is granted. Allotment of loan money is usually only sufficient to provide loans for purchase of cattle. The prompt payment of interest demanded by Government. The very limited amount that can be borrowed.
- (2) Yes.

*Katha District (Kawlin and Wuntho Sub-Committee).*

3. The borrowing is usually done to meet current expenditure and to buy cattle.

4. (1) Crop loans are taken from private money-lenders almost to the whole extent. There is no bank and neither would the co-operative societies lend crop-loans to cultivators—as a matter of fact, the co-operative societies in this Subdivision are on the wane and most of them are being wound up.

(2) Chinaman traders head the list. There is only one Chettiar, who lends money on a small scale. There are a few Indians but they do very little business on this line compared with the Chinese. The Burman money-lenders are few in number. Sixty per cent of the loans are given by Chinamen, 30 per cent by Burmans and 10 per cent by others.

(3) The people mentioned in item 2 are almost all non-cultivators.

(4) Almost the whole of them are not cultivators—they dare not claim the land as under the Communal Rules, they, as non-cultivators, cannot claim them and when they take over the land in payment of debts, they allow them to stand in the names of the debtors. When alienation of Communal land to non-cultivators are known, Government take prompt steps to resume them.

(5) About 70 per cent of the persons mentioned borrow from others to get the money for loans.

(6) No. They give loans to the cultivating class provided they think that the borrowers have means to re-pay the debts.

(7) No. There are very few Indian cultivators, who borrow money and no preferential treatment is given to any particular kind of borrowers.

(8) Borrowers have no preference to any particular kind of lenders—they take loans from where they can get them.

5. (1) (a) The usual time for taking loans is between *Nayon* and *Wagaung*, that is, during beginning of the rains.

(b) The usual rate of interest ranges from 2 per cent to 3 per cent. per mensem, but the majority of the loans are *sabape* which are at the rates between Rs. 60 and Rs. 80 per 100 baskets.

(c) The rates vary from 2 to 3 per cent per month.

(d) No change in the rate of interest.

(e) The rate of interest is fixed generally by the Burmese month.

(f) The usual kind of security in case of loan are cattle.

(g) The other kind of security, which are common is the standing crop in the borrower's fields.

(h) Security of gold ornaments are few. The largest loan given on gold ornaments is between 50 and 75 per cent of its value. The interest is a shade less than on other loan, the least rate is  $1\frac{1}{2}$  per cent per mensem.

(i) On-demand pro-notes are generally executed for the loans and the majority of them are written in Burmese.

(j) No.

(k) Nil.

(l) No specific conditions are made or understood without being mentioned, but if the loan is not repaid when it falls due it is left to the lender to have re-course to the Civil Court and take action either against the person or his property.

(m) No deductions are generally made from the principal money at the time of giving except in some cases, when the cost of printing the pro-note form and the stamp affixed thereon are deducted and which generally amounts to Re. 1.

(n) No, except in case where the Indian money-lenders give loans to salaried borrowers. If the borrower states that he would repay the loan in five instalments, the interest due for 5 months is deducted. *Example*—If a man borrows Rs. 100 at 3 per cent and he states that he would repay in 5 monthly instalments, Rs. 15 interest for 5 months plus Re. 1 for the document, *i.e.* Rs. 16, is deducted at the time of loan and the borrower gets only Rs. 84 and he has to repay in 5 months at a monthly instalment of Rs. 20. However, the document shows the loan is for Rs. 100 bearing interest of 3 per cent per mensem.

(o) No custom to give present either by the borrower or lender, but in some cases the borrowers generally bring some presents in the shape of foodstuffs to be presented to the money-lenders to give fresh loan or to grant further time to re-pay the debt.

(p) For *sabape* there is no interest, but if the borrower does not deliver the paddy by the end of *Kason* of the year, he is either sued or if he agrees, he enters into a fresh document for the quantity of paddy he owes with interest at the rate of half basket for each basket *i.e.* 50 per cent in kind payable during next harvest.

(2) No.

(3) Lenders do not promise to give further loans.

(4) The rate of interest on crop-loans do not vary from year to year, but remain steady. There has been a decrease in rate of interest in the last 20 years.

6. (1) There are not many tenants in this locality. The majority of the cultivators work their own land.



7. As stated, the majority of the loans in this locality are on *sabape*, there is no *pebe* or any other similar system. The *sabanyun* is also in use, the rate of interest now prevailing is 100 baskets of paddy for a loan of Rs. 40. Please see also answer to Question 5 (1) (p).

8. No.

9. Yes.

10. Responsible cultivators have difficulty in getting loans from the local money-lenders, who will not advance money except on *sabape*. If any bank would give loans to responsible cultivators upon security, they can expect to get loans at reasonable rate of interest.

11. There appears no probability of getting better crops on this side even if a cultivator could get crop-loans more easily. The tendency of the cultivators this side are simply to plant paddy plants on their holdings to enable them to draw *sabape* loan from their creditors and once they get the loan, they pay no attention to their paddy fields. They have no intention whatever, except in very few cases, to improve the fertility of their land, but what they want is the *sabape* loan, and they are quite satisfied to show to the money-lenders the paddy plants, to get their loans. The Burmans as are known are of the lazy type, they only want the money and they have no care for the morrow, as they believe in "*thinkhaya*" in its wrong sense. It will take a long time to make the cultivators on this side learn to try and improve their own lands to obtain better crops, and thus earn more money to pay their legal debts and have a larger balance for themselves.

12. (1) There is practically no Chettiar in this subdivision except one in Kawlin who does very little business.

Co-operative Societies are also on the wane, as most of them are in liquidation.

The advantage in taking crop-loans from the Township Officer is getting them on small interest and payable in yearly instalments.

The disadvantage is that the cultivators cannot get as much as they want.

(Government rate of interest is Rs. 10 per cent, while Co-operative Society charges Rs. 15 per cent per annum.)

*Deputy Commissioner, Upper Chindwin.*

3. For the purposes mentioned in (b) and (g) in question 1 above.

4. (1) There are no Banks or Co-operative Societies in this district. Crop-loans are therefore taken only from "Other persons."

(2) "Other persons" include Burmese and Indians. The kinds of Indians are Marwaris and Punjabis (mostly Sikhs). Burmese are numerous, Marwaris are moderate and Sikhs are few. The relative number is 10 Burmese to 2 Marwaris to 1 Sikh.

(3) One-third of the Burmese are cultivators and others are non-cultivators. One-fourth of the total crop loans is provided by them.

(4) Marwaris are neither cultivators nor do they own any agricultural lands. Two-thirds of Burmese are non-agriculturists but own agricultural lands. Half of the total crop-loans are provided by them.

(5) None.

(6) No.

(7) Yes. Better terms are given to those borrowers without distinction of race, who are trustworthy.

(8) The borrowers prefer to deal with Burmese when they cannot find sufficient security, as Indians do not generally accept any other security than jewellery.

5. (1) (a) May in each year.  
(b) Fifty per cent to be repaid at the next harvest.  
(c) Fifty per cent and twenty per cent.  
(d) Different rates of interest vary according to the length of time and according to the nature of security.  
(e) Burmese months are generally used.  
(f) Jewellery and cattle.  
(g) None.  
(h) Rs. 50 for a pledge of Rs. 100 worth of gold. The interest is less for such loans.  
(i) Agreement bonds are executed and they are written in Burmese.  
(j) No.  
(k) None.  
(l) None.  
(m) The cost of stamp paper, the writer's fee and the witness fee.  
(n) No.  
(o) None.  
(p) None.

(3) No, but the borrowers can approach the lenders with the hope of getting further loans.

(4) Do not vary and has remained steady during the last twenty years.

6. (1) Very few.

7. Yes. *Sabanyun* is in use here. The usual rate is to return two baskets for each basket borrowed. The reason for taking such loans is for consumption and calamities.

8. The amount of crop-loans given as loans of paddy is considerable. The usual terms are to return two baskets for each basket taken and they are taken usually for consumption.

9. Yes.

10. The cultivator meets with difficulties in obtaining such loans when their standing crops are not good and when they cannot furnish sufficient security. It is suggested that the loans should be issued by Government.

11. If cultivators obtained crop-loans more easily for improvements of their lands, they would probably get better crops. Yes.

12. (1) The advantages in taking loans from the Township Officer are convenience and facility, less rate of interest, and being allowed to pay in instalments once a year.

(2) No.

*Administrator of Government Estates, Burma.\**

3. All by crop loans.

4. (1) Half Co-operative Societies ; half other persons.

(2) Mostly Burmans.

(3) None.

(4) Generally land-owners ; about half.

\* Answers relate to Government estates in Hanthawaddy and Pegu Districts.

- (5) Excepting Chettiars, all borrow from others.  
(6) No distinction is made.  
(7) It depends on the credit of the borrower.
5. (1) (a). Just before the rains, at transplanting time and a little at reaping time.  
(b) Rs. 2-8-0 to Rs. 5 per mensem.  
(c) Highest rate is *sabape*.  
(d) Rates depend on the credit of the borrower and the price of money,  
(e) Burmese.  
(f) Personal or crop.  
(g) Jewellery, etc.  
(h) Rs. 50.  
(i) On-demand promissory notes in Burmese.  
(j) There is an oral arrangement ; where the property which is the security is in the possession of the money-lender, it may be sold if the principal and interest are not paid punctually ; and where crops are the security, the paddy is to be sent to the creditor if the principal and interest are not paid in time.  
(m) Nil.  
(n) No.  
(o) None.  
(p) Burman creditors wait for one month and Indians at most for 7 days.

(2) No.

(3) Very few.

(4) Vary with the money-market.

7. *Sabape* loans are fairly common. They are taken for the payment of capitation tax and for the replacement of cattle which die.

10. Their work in the fields suffers by reason of the fact that they have to go from one money-lender to another to get their loans. The reason for the delay in securing loans is that they have no property to pledge.

11. Cultivation would be better if the money borrowed could be got more quickly.

12. (1) A Co-operative Society is the best lender. The Township Officers do not lend enough and the cost of journeys to and fro to Township Headquarters to obtain loans from the Township Officers wipes out the savings effected in the interest. Moreover Government loan has to be repaid without any delay.

*Assistant Director of Agriculture, Southern Circle.*

(3) The borrowing is usually done for (a), (b), (c) and (g). In fact all borrowings are done under crop loans.

4. (1) Very little from Co-operative Societies but most of the crop loans are obtained from other persons.

(2) Chettiars are numerous and few Burmese. Chettiars provide about 70 per cent to 80 per cent of crop loans and Burmese about 20 per cent to 30 per cent.

(3) About 45 per cent are cultivators or directly connected with cultivation and they provide about 30 per cent of crop loans.

(4) About 55 per cent of people are not cultivators, but own agricultural lands and they provide 70 per cent.

(8) The borrowers prefer to deal with Burmese when they cannot find sufficient security, as Indians do not generally accept any other security than jewellery.

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(i) Agreement bonds are executed and they are written in Burmese.  
(j) No.  
(k) None.  
(l) None.  
(m) The cost of stamp paper, the writer's-fee and the witness fee.  
(n) No.  
(o) None.  
(p) None.

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(m) Nil.  
(n) No.  
(o) None.  
(p) Burman creditors wait for one month and Indians at most for 7 days.  
(2) No.  
(3) Very few.  
(4) Vary with the money-market.
7. *Sabape* loans are fairly common. They are taken for the payment of capitation tax and for the replacement of cattle which die.
10. Their work in the fields suffers by reason of the fact that they have to go from one money-lender to another to get their loans. The reason for the delay in securing loans is that they have no property to pledge.
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*Assistant Director of Agriculture, Southern Circle.*

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(3) About 45 per cent are cultivators or directly connected with cultivation and they provide about 30 per cent of crop loans.  
(4) About 55 per cent of people are not cultivators, but own agricultural lands and they provide 70 per cent.

- (5) About 80 per cent.
- (6) No. Generally they don't, so long as they are acquainted with their works.
- (7) Not necessarily. It all depends whether the lender is acquainted with the borrower.
- (5) (1) (a) In March and April for about ten months.  
(b) At 2-8 per cent per mensem is the usual rate at present.  
(c) The highest is 2-8 per cent and the lowest is 1-12th to 2 per cent per mensem.  
(d) It depends upon whether the borrower is reliable or not.  
(e) Burmese months generally.  
(f) Land.  
(g) Other immoveable property and sometimes moveable property mainly cattle.  
(h) Sixty on hundred worth of gold. Yes. It is about Re. 1-8 per 100 per mensem.  
(i) Loans are in "on demand" documents and other loans with security are in separate mortgage deeds. Generally in Burmese.  
(j) Generally not.  
(k) to (n) Nil.  
(o) No custom.  
(p) Usually for a couple of months and at beginning of next season, the interest due is added on the capital with the same amount of interest for another period.
- (3) Sometimes they do but not usual.
- (4) They do vary to some extent owing to the tightness of the money market. There is no appreciable change in the actual rate of interest.
6. (1) Yes. About 90 per cent.  
(2) Almost all, about 95 per cent of the tenants.  
(3) Partly their own and partly the borrowed capital, but the latter one is not obtained for each occasion.  
(4) Most of them have.  
(5) At 2-8 per cent per mensem, about the same.  
(6) The landlord gets 30 per cent. to 50 per cent better terms than (a) the tenant (b) an ordinary cultivator.  
(c) He charges 30 per cent to 50 per cent extra.  
(d) Yes. They do often as no security can be offered.  
(7) Usually they don't.
7. "Sabape" system is not common, except in the Colony area. The usual rate is fixed at the close of the past season, *i.e.*, if the paddy market then was Rs. 200 per 100 baskets, the "Sabape" rate for the following season is Rs. 100 per 100 baskets.  
As no other form of loans are obtainable.
8. Not considerable.
9. They don't because their expectations of a good market are generally high.
10. The difficulties are many and varied, but the main causes are tightness of the money-market and high rate of interest. They come about owing to low paddy market (comparatively with the high standard of living) and bad outturn of the crop. The remedies are to try and

improve the quality and quantity by better tillage, better seeds, better manuring and organized marketing.

11. Yes. If the money is invested in the production of crops and if climatic conditions are favourable. Assuming that crop loans are used for the purpose aimed at and that the climatic conditions are favourable, the increase in the yield of crops would be as follows :—

- (1) By better tillage an increase of 10 to 15 per cent can be expected.
- (2) By better seeds an increase of 10 to 15 per cent can be expected.
- (3) By better manuring an increase of 20 to 30 per cent can be expected.

Total increase ... 40 to 60 per cent.

and its value would be Rs. 60 to 90 taking 150 as the rate of 100 baskets of paddy.

Assuming that 100 baskets of paddy are produced from 3 acres of paddy land, the increase per acre in terms of Rs. A. P. would be from Rs. 20 to Rs. 30 per acre and the corresponding increase in expenditure would be about Rs. 10 for manuring ; practically nil for using better seeds and from Rs. 2-8 to Rs. 3 for better tillage, totalling about Rs. 13 as the increase in expenditure per acre. Thus there would be a clear nett profit of Rs. 7 to Rs. 17 (a conservative estimate) per acre, from which the cultivators can easily pay up the interest at the highest rate of Rs. 2-8 per cent per mensem on the investment made per acre and still they would have a larger balance for themselves.

12. (1) The advantages are low rate of interest. The disadvantages are many. The procedure for taking loans from the Township Officer is elaborate and appears to have been made difficult in actual practice. The security generally demanded of them are mutual personal security plus material security and the loans are not obtained in time for the purpose aimed at.

(2) Yes. They are.

*Deputy Director of Agriculture, Arakan Circle.*

3. Crop loans are taken for the purposes of paying the wages of labourers, to pay rent for the hire of cattle, and sometimes to meet unforeseen expenditure, such as funeral expenses.

4 (1) (a) No loans are taken from banks or Co-operative Societies, but from "other persons."

(2) Amongst the "other persons" are included Arakanese, Chettyars, Marwaris, Bengalis, and Chittagonians. Approximately in the following proportions :—

Ten per cent of the loans are taken from Arakanese.

Thirty per cent of the loans are taken from Chettyars.

Forty per cent of the loans are taken from Bengalis and Chittagonians.

Twenty per cent of the loans are taken from Marwaris.

Chittagonian lepders have usually the ultimate object of land-ownership in view.

The total number of money-lenders is not very great though some of them do a fairly extensive business.

(3) About 15 per cent. of the Arakanese and 20 per cent. of the Chittagonians are cultivators. These cannot afford to lend out much and they only provide about 20 per cent. of the total loans.

(4) Roughly 10 per cent., 40 per cent. and 15 per cent. respectively of the Marwaris, Bengalis, and Chettyars are not cultivators. Some 80 per cent. of the loans are provided by them.

(5) Most of the Arakanese and the Chittagonians, *vide* answer to item (2), borrow money from Marwaris, Chettyars, and Bengalis (Hindus) at Akyab, to the extent of 20 per cent.

(6) A few Chittagonian money lenders prefer to lend to Chittagonian cultivators only. The reason for this is presumably race preference.

Most lenders confine their loans to cultivators who grow paddy owing to a more assured local market for this crop than crops such as tobacco, cotton, etc.

(7) Not as a rule. Apparently the same terms are given to all borrowers until it is proved that some are bad payers. In Arakan most of the cultivators are Arakanese, though Chittagonians are fairly numerous.

Whether Arakanese or Chittagonians, those who repay their loans promptly are given the same terms.

The Arakanese borrower is stated to give much less trouble than the Chittagonian borrower.

(8) Borrowers generally like to go to their regular lenders, as these know them and often give slightly better terms when loans are promptly repaid.

5. (1) (a) The usual time for taking crop loans is about September and October.

(b) The usual rate of interest is Rs. 2 per cent. to 3 per cent. per mensem on 'on-demand' loans. Rs. 1-8 per cent. to 2 per cent. and Rs. 1-6 to 1-12 per cent. per mensem on land mortgage.

(c) The highest rate of interest common is Rs. 3 per cent. per mensem and the lowest rate is Re. 1 or 1-4 per cent. per mensem.

(d) Different rates of interest are fixed according to the money market.

(e) Generally, the Burmese month is adopted when the rate of interest is fixed.

(f) The usual kinds of security are gold and land.

(g) Cattle and personal security are also common, but only accepted from trustworthy and fairly substantial customers.

(h) In Arakan the big Arakanese money lenders offer Rs. 25 for a tical of gold whereas Bengalis, Marwaris and Chettyars offer only Rs. 20, this is roughly Rs. 60 and Rs. 55 on one hundred rupees worth of gold.

Yes, the interest on gold mortgage is always less.

(i) Mortgage deeds on lands and cattle, and also sometimes deeds providing for the delivery of paddy at a certain time. The latter type of document is only executed where the *sabafe* system is in favour. No documents are drawn up for gold mortgage the borrower merely signing an on-demand pro-note. For gold mortgage a simple receipt is given stating the articles, the weight, and the rate of interest.

Generally documents are written in Burmese in the district, while in Akyab Town they are either written in English or Burmese though Burmese is more commonly used.



(j) It is not necessary to have an oral agreement made to supplement the document as the terms and requirements are stated in the document itself.

(k) No other conditions are usually made.

(l) No conditions are understood without being mentioned.

(m) In some cases Chettyars deduct the interest from the principal money, as well as the cost of the on-demand pro-note and the stamp. On land mortgage loans the cost of the non-judicial court-fee and the writing charges are usually deducted.

(n) On on-demand pro-note loans the interest is generally deducted by Chettyar lenders at the time of giving out the loan. The common practice is for six months to one year's interest to be deducted according to the total period for payment of the loan.

(o) Generally no substantial presents are offered by borrowers to lenders. But fruits and eatables are sometimes brought by the borrowers to the lender.

(p) If interest is not paid on the due date the usual period which lenders wait is about two months.

(2) No.

(3) No. If further loans are required the cultivator generally goes to another lender.

(4) Yes, the interest on crop loans varies from year to year according to the tightness of money. The rates have been largely enhanced during the last ten or twelve years.

6 (1) The majority are tenant cultivators, very few of the landlords are actual cultivators.

(2) The tenants get the whole of their loans from their landlord in the majority of cases.

(3) The landlords generally borrow the required money.

(4) Some have, but very few. They usually borrow in Akyab once or twice a year.

(5) (a) If the money lent is from his own capital the landlord usually charges less interest than other lenders.

(b) No particular difference.

(6) (a) He usually obtains the money at a lower rate of interest. Sometimes when money is tight he is more leniently treated, and his case favourably considered without resorting to Civil Courts.

(b) I think about the same answer as above.

(c) He is reputed to charge almost double the interest that he himself pays.

(d) I do not think there is any difference except the rate of interest being raised.

(7) No. Never heard a single instance.

7. *Sabaṭe* loans are commonly taken in this district. The usual rates of interest on such loans are more or less the same as with other loans. The rates vary according to variation in the money market. Such loans are taken to defray immediate household expenses and to pay labourers' wages and the hire of cattle. Sometimes borrowers have to pay interest at a rate of a basket of paddy for a rupee. (19—20 lbs. baskets).

8. Crop loans are taken as loans of paddy. Loans for other produce are very rare. Sometimes loans are given out for cotton, sesamum and tobacco. Such loans are confined to certain Townships such as Kyauktaw, Buthedaung and Maungdaw.

9. Yes, but very few of the cultivators resort to this practice.

10. The difficulties responsible cultivators meet in obtaining necessary loans are that even by pledging gold they cannot always get loans, due to scarcity of money among money-lenders, in a year when the demand is abnormal.

The only likely solution would be the establishment of land mortgage banks with sufficient ready money.

11. Yes, in so much that they could borrow sufficiently early to enable them to sow their crops at the right time, and also possibly encourage them to put money into better seed and implements.

12. (1) There is only one advantage in taking loans from the Township Officer, *i.e.*, the lower rate of interest. The disadvantages are :—

(1) That the required amount of loan cannot usually be had.

(2) That the loan usually cannot be obtained whenever the cultivator requires it.

(3) All cultivators cannot get loans, only those who can mortgage their lands.

(4) To obtain a loan from the Township Officer often requires frequent journeys to the Township headquarters resulting in loss of time and in some expenditure.

(2) Yes, the disadvantages are said to be greater than the advantages.

*Deputy Director of Agriculture, Irrawaddy Circle.*

3. (a), (b), (c) Yes.

(d) No.

(e) For capitation tax.

(f) No.

(g) Yes.

(h) No.

(i) No.

4. (1) (a) Very little, if any.

(b) Very little.

(c) Mostly.

(2) Burmese, including Karens, are numerous, Indians other than Chettiars are in moderate numbers. Chettiars and Chinese few. Opinion was divided on this question. The majority decided as follows :—

Chettiars about 70 per cent.

Burmese about 15 per cent.

Chinese about 10 per cent.

Chulias, Bengalis, Gujerati—Mahomedans 5 per cent.

(3) Practically none.

(4) Chettiars very few, Burmese almost all, } own agricultural  
Chinese almost all, others almost all, } land.

(5) Chettiars.—Almost all their business is done with borrowed money.

*Burmese.*—Borrow a good deal from Chettiars.

(6) No racial or other distinction is made except in the case of Chinese who prefer to lend to persons of their own race.

(7) Provided that security, credit and standing are the same all get equal terms.

(8) Borrowers take loans from the most convenient and most favourable source. Otherwise, no preference is shown.

5. (1) (a) August—September. December—January—February.

(b) and (c) Rs. 2 to 3 per cent. per mensem.

(d) The rates depend on the money market, security offered and the credit of the borrower.

(e) Burmese month.

(f) Landed property.

(g) Jewellery.

(h) Some members state that only 65 per cent. of the value is advanced. Dawson's Bank gives 80 per cent. of the value of the gold but allows nothing for precious stones which may form part of the jewellery. Chettiars are said to give slightly more than 80 per cent. of the value of gold.

In normal years the interest on loans for which gold is offered as security is slightly less than for other loans. In the present year owing to depreciation in the gold exchange rate interest is slightly higher.

(i) In the case of jewellery, promissory notes. For landed security, registered mortgage deeds.

(j) That the loan and interest will be repaid at harvest.

When jewellery is deposited as security, the borrower gets no receipt from the lender for the property handed over. The latter retains a list on the lower half of the pro-note. The understanding is that when the principal and interest are repaid the jewellery will be returned. Committee would suggest that the adoption of a document similar to the The Bail Bond used by Dawson's Bank may be insisted upon in order to safeguard the borrower.

(m) Stamp fees, registration fees and writing fees are deducted.

(n) No.

(o) None.

(p) It is said that there is no fixed time ; but there is generally a recognised settling day soon after the cultivator has disposed of his crop or most of it. When he cannot pay interest in full on the settling day he has to execute a new deed for the principal plus unpaid interest.

(2) No.

(3) No.

(4) The rates of interest vary with the fluctuation of the money market. This year they are slightly higher than usual. There has not been much change during the last ten years.

(A reference to paragraph 76 of the Report on the Settlement Operations in the Myaungmya District, 1916-19, is invited.)

6. (1) Yes.

(2) All.

(3) Few landlords are able to lend money from their own pockets. Most of them borrow from other sources.

(4) Yes.

(5) (a) He usually charges at the rate which other lenders charge men of the borrower's standing.

(b) Tenants borrow from landlords in May and June as well as August—September. Rs. 2-8 to 3 per cent. per mensem.

Generally no security is offered ; but in some cases the crop is mortgaged to the landlords to prevent the tenants from disposing of it to others when the tenant is not considered reliable. "On demand"

promissory notes and sometimes mortgage deeds are executed from loans.

Landlords usually agree to advance money to their tenants throughout the season as required for *bona fide* current expenses.

(6) Tenants usually have no security to offer. They are therefore unable to raise loans from any one but their own landlords.

(a) Thus the landlord can raise a loan on ordinary terms where the tenant cannot get one at all.

(b) The security offered being equal a large landlord is not likely to get better terms than a small owner-cultivator, unless he is a favoured client of the lender. Large loans, amply secured, usually carry less interest than small loans.

(c) About half per cent. per mensem more than he pays.

(d) No, except that the tenant usually has little or no security to offer.

(7) Yes, but rarely.

To the extent that without the security offered by the landlord the tenant would not be likely to obtain money. Otherwise the terms are the same.

7. The practice is dying out but still exists to some extent. "Sabanyun" is common amongst Mahomedan money-lenders. Usual rates are from 12 to 25 baskets of paddy in lieu of interest for a loan of Rs. 100.

Usual reasons for taking such loans are that the landlord, from whom the money is borrowed, is prohibited by his religion from taking interest, and the tenant is unable to obtain money elsewhere.

8. To a small extent among Burmans, but common among Chinese and Chulias. Repayable after harvest usual rate being one basket of paddy for every rupee's worth of produce taken. Such loans are usually taken by owner-cultivators who have no landlords to finance them.

9. Very rarely; only in cases of great necessity.

10. Apparently none.

11. Not probable in the case of tenant cultivators. Owner cultivators may effect minor improvements in their lands and thereby get better crops. Yes.

12. (1) Compared with Co-operative Societies and the Chettiars, crop loans from Township Officers are more advantageous as regards interest. They are however, more difficult to obtain and are subject to greater delays. The amount of money available is usually very small.

(2) Cultivators appear to think so.

*Deputy Director of Agriculture, Myingyan Circle.*

3. Crop loans are taken to meet current expenditure, to buy cattle, to meet part of the cost of buying land, and for sudden unexpected occasions.

4. (1) With the exception of villages where there are Co-operative Societies, crop loans are all taken from other persons. Loans obtained through Co-operative Societies may total perhaps 5 per cent.

(2) The loans are obtained either from village Burmese money-lenders or from Chettiars. The village Burmese lenders are traders and brokers and they are to be found in every village. The Chettiar on the other hand is only found in the towns and a few of the larger

villages. It is estimated that two-thirds of the total crop loans is provided by the Chettiars.

(3) None of the lenders are active cultivators.

(4) Since almost all the traders and brokers are also landowners the proportion of loans provided by landowners will be about one-third.

(5) The village money-lender does sometimes borrow from Chettiars but when he does so it is usually to finance his business ventures and not to provide capital for lending out.

(6) The operations of the village money-lender are somewhat restricted: he lends to a certain set of cultivators in his own and neighbouring villages who are well known to him and with whom he has other business relations. Were ready money available he would not, I think refuse to lend outside this set provided the client was introduced by somebody well known to him and the security offered was ample. But a borrower of this type would prefer going to a Chettiar to whom he would have to pay a lower rate of interest.

(7) There is only a slight variation depending on the amount borrowed, the rate of interest being slightly less on big amounts.

(8) Chettiars demand good security. When the security offered is not considered good enough the borrower is obliged to go to the village money-lender.

5. (1) (a) The months of May and June.

(b) Chettiars 2 per cent per month. Village lenders  $2\frac{1}{2}$  per cent per month.

(c) If the amount is small up to 5 per cent per month: it may be as low as  $1\frac{1}{2}$  per cent per month.

(d) It varies slightly with the amount, borrowed.

(e) Burmese month.

(f) To Chettiars—gold and produce.

To others—land, gold, and cattle.

(g) Standing crops and houses.

(h) From Chettiars about half the value.

From others about two-thirds the value.

There is little or no difference in the rate of interest.

(i) If the security is other than gold a form of mortgage is executed. In all cases an agreement to pay on demand is signed. Burmese is the language usually employed.

(j) Yes, to repay the loan within a given time.

(k) None.

(l) So far as I am aware none.

(m) Annas four per document is the usual deduction though this may be increased to eight if the amount borrowed is large.

(n) It is not usual to deduct anything for interest though cases are on record where this has been done.

(o) None.

(p) So far as I am aware it is not usual to reckon and charge interest on interest unpaid.

The Chettiar quickly resorts to prosecution. The village lender on the other hand is prepared to wait. His money-lending is supplementary to his business as a trader or broker: he has other business dealings with all his debtors and, as the security he takes is often inadequate, it is to his interest in the long run to wait when his clients are unable to meet payments of interest and capital when they become due.

(2) Loans taken on the "wa-pe" or "pe-be" system may be taken at any time before the crop is mature, and the rate of interest works out at a higher percentage.

(3) No promise is asked or given—further loans are given on demand if the security is considered satisfactory.

(4) There is no variation.

6. (1). There are comparatively few tenants in the "ya" areas.

7. Yes—*Wape*, *pe-be*, and *hnan-pe*. The usual rates are :—

*Wape* Rs. 20 to Rs. 25 per 100 viss.

*Hnan-pe* Rs. 2 to Rs. 3 per basket

Groundnuts Rs. 50 to Rs. 75 per 100 baskets.

Beans Rs. 1 to Rs. 1/4 per basket.

These loans are taken usually to cover the cost of seed or for "wun-sa".

8. Yes, for the purpose of providing seed.

If price of cotton seed is Rs. 8, 40 viss of *kɔpas* to be returned for each 100 viss of seed.

If price of cotton seed is Rs. 10, 50 viss of *kapas* to be returned for each 100 viss of seed.

If price of cotton seed is Rs. 12, 60 viss of *kapas* to be returned for each 100 viss of seed.

9. Yes, the practice is common. Rates are similar to *wa-pe* rates.

10. There are no difficulties in a normal season when the crop is almost certain to mature. There may be difficulties when crops fail and there is an absence of other security. I can suggest no remedy.

11. Greater facilities for raising crop loans would not alone result in better crops. In the dry zone better cultural methods are called for and it will take time for the cultivators to learn these methods. When improved methods of cultivation have been widely adopted any system which will enable cultivators to get loans more easily and at a lower rate of interest should have a stimulating effect on production since better agricultural methods will call for more capital expenditure on implements, cattle, and protection against surface erosion.

12. The only advantage appears to be a lower rate of interest.

(1) The disadvantages are :—

(a) joint responsibility is insisted on when the individual loans are small;

(b) loan not always issued when required;

(c) un-official deductions made when the loan is issued;

(d) the borrower is put to a lot of inconvenience sometimes being required to undertake long journeys to township headquarters two or three times before the loan is issued.

(2) Apparently the disadvantages outweigh the advantages since comparatively few cultivators avail themselves of these loans.

Deputy Registrar, Co-operative Department, Mandalay Charge, and Myobh  
(Co-operative Branch), Myinmu Range.\*

3. The borrowing is usually done for purpose mentioned in question 1 (a), (b) and (g).

4. (1) (a) Nil.

(b) Nil.

(c) Cent. per cent.

\* See footnote † at page 9.

(2) Mostly Chettians and Burmese, the latter predominating in the proportion of 3 to 1.

(8) Borrowers of crop loans prefer to deal with Burmese lenders, because of proximity.

5. (1) (a) May and June.  
(b) 3 to 4 per cent. per mensem.  
(c) 4 per cent. highest and 3 per cent. lowest.  
(d) Fixation of different rates of interest is dependent on the standing and reputation of borrowers.  
(e) Burmese month.  
(f) Landed property, jewellery, crops and cattle.  
(g) Personal surety of men of means.  
(h) 50 per cent. of the value. Yes.  
(i) Demand pro-notes in Burmese, except in cases of mortgage of land, cattle and crop when special bonds are executed for each purpose.

(j) No.

(k) Nil.

(l) Nil.

(m) Cost of pro-note, stamp, and writing charges.

(n) No.

(o) No custom.

(p) If not paid at harvest, interest is then reckoned on interest.

(2) No.

(3) No.

(4) There is no remarkable variation in the rates of interest from year to year, but during the last 10 or 20 years, the rate has decreased from 5 to 3 or 4 per cent. per mensem.

6. (1) Yes.

(2) No answer.

(3) More commonly out of the borrowing from others.

(4) No answer.

(5) (a) No.

(b) No, except to 5 (a) where the rates of interest charged are higher or in some cases tenants have to sell the crops green.

(6) (a) At a reduced rate of interest varying from 1½ to 2 per cent per mensem, i.e., about 75 per cent. better.

(b) About 50 per cent.

(c) 75 per cent. more.

(d) Except in the rate of interest and in purchasing the crop green.

(7) Yes to very small extent. No, not common. Rates of interest are reduced.

7. Yes. However, there is no *sabanyun* system. The usual rate for *sabape* is Rs. 80 to 100 per 100 baskets of paddy. The usual reason for taking such loan is that the borrower cannot give any other kind of security. This system is the worst kind of loans and borrowers generally resort to it as a last resource. The conditions generally laid down are that borrowers must always comply with the terms of the lender especially in regard to the quality and measurement.

8. No.

9. Yes.

10. The usual difficulties are—  
(1) Lack of mutual knowledge, and  
(2) Lack of security.

There is no other remedy to these difficulties than by the Co-operative method.

11. If cultivators got crop loans easily *i.e.*, *sufficiently and cheaply*, they would probably get better crops and generally improve their financial condition.

12. (1) Disadvantages of taking crop-loans from the Township Officer are—

- (a) Technical troubles in submitting applications.
- (b) Delay in enquiring into the applications.
- (c) Necessity for furnishing real security.
- (d) Fees legal and illegal.
- (e) No sufficient amount is obtained.
- (f) Drastic method of recovery.

The advantage of taking crop loans from the Township Officer is—

- (a) Reduced rate of interest.

Disadvantages of taking from Chetty—

- (a) Necessity for furnishing real security.
- (b) Higher rate of interest.

(c) Pressure of payment on due date without having any regard to failure of crop or misfortune in borrower's family.

Advantages of taking from Chetty—

- (a) No technical troubles in submitting applications.
- (b) No delay in enquiry.
- (c) Very little or no undue charges made at the time of borrowing.

Disadvantages of taking from Co-operative Society—

- (a) Sufficient amount is not obtained.
- (b) Pressure for punctual payment.

Advantages—

- (a) No technical troubles in submitting applications.
- (b) There is very little delay in enquiring into the applications.
- (c) Real security is not insisted upon.
- (d) No fees of any kind are charged.
- (e) Lower rate of interest.

*Range Officer. Co-operative Department, Insein.*

4. Very little from Co-operative Societies.

12. (1) *Taking loans from the Township Officer instead of borrowing from a Co-operative Society.*

Advantages :—(i) Less rate of interest.

(ii) A borrower is free from the formalities and the liabilities of the Co-operative Society, the principles of which every member has to observe.

(iii) There is no one who will criticise his use of the money so obtained.

(iv) The loan is considered as a heavy burden, as for its recovery the revenue law is applicable.

Disadvantages :—(i) Absence of supervision on the work and morality of borrowers.

(ii) Poor security.

(iii) The people remain in ignorance of the Co-operative Credit system and self-help.

(2) Smaller in number but greater in quantity.



*Superintendent of Land Records, Myitkyina.*

3. (a) (b) (g).
4. (1) (a) None, (b) very little, (c) mostly.
  - (2) Burmese and Indians such as Punjabis and Marwaris. Burmese are numerous, Punjabis moderate and Marwaris and Chinese few. Relative number not known. Burmese provide 50 per cent. Punjabis provide 30 per cent. Marwaris and Chinese provide 20 per cent.
  - (3) Burmese lenders are all cultivators, others own very little agricultural land. About 60 per cent of the crop-loan is provided by them.
  - (4) None.
  - (5) Omitted.
  - (6) No.
  - (7) With the exception of a few cases of favourable terms given to really reliable borrowers who are long-standing customers and regular in their repayment the terms are almost the same to everybody.
  - (8) The borrowers generally prefer to deal with lenders who are more reasonable and less exacting in their demands for settlement (*i.e.* such lenders as would hear the explanations for adverse circumstances for which the borrower is not responsible; *viz.* bad crop on account of weather, bad health of cattle or men.
5. (1) (a). Months of *Kason* and *Nayone*, followed by small loans as necessary at intervals till October.
  - (b) Rs. 3 per cent per mensem.
  - (c) Rs. 2/8 per cent and Rs. 5 per cent per mensem.
  - (d) Depends on the security and integrity of the borrowers; (with the very few exceptions normal rate of 3 per cent is fixed).
  - (e) Documents generally drawn up being pro-notes, monthly rate of interest is fixed and Burmese months is used, though it is understood that the settlement is to take place only at harvest time. The object of using pro-note is to avoid trouble and cost of drawing up bonds.
  - (f) Cattle, house, joint-personal security when documents are bonds which are rare, but none when documents are pro-notes.
  - (g) Agricultural land.
  - (h) Loan on security of gold is very rare, when there is any, 75 per cent of the value is given, but when the borrower is well known to the lender full value is given at less interest. Such loans are for domestic purposes.
  - (i) Few bonds and many pro-notes either in English or Burmese.
  - (j) No.
  - (k) Quality of grain, measure, place and time of delivery of the crops if document is bond but none in case of pro-notes.
  - (l) See answer to (e).
  - (m) Cost of stamp and drawing up of the document, when document is bond. None in case of pro-note.
  - (n) None.
  - (o) None.
  - (p) The date for either principal or interest is due immediately after harvest. The lenders do not wait any longer after that date to begin to reckon interest on the interest. A new document is generally

drawn up making both interest and principal as principal. Documents are easily drawn up afresh in case of pro-notes. This is one of the reasons for the popularity of pro-notes.

5. (2) No.

(3) They do not promise exactly but generally give further loans till October.

(4) Not from year to year. About 7 or 8 years ago the rate of interest used to be four and above. With the increase in the number of Indian money-lenders the rate has decreased.

6. (1) Few. Only about 14 per cent.

7. Loans are commonly taken in this locality on *sabape* system (known as *Nonngpay*). For reasons for taking loans and rates see answers to paragraphs 3 and 5.

8. Please see answer to paragraphs 3, 5, and 58.

9. No.

10. No.

11. If the crop-loan is got easily in time the cultivator can commence his work in good time, do his work thoroughly, fully equipped. These are some of the points responsible for the good crop. But it is doubtful if this improvement in yield of crop can be reckoned as anything substantial. As a rule the cultivator would not allow to effect the yield adversely on account of difficulty to get loan. He always tries to get it at any rate.

12. (1) The cultivator thinks that the transaction with the private lender such as Chettiers or others is easy and can be done at any time and also think they find it easy to ask for postponement of payment. Therefore they seldom take advantage of the low rate of interest allowed by Government. The cultivator is not convinced of the noble object of Government and of the fact that its showing some tendency of the strictness regarding settlement of Government loans is to save him from being ruined by the unnecessary accumulation of debts from year to year.

(2) The cultivator thinks that disadvantages in dealing with the Government are greater than the advantages.

#### *Burmese Chamber of Commerce.*

The Chamber is interested particularly with the financing of the Rice Industry and other indigenous industries already existing or hereafter to be started, and fostered, in future.

The Chamber will, therefore, confine itself to a few general observations on the condition of the Rice Industry at present, and on the urgent need there is for the immediate establishment of a Provincial Agricultural Bank to finance agriculturists, both with a view to give them sustained monetary help and to help them to overcome with confidence the ups and downs of the Rice market.

It is a matter of common knowledge that conditions of the Rice Industry have undergone vast changes since those existing 25 years ago. General labour wages now is 15 to 30 per cent. higher, transplanting charges have risen 8 to 12 per cent. the price of cattle has risen by 30 to 40 per cent. reaping and threshing charges have doubled and so have living expenses increased by 100 per cent., though we all know what a frugal man the ordinary farmer is.

While expenditure, therefore, has increased from 25 to 100 per cent. all round, the price obtained in the selling market has declined to pre-war prices, after a brief period of boom and profitable prices.

In view of the increased expenditure in all directions, therefore, the farmer requires larger advances for initial expenses and for other expenditure until his crop is marketed. And advances for this expenditure he is unable to obtain at present, except at exorbitant rates of interest, which cripple him throughout life and in consequence makes him discontented and prevents him carrying on his occupation with zest and interest.

The only way, therefore, to help the farmer and those directly concerned with the industry and trade, is to establish a Bank, which while working on safe and conservative lines, will finance him during the working season and in bad seasons at reasonable rates of interest and on reasonable terms and conditions.

The Chamber would therefore suggest the immediate establishment of an Agricultural Bank for the Province briefly on these lines—

(1) The Bank's Capital, say of 100 crores, to be raised by a loan, which if raised under Government guarantee, can be obtained at Rs. 3 to Rs. 5 per cent. interest or even lower.

(2) The Bank should be authorised to issue its own notes up to any amount not exceeding double the amount raised by loan.

(3) The Bank should issue loans at moderate rates of interest, that is to say, if interest is paid on the loan raised by the Bank at Rs. 3 to Rs. 5 per cent., the borrower should not be charged more than Rs. 9 to Rs. 12 per cent. These rates should be ample to repay the interest on the loan obtained by the Bank, repay this loan by instalments, and should also be sufficient to create a reserve.

(4) The advances should be made on usufructuary mortgage, that is to say, on the crops.

(5) And, in order to insure that the crop so mortgaged is not mortgaged to others, legislation should be enacted to provide that the Bank has the sole right to the entire crops and the value obtained by its sale, to the extent of the mortgages due to the Bank for interest and repayment, according to the terms on which the loan was made.

(6) Legislation should be further enacted to empower the Bank to distrain, seize, and dispose of crops, as necessity arises, without having to have recourse to the ordinary processes of law.

#### *Karen National Association.*

3. Cultivators usually borrow by a crop-loan for all the purposes indicated in question 1.

4. (1) Crop-loans are taken practically none from (a) Banks, very little from (b) Co-operative Societies, and mostly from (c) Other persons.

(2) Among other persons are included Chettiars who provide about 90 per cent. of the total crop-loans, Burmese about 10 per cent., and Chinese and Chittagonian petty traders to certain extent about 1 per cent. of the total.

(3) None of the Chettiars are cultivators, of the Burmese some are cultivators, and of the Chinese and Chittagonians none are cultivators. Of the total crop-loans those provided by cultivators who are generally Burmese may not come up to 1 per cent.

(4) Though none of the Chettians are cultivators, yet a few own agricultural lands, and almost all money-lending Burmese own agricultural lands, and likewise Chinese and Chittagonian petty traders own agricultural lands. The crop-loans provided by these landowners may come up about 10 per cent. of the total crop-loans.

(5) It is not possible to say.

(6) Properly speaking lenders have no such preferential treatment regarding races and business; men with credits who can offer sound securities are popular with any sort of lenders.

(7) It is not true that Indian borrowers get better terms than Burman. The difference in terms depends entirely upon the credits of borrowers, and the amount borrowed.

(8) There is no question of preferring a particular kind of lender to another kind; it all depends on convenience, rate of interest and character or repute of lenders. Lenders who are kind and considerate are popular.

5. (1) (a) The usual time of year for taking crop-loans is from June to October.

(b) The usual rate of interest is about 25 per cent.

(c) The highest and lowest rates of interest that are common are 20 per cent and 40 per cent, and sometimes to 50 per cent.

(d) For answer please see 4 (7). Usually small loans within a short period carry high rates of interest.

(e) The rate of interest is fixed by the Burmese month.

(f) The usual kind of security is landed properties.

(g) Other common kinds of security are house, cattle, means of conveyance such as cart or boat, and jewellery.

(h) When gold or other ornaments are given in pledge for loans, between 50 to 75 per cent of their worth is given, and often at less rate of interest.

(i) Either pro-notes or mortgage-deeds are usually executed for such loans in Burmese language.

(j) Oral agreements sometimes supplement the documents in out-of-the-way places in the country among illiterate people, or non-professional money-lenders. Such loans on oral agreements are usually of small sums, and any subsequent dispute for settlement of such loans often ends in a criminal case.

(k) Such small loans are made for repayment in harvest time with fixed interest the rates of which vary between 30 to 50 per cent. For 10 baskets of paddy or rice, or Rs. 10 borrowed during the months June—October, the borrower has to pay back in harvest time—January and February—13, or 14, or 15 baskets of paddy or rice, or Rs. 13, or 14, or 15 as agreed upon when the loan was made.

(l) The other condition generally understood without being mentioned is that, if any interest is left unsettled, it is compounded.

(m) and (n) No deduction is made from the principal money at the time of giving it out. However if a registration deed is executed, the borrower has to pay the expenses.

(o) There is no custom requiring presents between borrowers and lenders.

(p) In the case of fixed interest, interest is reckoned from one harvest season to another harvest season, and not by months. Any interest left unsettled is compounded for the next harvest season. In the case of loans fixing interest by the month, lenders usually

call for borrowers in harvest time—January and February—either to settle the loans, or to execute fresh documents if no settlement can be made. The interest due to date goes into the principal when fresh document is executed.

(2) No modification of the answer given to any item in the first part of this question is necessary for any particular class of crop-loans.

(3) Yes. Lenders promise to give further loans as required until harvest to cultivators having credits. Such cultivators are even encouraged or induced to take more loans than are barely necessary for them.

(4) With the advance of Chettiar firms the rates of interest on crop-loans fall considerably; and with the advance of Co-operative Societies the Chettiar firms reduce their rates still further to 18 and sometimes 15 per cent in some places. But successful Co-operative Societies are still very few and far between in Burma, and the rates of interest at 18 per cent and 15 per cent are by no means low if compared with bank rates.

6. (1) Yes, there are many tenants, and their number increases year by year.

(2) Almost all tenants get their crop-loans from their landlords.

(3) Landlords generally do both lend from their own money and also borrow on each occasion the money required by their tenants.

(4) No, only a few landlords have a long-standing loan of their own.

(5) (a) When landlords lend from their own capital to their tenants, they charge according to their standards of morality. There is no hard and fast rule. Some good landlords charge a lower rate of interest to their tenants than other lenders; whereas some landlords demand higher rate of interest than other lenders from their tenants. Tenants are required to take *sabaŕe* to certain amount from them in order to become their tenants. As a rule small landowners are harsh and exacting to their tenants.

(b) No other difference in the answers given to any part of Question 5.

(6) When landlords borrow the money required by their tenants—

(a) The terms they would get won't be of any difference to the terms the tenants would get if they could offer security. It all depends upon the credit of the tenants.

(b) It all depends upon the credit of cultivators. With good security either tenants or cultivators can get as good terms as landlords themselves.

(c) Landlords generally charge their tenants more interest than they themselves pay, about double, leaving a wide margin to safeguard their interest.

(7) Generally landlords never act as sureties to enable tenants to borrow elsewhere.

7. Yes, loans are commonly taken on *sabaŕe* by poor tenants and labourers having no credit to borrow from others. Usually they take *sabaŕe* from their landlords and employers, and the usual rates are between 30 per cent and 50 per cent. Generally such loans are of small amounts, taken to tide over the period of food scarcity in the year

between June and October, or to meet expenses for some emergency or misfortune.

8. Almost all loans are crop-loans, and therefore preceding answers are considered quite sufficient.

9. Yes, in the case of poor cultivators and labourers for the reasons indicated in Question 7 above, and also when pressed by their creditors.

10. Generally for responsible cultivators there are no difficulties to obtain necessary crop-loans. However during this year and the year previous such difficulties were met which might be due to bad harvest and flood in the preceding years. The majority of money-lenders could not get back the loans given; and even Co-operative Credit Societies had to be liquidated in a large number.

The only effective remedies are to increase the incomes of cultivators and reduce their expenses by finding good markets for their agricultural produce. The difficulty is that cultivators have to buy for their use every thing at increased prices, and have to sell their produce at reduced prices.

11. Better crops depend upon climatic conditions and labour, and not upon crop-loans. It is feared easy crop-loans will only tend to increase the debts of cultivators.

12. It is not easy to get crop-loans from the Township Officer. The cultivators cannot approach the Township Officer by themselves. They are required to take the Headman concerned to certify for them, and the Headman will seldom do it out of love. Unless they get some remuneration, they will never do it. Even if their applications for loans are passed by the Township Officer, they will be kept waiting from hour to hour till they tip the clerks concerned to expedite drawing up necessary documents for such loans. Such difficulties are met even at the time of repaying them.

As for the Co-operative Societies they are still very few, and cannot afford to give all necessary loans. So in the alternative cultivators had to resort to Chettiars though their rates are high. It is human nature that they will rather face higher rates of interest than personally subject themselves to unnecessary troubles.

*Mr. A. D. Kiernander.*

To ease the position of State landholders, they should be given landholders' rights as given in Lower Burma. These persons find it extremely difficult to borrow except at exorbitant rate of interest.

*Mr. P. S. Subbaiya, B.A., A.I.B. (Rangoon).*

3. For the purposes mentioned in 1 (e), (f) and (g) and to some extent in (i).

(1) (a) Banks : 25 per cent. (chiefly Dawsons Bank).

(b) Co-operative Societies : 30 per cent.

(c) Other persons : 40 per cent.

(2) Chettiars : numerous.

Other kinds of Indians : Guzerathis (Babus) to some extent.  
Burmese : Little.

Chinese : Practically nil.

The Chettiars provide 80 to 90 per cent. of the crop-loans and the Babus about 10 per cent.

(3) None of them is a cultivator.

(4) Only a small percentage of Chettiars own land ; they are mainly financiers and bankers, if they happen to get possession of land in satisfaction of bad debts, they generally sell it or let it on contract.

(5) Chettiars, for example, borrow from among themselves, but they generally have their own capital for the purpose.

(6) The grant of loans depends mainly upon the individual to whatever community he may belong ; the solvency and the regular habit of the individual to repay loans and interest are the determining factors.

(7) It is not well founded. The rate given depends upon the market rate of interest and applied equally to all borrowers ; any slight differences may be due to the nature and extent of the security offered.

(8) The borrowers of crop-loans generally prefer to deal with Chettiars for their loans. Though his rate of interest may be a bit high he comes in person at the time of the harvest, sees to the selling of the paddy and gets himself repaid. He agrees to part repayment or is prepared to wait on persuasion. He is very keen not to lose the customer and similarly others and so does not harass his client unless he is driven to it.

5. (1) (a) When the rains have commenced.

(b) Rs. 1½ per cent. per month on good security. } Mofussil.

(c) Rs. 1½ to 2 per cent. per month ordinarily. }

(d) Mainly dependent on the market rate.

(e) In Rangoon. The English month.

Elsewhere. The Burmesé month.

(f) Title deeds of land or building together with the latest *pisa*, i.e. tax receipt.

(g) Cattle, cart, jewels, etc.

(h) Rs. 80. The interest for such loans is the same as for others.

(i) Promissory Notes on demand.

In Rangoon every Promissory Note is written in English and Burmese because an English translation is required in the Rangoon Courts. So the Promissory Notes are generally sold printed in both the languages line by line.

In the Districts—Burmese only, as the Courts there do not insist on an English translation.

(j) Yes ; about the mode of repayment.

(k) None.

(l) That the loan should be repaid immediately after the harvest.

(m) None.

(n) None.

(o) None.

(p) Interest is not reckoned on interest, but if payment is not made after a reasonable time a fresh Promissory Note is executed for the total amount due on the previous Promissory Note.

(2) Paddy is the general crop for Lower Burma against which loans are taken.

(3) No promise is made but the borrowers generally know they can borrow some more provided they can furnish the necessary additional security.

(4) Not fixed. It has always depended upon the Money Market at the time of the loan.

6. (1) Yes.

(2) Not very many.

(3) Some use their own money but more borrow to lend.

(4) Not very much to my knowledge.

(5) The landlord charges the same interest as another lender would.

(b) No difference.

(6) Four annas per cent per month.

(b) Same as his tenant.

(c) Four annas per cent. per month.

- (d) He repays himself sometimes in kind whereas his lend is not generally prepared to do so.

(7) Yes ; but not commonly. No better terms.

7. Loans on *sabape* are common ; but about the other kinds of loans I have no knowledge.

8. Loans of paddy are given by landlords to tenants.

9. Yes. They are made to do so by the offer of the rice merchants and brokers.

10. Nothing serious except the high rate of interest they have to pay but even this they do not seem to feel having been accustomed to it for a pretty long time. Government should advance these loans at a rate of 4 to 6 per cent (nominal). The proposed Land Mortgage Banks should be able to do this.

11. As it is the crops are full ; but with easier loans probably better crops would result as a result of intensive cultivation or a more economical rotation of crops, might result giving a better yield per year.

#### Maung Maung Bya, C.I.E.

3. Borrowing usually done by crop loan is for the purposes mentioned (a), (b), (c), (d), (e), (f) and (g) of Question I abovementioned.

4. (1) (a) Nil.

(b) There were such loans a few years ago but now nil owing to their decline.

(c) Definite figure cannot be given but much was obtained from "others."

(2) Natives of Burma, Zerabadis, Ponnas, Indians and Chetties— (it is difficult to give the ratio).

5. (1) (a) *Tagu* (April) to pay land revenue, rent and coolie-hire.

*Kason* (May), to buy cattle, cart and seeds.

*Nayon* (June), to repay loans to Co-operative Societies.

*Waso* (July), Cultivation expenses.

*Wagaung* (August), Food.

*Tawthalin* (September), to buy new implements.

*Thadingyut* (October), to pay *thathameda* tax.

*Taungmon* (November), Food.

*Nadaw* (December), Charity and travel for relaxation.

*Pyatho* (January), to repay old debts.

*Tabodwe* (February), to redeem land, to lend or mortgage land.

*Tabaung* (March), to improve land.

(b) Some at 2 to 3½ per cent. per mensem, 20 to 30 baskets on Rs. 100 till the time of harvest during the year.

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(c) From  $1\frac{1}{2}$  per cent. per mensem to 5 per cent. per mensem, but the prevailing rate now is  $3\frac{1}{2}$  per cent. per mensem.

(d) It varies with the kind of security and class of borrowers.

(e) Burmese months.

(f) Cart, cattle and land.

(g) Gold and diamonds.

(h) Rs. 70 to Rs. 80 on one hundred rupees worth of gold.

(i) On-demand pro-notes and mortgage bonds in Burmese.

(l) To repay both principal and interest on due date; to ask for extension of time on the balance or to execute the fresh pro-note.

(m) Nil.

(n) Nil.

(o) It depends upon the relation between them.

(p) Three years.

(3) No promise.

(4) Few 5 per cent. per mensem to  $3\frac{1}{2}$  per cent. per mensem.

6. (1) It is difficult to answer this question in view of the Upper Burma Land Revenue Regulation as most of the lands in this district are state lands. Most of the *bobabaing* lands are worked by tenants.

(2) Twenty-five per cent.

(3) Very few can lend from their own money. Many lend from the borrowed money.

(4) In long-term loans—long-standing debts owing to non-repayment.

(5) (a) and (b) Same answer as given to question 5 of this chapter.

(6) (a) Owing to security of *bobabaing* land it is easier for him to raise loan at a considerably better rate.

(b) As above.

(c) From 8 annas to a rupee.

(d) No.

7. *Saba* and *pe-be* loans are now more numerous. The rate depends upon the time, distance, quality of crops and credit worthiness of the borrower, as it is not possible to mortgage on state lands owing to the strictness of the Upper Burma Land Revenue Regulations—crops have to be sold out first.

8. Paddy, *pebyu*, *sadaw* and *pe-gyi* and other beans.

10. Difficulties arising out of State land under the Upper Burma Land Revenue Regulations. Remedies suggested are as follows :—

(a) (1) To enable, by legislation, natives of Burma, Zerbadis, Ponnas, Chinese and half-castes and their descendants to possess state land.

(2) To obtain status of landholder's rights after 12 years as laid down in Lower Burma Land and Revenue Regulations. The ancient custom of Burma allowed persons who cleared the jungles and tilled the land to possess the same, to accept the same as security, to purchase the same and they are still known as *bobabaing* land.

(b) There is no danger as -

(1) It is too well-known here that some lands in Lower Burma have passed into the hands of foreigners.

(2) The Government is constantly watching the interests of the natives of Burma.

(c) To exempt the tenants and the land-owners from income-tax as in the case of Co-operative Societies when the rate of interest does not exceed  $1\frac{1}{2}$  per cent. per mensem.

(d) The effect of mutation of names regarding the land should be to prove the transfer ownership as well as to facilitate collections of land revenue.

11. The benefits mentioned in this question will be derived if such loans can be easily obtained.

12. (1) The cultivator having thought the crop-loans to be loans to be paid at the close of the year will not dare to take loans from Government. If these loans can be paid by three annual instalments which may be issued through Co-operative Societies or through the Township Officer there will be more advantages than disadvantages.

(2) The disadvantages cannot be greater than advantages. It all depends upon management and supervision.

*U Shwe Tha, K.S.M.*

4. About  $\frac{1}{4}$  from chetty banks,  $\frac{1}{4}$  from co-operative societies and about  $\frac{1}{4}$  from other persons such as Indians and Burmans (about  $\frac{1}{2}$  each) and about  $\frac{1}{4}$  from Government as agricultural loans.

(6) No.

(7) No.

5. (1) (a) At the beginning of the rains and also after the transplanting season.

(b) The usual rates vary from Rs. 2-8-0 to Rs. 4.

(c) The highest is Rs. 5 and the lowest is Rs. 1-8.

(d) The lender's position and kind of security offered is taken into consideration in fixing the rates.

(e) In case of Burmans, the Burmese month is taken and in other cases the English month.

(f) Land is the usual kind of security.

(g) Jewellery and cattle and cart.

(h) About 75 per cent. of the value of gold ornaments. Yes, the interest is a little less.

(i) The usual Promissory Note. They are written in Burmese by Burman lenders, and in Indian language, by Chetties and other Indian lenders, but in the latter case the amount is written in English figures as well.

(j) No.

(k) Nil.

(l) Nil.

(m) Four annas for the supply of Promissory Note Forms and paper and the value of stamps.

(n) No.

(o) No.

(p) No interest is charged on unpaid interest. If the interest has accumulated to a large amount, with the consent of the debtor a fresh document adding on the interests overdue to the principal is taken. This practice is not common.

4. Yes, but variation in rates is small.

6. (1) Yes.

(2) Tenants usually go to their landlords for loans which are usually granted. Landlords do not like their tenants to borrow money from others.

(3) Big landlords generally lend from their own capital.

(4) Do not know.

(5) They charge usually Rs. 1-8 to Rs. 2-8 per mensem. This rate is not higher than the rate any other lender would charge.

(6) A landlord can borrow the money required by his tenant at about Rs. 1-8 per cent per month.

The ordinary cultivator will have to pay 2 to 3 per cent interest per month.

(7) Landlords very rarely act as sureties for their tenants.

9. Yes, such sales are common.

10. The price of land has risen in sympathy with the rise of paddy price or other crop value and poor cultivators sell their land at a good price to well-to-do people who have spare money for investment in land. They sell their land to those who will allow them to work their land as tenants.

They do a little trade with the money or a little money lending. Their money in most cases gradually diminishes and their credit goes down very low. They thus meet with difficulties when they require money in the shape of crop-loans. The majority of the small land-holding cultivators are hunger-stricken people. They have many little things which they have been long in want of but have to defer obtaining for want of money. When they do get money, these long deferred wants are first satisfied. These people very seldom get nourishing food and the few clothes they have are outworn. In these days many tempting foods and clothings are seen hawked about in their villages. These poor men cannot resist such temptations when they have money in hand. That is why they buy such little things with their paddy or other crops little by little at the time when crops are being gathered and that is the time food and cloth sellers move about from field hut to field hut in the *kamins*.

There is not much difficulty to get a loan by cultivators who have land to be given as security.

The remedy for such poor cultivators is to get them from co-operative societies.

11. Yes. If they got just enough crop-loans easily, better crops could be obtained and interest on these loans could be paid leaving larger balance for themselves.

12. It is not easy for every cultivator to get enough crop-loans from the Township Officer and some do not think it advantageous to merely get a portion of the amount they actually require, considering the trouble and expense they have to undergo in getting this sort of loan, also on the taking of such loans from Government, they are refused any loans from money-lenders.

The Chettiar lends money for as much as the security given is worth and waits for payment as long as the borrower pays interest regularly.

(2) Yes. The disadvantages are greater than the advantages.

*Suggestion.*—If such Government loans can be given through the crop loan societies, the disadvantages mentioned above will be diminished a great deal.

*U Kyi (Rangoon).\**

4. (1) In our locality, wealthy people take their loans from banks. In the case of ordinary persons, the majority of them borrow from their landlords or employers.

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\* See footnote at page 10.

(2) The money-lenders are Burmese, Chinese, Chettiars and other kinds of Indians. The Indians are Ooriyas, Mahomedans, Madrassis and Hindus. Chettiars and Hindus are the smallest in number.

(3) Among the people mentioned in item 2, the Burmans are mostly cultivators and next in order come the Chinese, Mahomedans, Madrassis and Ooriyas; Hindus and Chettiars are the smallest in number.

(4) Among the people mentioned in item 2, those who are not cultivators but own agricultural land, are Burmese, Chinese, Mahomedans, Madrassis, Ooriyas, Hindus and Chettiars. They provide loans necessary for the purposes of their lands only. They lend money in reasonable amounts to others on suitable interest.

(5) Among the people mentioned in item 2, few borrow small amounts, while many borrow large amounts from others.

(6) The lenders confine their loans to cultivators connected with their business. They refuse to give loans to those who work for others.

(7) Burmans borrow money at high rates of interest mortgaging their properties, say, worth Rs. 1,000 for the same amount. Indians, however, take loans only when the rate of interest is small and mortgage their properties, say, worth Rs. 1,000 for only Rs. 500.

(8) Cultivators borrow money for purchasing cattle, for living expenses, for purchasing seed-grains, and to pay their coolies.

5. (1) (a) Loans are taken for the first time in the months of Kasoh and Nayon (May and June), for the second in Wazo and Wagaung (July and August) and for the third in Tawthalin and Thadingyut (September and October).

(b) The usual rate of interest is 3 per cent. per mensem on the first loan, 2 per cent. on the second loan, and 1½ per cent. on the third loan.

(c) The highest rate of interest is 5 per cent. and the lowest rate is 1 per cent.

(d) For urgent loans the highest rate has to be paid.

(e) In the case of Burmans, interest is generally fixed by the Burmese month and in the case of other nationalities generally by the English month.

(f) Security is usually given in the shape of produce. The people who have properties give their houses, paddy land or garden as security.

(g) Loans are given to the borrowers on their own account on the security of their produce.

(h) Loans are given on interest at the rate of Rs. 1-8, Rs. 1-4 and Re. 1 per cent. per mensem. For Rs. 100 worth of gold, Rs. 80 is given.

(i) On demand promissory note is the common form of document executed for secured loans. It is generally written in Burmese.

(j) No oral agreement is made to supplement the document.

(k) When valuable (immoveable) properties are given as security for loans, the documents for such loans are executed on non-judicial stamp papers.

(l) The people understand the conditions for loans without these being mentioned by reading such law books as those written by U Kyaw, *Barrister-at-law*, and U Ba Thein and others.

(m) The bazaar people have adopted the practice of deducting interest from the principal money given as loans, having learnt such practice from the Chettiars' agents. Such practice is not adopted by the inhabitants of the locality.

(n) At the time of giving out the loans, the lenders deducted the interest at the rate of Rs. 7-8 per Rs. 100 of the principal and collect Re. 1 daily till the principal is repaid in full.

(o) The custom in rural areas is to give banana and coconut bunches, fish, prawn, etc., as presents by the borrower to the money-lender. In town, it is the custom to give other eatables as presents.

(p) If interest is not paid on due date, lenders wait for from 15 days to one month. After that period a new bond is executed for the compounded amount of principal and interest due.

(2) There are many modifications necessary.

(3) There are some lenders who promise to give borrowers further loans, while others do not.

(4) The rates of interest have not changed much during the last 10 or 20 years. They have changed in some places.

6. (1) There are still many tenants.

(2) *Bona fide* tenants can obtain loans.

(3) Landlords generally lend from their own money. Sometimes they borrow from others.

(4) There are no long-standing loans given to their tenants.

(5) (a) Landlords charge less interest than others on loans given to their own tenants.

(b) There are other answers which may be given. (For instance, in special circumstances and when the harvest is close at hand, loans have to be taken at high rates of interest.

(6) (a) There is no reason for landlords to get better terms.

(b) Landlords cannot get better terms than the tenants.

(c) Landlords generally charge more interest than they themselves pay.

(d) Yes. It is different.

(7) Landlords do not act as sureties for their tenants.

7. Loans are commonly taken on *sabape*.

8. No.

9. There is the practice of cultivators selling their crop before harvest; but it is not common.

10. Responsible cultivators have to take loans to meet pressing demands in connection with revenue or to meet old debts, when special circumstances arise.

11. Loans may be recovered from honest cultivators. It is difficult to recover even the principal, to say nothing of the interest from dishonest cultivators.

12. (1) It is easier to take loans from a Chettiar than from the Township Officer, because negotiation may be made with a Chettiar but not with the Township Officer on account of the existence of certain rules.

(2) The cultivators do not wish to take loans from the Township Officer because the disadvantages are greater.

*Mr. P. L. L. N. Narayanan Chettiar (Puducherry).*

3. Usually for purposes in clauses (a) to (c) of question 1.

4. (1) Ten per cent of crop-loans from Dawson's Bank.  
Nil from Co-operative Societies.

Ninety per cent from other persons.

(2) Among other persons are included Burmese, Chinese, Mohamedans and Chettiars.

Chettiars are numerous, Burmese come next and then Chinese and Mohamedans.

(3) Out of 8 cultivators 5 are Burmese, 2 are Tamils, 1 Chinese and Mohamedans nil.

(4) Out of 8 landowners 4 are Burmese, 2 are Chettiars, 1 Tamil and 1 other person. Major part of crop-loans are given by these land owners.

(5) To the extent of 25 per cent.

(6) No preference.

(7) On same terms to all.

(8) Chettiars are preferred by cultivators because money is available at all times.

5. (1) (a) About May to November.

(b) Average rate from 12 per cent to 18 per cent. per annum.

(c) Highest rate 2 per cent. per mensem, lowest 1 per cent. per mensem.

(d) Different rates are fixed according to rates to be paid by lenders to their creditors.

(e) Both English and Burmese are used.

(f) Land, houses, and cattle.

(g) Jewels also.

(h) Largest amount of loan on Rs. 100 worth of gold is Rs. 80, interest is less.

(i) Pro-notes and bonds ; for Burmese.

(j) No.

(k) Nil.

(l) None.

(m) Deductions are made for stamps.

(n) No.

(o) If the relationship is cordial some petty presents are made.

(p) Lender waits for about 12 months time and then calculate interest on interest.

(2) No.

(3) Yes.

(4) Yes ; they do vary.

There was no change during the last ten or twenty years but this year the interest has slightly increased.

6. (1) Yes ; many tenants.

(2) About 1/5 of tenants.

(3) A few lend their own money, but many borrow from others and then lend.

(4) Half either way.

(5) (a) He charges a little more than another lender.

(b) No.

(6) (a) Nil.

(b) Nil.

(c) He charges about 6 per cent. per annum more than he pays.

(d) No.

(7) Usually No.

7. No.

8. No.

9. No.

10. Their cattle die ; crops are destroyed by flood ; sometimes they are destroyed by pests and worms. Floods can be avoided by drainage and by opening canals. As for pests and worms, cultivators should wait till the time of their season.

Death of cattle is beyond their control ; but a few are now using agricultural implements.

11. Yes.

12. Before taking crop-loans from the Township Officer, cultivators must produce certificates and recommendations; for this purpose they have to waste their time and money.

In fact, if all expenses are counted they practically suffer a loss of Rs. 10 per Rs. 100.

### Section 3.—Crop-loans to Landlords.

#### *Akyab District.*

13. No difference.

#### *Sandoway District.*

13. No such practice here as no landlord takes crop-loans.

#### *Pegu District.*

13. Landlords never take crop-loans in this district.

#### *Tharrawaddy District (Zigon Committee).*

13. Not much difference except that loans are within easier reach of the landlords than ordinary cultivators or tenants.

#### *Hanthawaddy District.*

13. The landlord gets money at a better rate of interest

#### *Insein District.*

13. My Committee has decided that it is unable to answer this question.

#### *Prome District.*

13. The only difference is that landlords will ordinarily borrow only from the biggest money-lenders, i.e., in this district from the Chettiers.

#### *Myaungmya District.*

13. Modified replies to question 4.

(1) (a) Slightly more.

(b) and (c) No difference.

(2) Chiefly Chettiers.

(3) None.

(4) Very few.

No changes in the answers to question 5 are necessary.

*Maubin District.*

13. No difference.

*Thalon District.*

13. No difference.

*Thalon District (Kyäikto Sub-committee).*

13. No difference.

*Mergui District.*

13. Land owners will get better terms, as the chances of recovery of the debts are much more favourable.

*Toungoo District.*

13. Practically none.

*Thayctmyo District.*

13. There is no difference except that the borrowers take the loan at any time of the year.

*Mandalay District.*

13. No difference except as regards rate of interest paid.

*Sagaing District.*

13. They can obtain loans from Chettiars and other money-lenders at lower rates of interest.

*Katha District (Kawlin and Wuntho Sub-committee).*

13. The landlords do not generally borrow money, but they only let out their lands to tenants to whom they advance loans on interest to bring their land under cultivation.

*Deputy Commissioner, Upper Chindwin.*

13. If the borrower is a landlord, the rate of interest would probably be less, as he is more reliable and secure.

*Assistant Director of Agriculture, Southern Circle.*

13. (1) Ditto as in 4 (1).

(2) Do.

(3) About 5 per cent. to 10 per cent. and they provide about 10 to 20 per cent. of crop loans.

(4) About 90 per cent. are not cultivators and they provide about 80 to 90 per cent. of crop loans.

(5) About 50 to 60 per cent.



*Deputy Director of Agriculture, Arakan Circle.*

13. There are not many differences. If the borrower is the landlord, but not a cultivator, a smaller rate of interest is usually charged, and being possessed of land he can procure loans more easily from a lender.

*Deputy Director of Agriculture, Irrawaddy Circle.*

13. Modified replies to question 4.

- (1) (a) slightly more,  
(b) and (c) No difference.
- (2) Chiefly Chettiers.
- (3) None.
- (4) Very few.

No changes to the answers to question 5 are necessary.

*Deputy Director of Agriculture, Myingyan Circle.\**

13. The landlord borrows usually from the Chettiar and at a slightly lower rate of interest, viz., 1½ per cent. per month.

*Deputy Registrar, Co-operative Department, Mandalay charge, and Myook (Co-operative Branch), Myinmu Range.†*

13. Landlords deal mostly with chetties on better terms in respect of rate of interest and security.

*Karen National Association.*

13. Practically there is no difference between a cultivator and a landlord when they become a borrower. So long as they have credit the conditions are the same. The only difference is that a small loan usually bears a higher rate of interest than a large loan; and landlords with large credit usually take big loans.

*Maung Maung Bya, C.I.E.*

13. As answers to questions 4 and 5.

*Mr. P. L. L. N. Narayanan Chettiar (Pyapōn).*

13. A landlord gets better terms if he borrows; because if the crop fails the lenders cannot recover the loan from tenant cultivators whereas they can easily recover it from landlords.

## Section 4.—Long-term Loans.

*Sandoway District.*

14. (1) (a) } For making improvements to lands, such as clearing  
(b) } jungles, erecting bunds, etc. Only a few landlords,  
(c) } however have occasion to borrow long-term loans.

\* Reply has particular application to the "ya" lands of the dry zone.

† Joint reply; relates to Sagaing, Mandalay and Kyaukse Districts.

*Pegu District.*

14. (1) (a) Improvement of the land, buying cattle, purchasing additional land ; buying agricultural implements.  
(b) Buying cattle and agricultural implements.  
(c) Improvement of land ; advancing loans to tenants.  
(2) There is no other purpose the Committee is aware of.

*Tharrawaddy District (Zigon Sub-committee).*

14. (1) Nil.  
(2) Not to our knowledge.

*Hanthawaddy District.*

14. (1) Long-term loans unknown in this District. The loans in this District are given by Chettiers only on an On Demand pro-note or a registered document; when a registered document is executed payment is required 'on demand' in the document, and when a secured loan is taken out a current account is opened by the Chettiar at the harvest, the borrower pays the interest and repays the whole, or as much of the principal as he can and the Chettiar then makes the borrower execute a new pro-note (if no registered document has been executed) for the amount of principal still outstanding *plus* any new loan which the borrower needs and the Chettiar thinks he is sufficiently secured to get.  
(2) Does not arise.

*Insein District.*

14. There is a wide consensus of opinion on this Committee that long-term loans as defined in question 14 are almost unknown, and that Chettiers do not look as far as five years ahead. Most of these loans come under the definition of 'intermediate.'

*Prome District.*

14. (1) By classes (a) and (c) long-term loans are needed for land improvements and for redemption of mortgages ; and by class (b), for purchasing land for cultivation and for repaying debts.  
(2) None, so far as is known.

*Myaungmya District.*

14. (1) (a) and (c) To effect permanent improvements in their land, to purchase improved implements and to build houses.  
(b) Tenant-cultivators do not require long-term loans.

*Maubin District.*

14. (1) Long-term loans are needed by (a) for—  
(i) extension of holding ;  
(ii) purchase of land ;  
(iii) redemption of land ;  
(iv) improvement of land ;  
(v) purchase of machinery ;

- (vi) payment of debts ;
  - (vii) building of dwelling house ;
  - (viii) construction of granary.
  - (b) (i) purchase of machinery ;
  - (ii) construction of granary ;
  - (iii) payment of debts.
  - (c) (i) extension of holding ;
  - (ii) purchase of land ;
  - (iii) purchase of machinery for hire ;
  - (iv) construction of granary ;
  - (v) financing of tenants.
- (2) Not known.

*Thalon District.*

14. (a) To buy lands with money borrowed and work them.
- (b) Tenant-cultivators run into debts gradually, when they are not able to pay the rents in full after satisfying all the claims on the produce, such as wages, food expenses and other labour charges.
- (1) As it is not possible to obtain long-term loans, though needed, they cannot be got.
- (2) In view of the above, the question does not arise.

*Thalon (Pa-an Sub-committee).*

14. (1) (a) For improvement of land to buy equipment and for redemption.
- (b) Not desirable.
- (c) Almost for identical purposes, as (a).
- (1) Presumably the same as above.

*Thalon District (Kyaikto Sub-committee).*

14. (1) (a) Long-termed loans are required for improvement of their lands and for purchase of cattle (b) for failure of crops short-termed loans are converted to long-termed loans (c) for purchase of additional pieces of lands.
- (2) No other than those mentioned above.

*Tavoy District.*

14. (1) Long-term loans are needed in this District by (a), (b) and (c) to buy new suitable holdings, mining, trade, etc.
- (2) Landlords who let their lands to tenants require long-term loans in this district for mining and trading.

*Toungoo District.*

14. (1) (a) To buy new land or to extend his land either by purchasing or by squatting.
- (b) Not usual for tenants to get long-term loans.
- (c) To buy land or to bring waste lands under cultivations ; to improve the land by bunds or by channels.

*Thayetmyo District.*

14. (1) (a) For improving their lands and for irrigating their lands.  
 (b) Long-term loans not needed.  
 (c) Same as (a).  
 (2) Nil.

*Mandalay District.*

14. (1) (a) To repay loans taken at high rate of interest ; to purchase cattle ; to redeem land as well as to lend money on land mortgage.  
 (b) To purchase cattle ; to redeem land ; to lend on land mortgage, or to buy land.  
 (c) To improve land.  
 (2) For purposes mentioned above.

*Meiktila District.*

14. (1) Long-term loans are needed by (a) and (b) classes of people to meet current expenditure in a year following a bad harvest or to buy cattle and by (c) to buy land or improve land.  
 (2) We do not know.

*Commissioner, Sagaing Division.*

14. Long-term loans are needed generally for land improvement and are rarely taken. The rules and instructions under the Land Improvement Loans Act, 1883, need simplification. As they stand it is a very long and tedious business for a cultivator to get a loan for an improvement work and where improvement consists of drainage and embanking work, inspection by the Executive Engineer is insisted upon before the loan is taken. The result is that in Upper Burma at any rate such improvement loans are rarely taken though there is much land in Bhamo, Myitkyina and Katha, which could be made profitable if capital for opening it out could easily be obtained.

No long-term loans are given in the districts in which communal tenure prevails.

The area under usufructuary mortgage in the last settlement of the Shwebo District was 20 per cent of the area of the district. The area in the Shwebo Canal tract under mortgage increased from 17,411 or 7 per cent of the occupied area in the original settlement to 43,848 acres or 15 per cent of the occupied area in the last settlement. The increase was due to the fact that at the first settlement much of the land had only just been brought under settlement.

Usufructuary mortgages are common with Burman money lenders. Non-usufructuary mortgages represent the security taken by professional money lenders and are confined to tracts in which owing to irrigation cultivation is secure.

A frequent condition of mortgage with possession in the dry zone is that mortgagee is given three years undisputed possession before redemption can be made ; otherwise the usual condition is that redemption may be permitted at any time on repayment of the loan.

The Shwebo Settlement Officers find that in a few localities it was the custom of the mortgagee to add to the original mortgage money sums expended by him in repairing private tanks the property of the mortgager.

It is probable, however, that most of the loans described as long-term loans in the Sagaing Division are really intermediate loans. Few loans are issued for so long as five years.

*Sagaing District.*

Long-term loans are issued in this district only on the mortgage (with possession) of land.

14. (a) To buy land and cattle.  
(b) Not issued to tenant cultivators.  
(c) To buy more land and also for trading.  
(2) For trade purposes.

*Deputy Commissioner, Upper Chinwin.*

14. Long-term loans do not exist in this district.

*Administrator of Government Estates, Burma.\**

14. (1) Long-term loans are needed by cultivators to enable them to pay off old debts and to start afresh after a bad year.

*Deputy Director of Agriculture, Arakan Circle.*

14. There are no long-term loans in Arakan.

*Deputy Director of Agriculture, Irrawaddy Circle.*

14. (1) (a) and (c) To effect permanent improvements in their land, to purchase improved implements, and to build houses.  
(b) Tenant cultivators do not require long-term loans.

*Deputy Director of Agriculture, Myingyan Circle.†*

14. (1) Long-term loans except from Government are not taken by small cultivators owning the land they cultivate nor by tenant-cultivators.

Landlords may take such loans to acquire more land but I have no reliable information on this point.

- (2) Long-term loans might be taken with advantage by landlords and land-owning cultivators—

- (a) to make small tanks for irrigation ;  
(b) to effect permanent improvement in the layout of their holdings ;  
(c) to purchase machinery and plant such as chaff cutters, oil engines, etc.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch), Myinmu Range.‡*

14. (1) (a) Long-term loans are needed for—  
(i) liquidation of old debts,  
(ii) purchase of cattle, and  
(iii) expenses for litigation.

\* Answers relate to Government Estates in Hanthawaddy and Pegu Districts.

† Reply has particular application to the "ye" lands of dry zone.

‡ Joint reply : relates to Sagaing, Mandalay and Kyaukse Districts.

*Myoók (Myinmu).*]

(b) purchase and redemption of land in addition to those mentioned in (a) above.

(c) (i) purchase of land.

(ii) improvement of business in lending money and trade.

(iii) expenses for litigation.

(iv) liquidation of old debts.

*Karen National Association.*

14. (1) Long-term loans are needed by—

(a) practical cultivators owning the lands they cultivate for buying cattle, building houses, buying lands or improving them, or for clearing bad debts incurred in *shinbyus*, or *ahlus* or for sudden unexpected occasions such as funerals and litigations ;

(b) tenant, cultivators for the purposes as in (a) above ;

(c) landlords need no such loans.

(2) Besides the above purposes no long-term loans are needed for other purposes.

*Mr. P. S. Subbaiya, B.A., A.I.B. (Rangoon).*

14. (1) Long-term loans are needed by—

(a) practical cultivators for buying land for themselves, for making permanent improvements if they already own land, for buying cattle and other things necessary for the preservation of their land ;

(b) landlords for making permanent improvements in land, for lending to their tenants for cultivation, for purchasing buildings and sometimes jewels :

(c) tenant-cultivators for cultivation, for buying the cattle for it, for paying coolies.

(2) For purposes mentioned in (1) (a), (f) and (g).

*Mr. P. L. L. N. Narayan Chettiar (Pyawón).*

14. Long-term loans are not usual in this locality.

**Section 5.—Long-term Loans to Cultivators.**

*Sandoway District.*

15. No long-term loans here.

*Pegu District.*

(15) (1) (a) Nil.

(b) Very little.

(c) Mostly.

(2) Of the "other persons" the Chettians constitute four-tenths ; Chinese, three-tenths ; Burmese, two-tenths ; Tamils, Moplahs and Chulias constitute one-tenth.

(3) Not one of the people mentioned in the answer to item 2 is a cultivator.

(4) A very few of the people mentioned in the answer to item 2 own agricultural land ; and the amount provided by them would be about a tenth part of the total long-term loans in the district.

(5) No.

(6) Lenders give better terms to borrowers who give better security and take larger sums.

(7) The borrowers of long-terms in this district do not show any preference for any particular kind of money-lender but usually go to the one from whom they can get loans with the minimum of inconvenience to themselves.

16. (a) Rs. 1-8 to Rs. 2-8 per cent per mensem.

(b) The highest rate is Rs. 2-8 per cent per mensem and the lowest rate is Rs. 1-8 per cent per mensem.

(c) The different rates are fixed according to the nature of the security offered.

(d) When the rate of interest is fixed by the month, the Burmese month is generally used. The interest due for the year is generally paid once a year.

(e) Once a year. No. Immediately the interest due is not paid at the end of the year, it is treated as debt with interest to be paid on it.

(f) No. No. Yes. Yes, at the lender's option.

(g) Yes. Yes. No. Yes. No, unless the lender chooses to do so. None. Never.

(h) The lender has a right to recall the loan at any time. The lenders make use of such a right when they wish to increase the rate of interest. They do this simply for their own benefit. The borrowers generally are compelled to pay a higher rate of interest. Yes.

(i) Landed property,

(j) Cattle.

(k) Very rare.

(l) Registered bonds. In Burmese.

(m) No.

(n) No.

(o) No.

(p) Only Stamp and Registration fees are deducted from the principal money at the time of giving it out.

(q) No.

(r) None.

(s) One year.

(2) No.

17. There is a very slight variation from year to year. The rate of interest has decreased by about 4 or 8 annas per cent per mensem during the last twenty years.

18. The rate of interest for long-term loans is slightly less than that for crop-loans. The relationship remains the same.

19. (1) Yes, but only when there is exceptional scarcity of money. No.

(2) The difficulties arise when there is a slump in the paddy market, or when there is extensive failure of crops.

(3) The early creation of a State Land Mortgage Bank seems the only remedy in the opinion of the Committee.

20. (1) None of the members of Committee present to-day (except the two official members) is aware of this (N.B.—In the experience of

the Chairman and Secretary, however, there are several people in the country side who are aware of this).

(2) Because they consider the terms and condition inconvenient to them.

(3) No, in the opinion of the members of the Committee present, except the Chairman and the Secretary who consider otherwise.

21. (1) Very desirable.

(2) (a) Easier money at lower rate of interest.

(b) Lesser rent.

(c) Less bad debts.

(3) Joint personal security.

(4) Yes.

(5) The cultivators in Burma would like such a bank, provided that provisions for suspension as in the case of Government Agricultural loans are made in years of exceptional disaster.

22. (1) None.

(2) In view of the answer to (1), this question does not arise.

(3) As in (2).

*Tharrawaddy District (Zigón Sub-committee).*

15. (1) to (7) Nil.

Long-term loans are not in vogue.

Their introduction will greatly benefit agriculture and industry.

16. (1) (a) to (s) Nil.

● (2) Nil.

17. to 19. Nil.

20. (1) No. The interest should be lower than at present, say 6 per cent per annum, if such loans are to become popular and if the poor are to be really benefited.

(2) Because they were not aware that such loans are issued.

(3) No.

21. (1) Yes, very.

(2) To all classes mentioned there by the reduction of the interest they are now compelled to pay.

(3) Plough cattle.

(4) to class (a) and (c) only not to tenants.

(5) Yes.

22. (1) to (3) No other measures can be recommended.

*Hanthawaddy District.*

15. }

16. }

17. } See answer to 14.

18. }

19. }

20. Never heard of in this district.

21. (1) Yes, the provision of land mortgage banks is desirable in Burma.

(2) (a) and (c) It would enable him to make improvements.

(b) Landowners who let their land to tenants are in no way expected to be useful.



(3) The tenants would give nothing but houses, stock and immoveable property, to a land mortgage bank, the committee thinks the tenant would not be able to borrow.

(4) The land mortgage banks should lend not to tenants, but only to the practical agriculturists owning their land and landowners who let their land to tenants.

(5) No, cultivators would not like such a bank unless the management were to allow some elasticity in cases of bad harvest as regards repayments of principal : it being understood that interest must be paid annually.

22. (1) Co-operative credit societies should be at all centres for the improvement of the facilities of agriculturists for long-term loans.

(2) Land and cattle securities are available for loans given.

(3) See Co-operative Credit Societies Department.

*Insein District.*

15. 16. 17. 18. 19. On the information available to this Committee these questions cannot be answered.

20. (1) Yes.

(2) I do not know. I have always wondered. The Committee does not profess to be able to answer.

21. This is a question for an expert on land mortgage banks. My committee cannot answer.

22. (1) None : in a country where mortality of all kinds is ripe. I do not recommend any long-term loans as defined. The Co-operative Officer is of opinion that there should be a state-financed co-operative bank, lending only on unencumbered land and that the cost of this will not be higher than that of an ordinary crop-loan. He thinks the Co-operative Department should have much wider powers of interference.

*Prone District.*

15 to 19. Omitted. Such loans, as defined, appear to be unknown here, except perhaps in the case of one or two non-cultivating large land owners.

21. (1) Yes.

(2) The Committee thinks that those who might make use of such loans do not know that Government might be willing to issue them ; and that those who do know think of the formalities, both before and after the issue of a loan, and the possibility that applications may be rejected, and are therefore prevented from applying.

(3) No. Earlier mortgages should be redeemed before such a loan is given.

21. (1, Yes.

(2) For the purposes mentioned in the answer to question 14.

(3) Joint security, except where land has been purchased with the amount of the loan in which case a mortgage can be given.

(4) Yes, eventually if not at the outset.

(5) Yes, provided that provision is made for postponement when payment is delayed by circumstances beyond the control of the borrower

*Myaungmya District.*

15. (1) (a) A fair amount, (b) Very little, (c) The major part.

(2) See reply to question 4 (2).

(3) None.

(4) See reply to question 4 (4).

(5), (6) and (7) See replies to question 4.

16. (a) Rs. 2 to Rs. 2-8 per cent per mensem.

(b) Rs. 1-8. to Rs. 3 per cent per mensem.

(c) The rates depend on the amount of the loan and the credit and the standing of the borrower as well as on the security offered.

(d) The Burmese month. Thirteen times.

(e) Annually. Not usually. There is no definite period ; lender may sometimes wait a month or two after settling day.

(f) The General Manager of Dawson's Bank has told us . " Practically all loans made either on Mortgage Bond or on pro-note are expressed to be payable on demand, but in practice no lender expects repayment and no borrower expects to be called upon to pay on demand." See also reply to question 32.

(g) The borrower is allowed to repay an instalment of the loan, and at any time of the year. Usually no additional payment is required for the privilege. Instalments are however rarely paid before they are due, because the borrower usually finds it more profitable to invest the money at a higher rate of interest than he is paying himself.

Chettiers generally treat instalments as deposits and reckon interest on the whole sum until it is fully paid up. Dawson's Bank charge interest on the balance due, *i.e.*, an instalment ceases to bear interest as soon as it is paid.

Notice of repayment of an instalment is not generally required. The refusal of an instalment offered by a borrower has not been heard of.

(h) The lender has the right to recall the loan at any time as it is taken " On Demand." This right may be exercised when the lender finds a more profitable investment for his money, or when he is not satisfied with the repayments of either interest or instalments, or when he himself is being pressed by a creditor. Also when the Chettiar firm changes its agent at the end of three years. The borrower may have to raise a new loan with some other lender at a higher rate of interest and to pay the cost of registration on the new mortgage deed. If the borrower cannot raise a loan elsewhere and the lender files a suit, the former has to pay the costs of the suit.

A fresh loan may sometimes be arranged with the same lender at a higher rate of interest.

(i) Landed property.

(j) Jewellery.

(k) Usufructuary mortgages are rare.

(l) Mortgage deed or promissory notes. English, Burmese and Tamil.

(m) Yes as regards repayments of instalments and interest.

(n) Stamp fees, registration and writing fees.

(o) No.

(p) None.

(2) No.

17. Rates of interest fluctuate slightly in accordance with the money market. There has not been much change during the last ten years, but in the present year the rates are slightly higher than in the previous year or two.

18. Usually the same rates of interest are charged for both kinds of loans.

19. (1) No difficulties.

20. (1) Yes.

(2) Because they are unable to offer sufficient security and because of the formalities associated with these loans, which formalities generally result in considerable delay.

(3) No.

21. (1) Yes.

(2) They will be useful to practical agriculturists owning their land and to land owners who let their land to tenants, because they will be enabled to raise loans at lower rates of interest than at present and they will have the assurance of getting a fair deal. It is doubtful whether land-mortgage banks will be of any use to tenant-cultivators except perhaps in that the landlord, who usually finances the tenants would be able himself to raise loans at low rates of interest and thus to allow his tenants lower rates than they pay at present.

(3) Tenants can offer no security as a general rule.

(4) Lack of security would make it impossible to recommend lending to tenant-cultivators. As regards the other two classes it is recommended.

(5) Some cultivators are bound to appreciate the lower rates of interest and business-like methods of such banks, but there are a certain number who would not like the strict enforcement of payments at due times. It is thought that all will in the long run see the advantages of land mortgage banks.

22. No suggestions.

#### *Maubin District.*

15. (1) (a) One half from banks, (b) very little from co-operative societies, (c) about two fifths from other persons.

(2) Chettiars (moderate) 30 per cent ; Burmese (numerous) 50 per cent ; Chinese (few) 20 per cent.

(3) Chettiars nil ; Burmese few ; Chinese nil. Last part of question cannot be answered.

(4) Omitted.

(5) No.

(6) No difference.

(7) They prefer to deal with Burmese and Chinese, because these classes are usually not too pressing and will take over the land at a fair valuation when all resources for repayment fail, while a Chetty will refuse to take over land if he can avoid it. When he does take over, the value placed on the land is usually very low.

16. (1) (a) Rs. 1-8 per cent.

(b) Rs. 1-2 per cent per mensem and Rs. 2 per cent per mensem.

(c) When the credit of borrower and the value of security given are good, the interest charged is lower.

(d) Rate of interest is fixed by Burmese month and interest is paid for 13 months in the year when there is an intercalary month.

(e) Once a year at time of harvest : about six months.

(f) No. All loans are expected to be cleared in harvest time, but the borrower may pay the loan before that time. The pro-notes signed being on demand the borrowers are liable to be called upon to pay at any time. Most mortgage deeds stipulate payment when called upon to do so.

(g) Yes. Yes. No. Yes. No. None. No.

(h) Yes : Chettiars make use of this right when agents relieve one another : cost of travelling expenses stamps and forms : the borrower commonly arranges a fresh loan with the new agent, when his loan is recalled.

(i) Land.

(j) Houses and jewellery, sometimes cattle.

(k) Usufructuary mortgages are not taken.

(l) Usually an on demand pro-note, but sometimes a mortgage bond stipulating payment on demand drawn up in Burmese.

(m) In case of on demand pro-notes, oral agreement may be made but can never be proved.

(n) That payment towards principal should be made whenever money comes to hand.

(o) That interest should be paid regularly once a year.

(p) None.

(q) No.

(r) Nil.

(s) Six months.

(2) No.

17. Rates have remained about the same, though a downward tendency is indicated. The difference is about 1/4th.

18. More favourable : about 1/4th less : same ratio.

19. (1) No special difficulties. Yes, if loan is for a remunerative purpose or for purchase of land the loan is easier to obtain.

(2) No difficulties.

(3) No remedies.

20. (1) Very few people know that land improvement loans are given.

(2) Because they receive no encouragement and the process of securing the loan is tedious.

(3) Certainly not.

21. (1) Most desirable.

(2) All loans except to tenants could be met by land mortgage banks. If landlords can secure loans easily tenants will benefit indirectly.

(3) Tenants cannot find security and cannot deal direct with land mortgage banks.

(4) No, only to landowners.

(5) A bank enforcing payment in the manner indicated would be unpopular.

22. (1) Appointment of special seasonal officers for issue of such loans would go a long way to afford relief to the cultivators.

(2) Land. No cost.

(3) All applications should be collected by the Deputy Commissioner, who will hand them over to officer appointed to deal with the

loans and decide whether to grant the loan or not on the spot after inspection. Loans will be drawn at District headquarters.

*Thatôn District.*

15. (1) No long-term loans from banks.

(b) Very few co-operative societies exist in Thatôn and Paung Townships. No long-term loans from such societies.

(c) They take long-term loans from Chettiars, Burmese, Chinese and other Indians, namely, Kakas, Tamils, etc.

(2) Other persons include Chettiars, Burmese, Chinese and other Indian races. Chettiars are numerous, Burmese in moderate numbers and Chinese and other Indian races few.

In the Townships of Thatôn and Paung the Chettiars lend not more than 80 lakhs. Burmese, not more than 10 lakhs and Chinese and Indians of other races not less than two lakhs.

(3) Burmese and Tamil are mostly cultivators. About three-fourths of the cultivating class are cultivators. Tamil are few. The second question does not arise.

(4) As statistics are not available, it is not possible to answer (5), (6) and (7) No.

(16) (a) Between  $1\frac{1}{4}$  and  $1\frac{1}{2}$  per cent per mensem.

(b) Answered above.

(c) Unsecured loans carry higher rate of interest than secured loans.

(d) English month is generally adopted in the towns while in villages Burmese month is adopted as the latter carries more days than the English month, to the advantage of the money-lenders.

(e) The question does not arise.

(f) No. It is generally understood that repayment is made at harvest.

(g) An instalment of the loan can be made at any time of the year. No additional payment or previous notice is necessary. No practise of refusing an instalment by the lender. In the absence of a contract to the contrary.

(h) No restriction. It all depends on the tightness of the money market.

(i) Landed properties.

(j) Jewelleries, carts and cattle and also produce of the land, after deduction of rents and wages and other charges.

(k) Unknown.

(l) Mortgages are effected on stamp documents and on documents duly stamped and registered.

(m) and (n) No.

(o) It is understood that interest is payable at harvest.

(p) and (q) Deduction of few annas is made for the writing, stamp, ink and paper.

(s) A fresh document is executed.

(2) No.

17. No change during last twenty years.

18. Interest on long-term loan is less than that on crop loans. No change in the relationship during the last twenty years.

19. No.

20. (1) Yes. (2) Because the usual answers are: Government has no money; no sufficient provision in the budget. Another reason is too much red tape and tips all round.

(3) No.

21. Yes. (2) If the rate of interest is less than that of the Chettiers, they will be useful. (3) Tenants offer their cattle, carts, and other agricultural implements. (5) The cultivators would not like such a bank as described.

22. The Government should advance money to the Banks for the purpose of making loans to the cultivators.

(2) Landed properties and personal security. The borrower should bear expenses of the transaction.

(3) We should adopt measures which are just as practical and economical as the Chettiers' business method.

*Thatón District (Pa-an Sub-committee).*

19. Nil.

The existence of money-lenders of long-term loans is desirable.

20. Yes. But it is a dead letter.

(2) Because impossible to obtain.

(2) No.

21. (1) Yes.

(2) (a) Save the trouble of unnecessary delay in hunting money-lenders and higher rate of interest.

(b) and (c) Same as above.

(3) Standing crops.

(4) Yes.

(5) Yes—provided there be a *vis-major* it must extend time.

22. (1) Nil.

(2) and (3) Do not arise as no suggestion is made other than mortgage banks.

*Thatón District (Kyaihto Sub-committee).*

15. (1) All from other persons.

(2) 2 per cent. Burmese, 2 per cent. Chinese, 2 per cent. Mohamedans and 94 per cent. Chetties.

(3) and (4) None known.

(5) No special preference for any particular business except persons owning property are given some preference.

(6) Better terms to person owning property and worse terms to persons having no property.

(7) With Chetties.

16. (a) From Rs. 1-8-0 to Rs. 2.

(b) From Rs. 1-8-0 to Rs. 4.

(c) Rate of interest is fixed according to the means of borrower.

(d) Generally use Burmese months. Usually once in a year.

(e) Interest is due for payment once in a year. Yes. Two or three years.

(f) Yes. One and two years. Yes. Yes.

(g) Yes. Yes. No. Yes. No. The question does not arise. No.

(h) Yes. When lenders and borrowers are in friction. None known. Not likely.

- (i) Landed property and jewelleries are given security.
  - (j) Personal security.
  - (k) Very common.
  - (l) Registration deeds in Burmese are executed.
  - (m) No.
  - (n) No.
  - (o) Payment of interest once in a year.
  - (p) Annas 4 to annas 8 deductions are made to compensate for the cost of paper and stamps.
  - (q) No.
  - (r) None.
  - (s) The lenders do not wait but at once begin to reckon interest on it.
16. (2) The prohibition by-laws of reckoning interest on interest is desirable.
17. No change. It remains almost steady.
18. The crop loans bear heavier interest. No change.
19. None known.
20. (1) Only a very few know.  
(2) Because limited amount is lent out.  
(3) No.
21. (1) Yes ; much desirable.  
(2) In the rate of interest and will stop the lands going into the hands of foreigners.  
(3) Tenants would give crops and personal property as securities.  
(4) Yes.  
(5) Yes.
22. (1) Encouragement should be given by Government to Burmans to open Banks.  
(2) Same as those furnished to Government Land Mortgage Banks.  
(3) Branch Banks will be opened in each district and will be worked as Dawson's Agricultural Bank.

*Tavoy District.*

15. (1) (a) The Chartered Bank of India, Australia and China, which is established here is an Exchange Bank and they do not deal with cultivators.
- (b) No co-operative bank is in existence here.
  - (c) All long-term loans are made by other persons.
- (2) Other persons include Burmese, Chinese and Mohamedans. Burmese are numerous, Chinese moderate and Mohamedans few. We are not in a position to say how much each class contributes to long-term loans.
- (3) To the best of our knowledge none are cultivators.
  - (4) Omitted.
- (5) We have here Burmese cultivators only.
- (6) If borrowers have good security lenders let out their money irrespective of nationality or class.
- (7) Borrowers prefer to deal with liberal lenders, e.g. liberal in rate of interest and liberal in demand and in settlement. Chettians are the last class of lenders borrower would approach.

16. (a) In Tavoy town the usual rate of interest on the security of land is Rs. 1-8-0, on jewellery, Re. 1 per cent per mensem.

(b) Highest 3 per cent, lowest 1 per cent.

(c) In busy season, *i.e.* from December to May the rates are higher as traders require more money to buy paddy. In the rains the rates are lower.

(d) As a rule in town according to English dates. In the district by Burmese dates. Interests are generally demanded once a year at harvest time. If interest is not paid after the harvest the payment is postponed till next harvest.

(f) As a rule the money is lent out payable On Demand though orally promised to repay after the harvest. As a rule the period is so arranged that the payment will become due in harvest time. Yes, the borrower is allowed to repay whenever he likes. Sometime vindictive lenders call upon him to repay their money at an inconvenient time.

(g) The borrower is allowed to pay by instalment at any time of the year for which no additional payment is required and the instalment ceases to bear interest. Not necessary to give notice to pay in instalments. No penalty attaches for failure to give notice to pay in instalment. Yes, we have heard of instances in which lenders refused to accept instalment.

(h) Yes, if the loan is On Demand when the principal and interest nearly come up to the value of the property secured. Borrowers have to get loans from a third person in which case the interest is added to the principal and then they have to bear extra expenses in the shape of stamp, registration and execution charges. Yes, if the interest is added on to the principal and the property is worth more than the fresh loan. In other words, the interest is compounded.

(i) Landed property and jewellery.

(j) We cannot think of any other security.

(k) Simple mortgages are taken as security. Usufructuary mortgages are seldom taken.

(l) Registered mortgage bond in Burmese.

(m) Yes, as to repayment after harvest time.

(n) We are not aware of any other conditions.

(o) To repay after harvest season.

(p), (q) Conveyance charges but with the Chettiar in addition to above interest for the whole year is deducted in advance.

(r) We are not aware of any custom of any presents being offered to the other party in this district.

(s) Interest is reckoned up to the time of payment if the borrower is fortunate enough not to have interest compounded.

(2) In our opinion no modification is necessary for other long-term loans.

17. Steady. The rate of interest for the last 10 years is a little better.

18. We are unable to answer this question.

19 As long as security is good no difficulty arises for the borrowers to get money. There is no necessity to mention the purpose for which the loan is made.

20. (1) We are not aware of the fact that Government is willing to let out money on Re. 0-13-4 per cent per month to cultivators.

(2) The cultivators do not apply for it either because they are not aware of it or because it takes too much trouble to apply for it.

(3) No, we do not agree to upset the law in this respect.



21. (1) Yes, we think it high time to establish land mortgage banks in each district at low rate of interest.

(2) These three classes of people will be benefited in every way. First and foremost their lands will not be taken over for debts after bad harvest and after accumulation of high rate of interest.

(3) Landed property and jewellery.

(4) We would go a step further than the three classes of people. We would also suggest to lend money by land mortgage bank in good security to all local industries.

(5) If the cultivators are unable to pay in their interest and instalment the land mortgage bank should extend time if the security is good. If insufficient should call for additional securities.

22. (1) In our opinion the establishment of land mortgage banks will facilitate the agriculturist all round. They will get their loan at a lower rate of interest, as high rate of interest ruins them in most cases. For the matter of that we would say that other local industries such as salt, weaving, pottery, fishery, etc., would be improved.

*Mergui District.*

20 (1) Yes.

(2) Better terms and facilities.

(3) Crops.

(4) Yes.

(5) Not on those conditions.

20. (1) Yes.

(2) Refer to answer to No. 12.

(3) No.

21. (1) Yes.

(2) Better terms and facilities.

(3) Crops.

(4) Yes.

(5) Not on those conditions.

22. (1) We would recommend the rules and regulations of the Agriculturists' Loans Act instead.

(2) The Act itself particularly in respect of mutual security.

*Toungoo District.*

15. (1) Cultivators do not get long-term loan.

17. Since the formation of co-operative societies, the rates of interest have gone down to about  $\frac{1}{2}$  to  $1\frac{1}{2}$  per cent per mensem less than some 20 years ago.

19. Respectable borrowers usually get their long-term loan from the Chettiars. The latter are not very keen on issuing long-term loans—they invariably insist upon executing registered mortgage of immovable property and upon interest being paid at least once a year. The Chettiar Agent changes every three years. The only remedy we can suggest is to open land mortgage banks.

20. (1) Yes.

(2) For reason mentioned in answers to question 12.

21. (1) Yes.

(2) (a) Practical Agriculturists (c) Land Owners—by getting long-term loans on the security on their lands—they are able to buy lands or to extend or improve their holding, to redeem their debts.

(b) None—as they have no security to offer.

- (3) None acceptable to land mortgage bank.
- (4) No only to practical agriculturists and land owners.
- (5) Yes.

*Deputy Commissioner, Toungoo.*

21. (5) If land mortgage banks are established the bulk of the loans will be taken by the richer land owners, who will lend to their tenants at a higher rate of interest, and so profit. I am doubtful whether the landless cultivators would secure much benefit from such banks.

*Commissioner, Magwe Division.*

22. It appears that the cardinal mistake made in Burma co-operation was the formation of guaranteeing Unions. It is possible that there is still a future for individual societies, especially if the necessity of saving be more emphasised than formerly.

*Thayetmyo District.*

- 15. (1) (a) Nil.
- (b) Nil.
- (c) Very little.

(2) In the term "other persons" are included Chettiers and Burman money-lenders. Only few cultivators take long-term loans, a majority of them taking loans to be repaid at the next harvest or making usufructuary mortgages of their land for three years only.

About 40 per cent of these few long-term loans are made by the Chettiar firms and about 60 per cent by local money-lenders.

(3) About half of the Burman money-lenders issuing long-term loans are cultivators.

None of the Chettiar money-lenders are cultivators.

About 10 per cent of the total long-term loans are provided by these cultivators.

(4) About half of the Burman lenders of long-term loans are not cultivators but own agricultural land. But none of the Chettiar lenders are cultivators and they own no agricultural land except that they have to take over land temporarily for bad debts, to be sold out as soon as possible.

About 30 per cent of the total long-term loans of the locality are provided by these land-owners.

(5) There is no preference shown to cultivators of any particular race or of any other special kind.

(6) Money-lenders give better terms to approved customers who were found to be regular in payment of the interest on previous loans.

(7) There is no such preference noticed.

16. (a) The usual rate of interest at which Chettiar lenders lend long-term loans is Rs. 1-12-0 but the usual rate of interest taken by Burmese lenders is Rs. 2.

(b) The highest and lowest rates of interest that are common are Rs. 3 and Rs. 1-4-0.

(c) A lower rate of interest is fixed for large loans and a higher rate for smaller loans.

(d) In fixing the rates of interest by the month the Burmese month is generally adopted.

Interest is paid twice a year or once a year, the latter being more usual.

(e) Money-lenders generally lend money with the understanding that the interest is due for payment twice a year, but an enquiry from them shows that they generally get payment once a year, i.e. after a harvest. Enquiries from the Chettiar money-lenders of Thayetmyo show that they would wait for 6 months or a year in case of approved customers without treating the interest as a debt with interest to be paid on it but that in case of other customers they would sue for payment after waiting for a few months. Burman money-lenders would generally wait for a few months or even for a year before treating the interest as a debt with interest to be paid on it.

(f) It is not usual to fix a definite period after which the loans must be repaid. As no definite period is fixed the borrower is liable to be called upon to repay at an inconvenient time.

(g) The borrower is allowed to repay an instalment of the loan. Yes, at any time of the year.

No additional payment is required by the lender for allowing the privilege of repaying an instalment.

Yes, the instalment ceases to bear interest as soon as it is paid.

The borrower is not required to give previous notice before repaying an instalment.

The fact that an instalment offered by a borrower was refused has never been heard of.

(h) Yes, the lender has a right to recall the loan at any time.

But as a rule no money-lender will recall a loan at an inconvenient time.

Nil.

Nil.

(i) The usual kind of security is land and houses.

(j) Jewellery.

(k) Cases in which usufructuary mortgages are taken are few.

(l) Mortgage bonds are executed for the loan. They are written in Burmese language.

(m) No oral agreements are usually made to supplement the document.

(n) No other conditions are made.

(o) The condition which is understood without being mentioned is that the money must be repaid on being demanded.

(p) The cost of the stamp paper and the fee for the writer of the document are deducted from the principal money at the time of giving in out.

(q) No interests is deducted at the time of giving out the loan.

(r) There exists no custom requiring the borrowers or the lenders to make presents to the other party.

(s) Lenders generally wait for six months to one year before they begin to reckon interest upon interest.

(2) No.

17. Once a long-term loan is granted the rate of interest remains steady.

During the last 10 years the rates of interest changed during three or four years owing to tightness of money market, i.e., for about

four months in each of these years—the increase in the interest being by about four annas per cent.

18. The rates of interest charged for long-term loans compare very favourably with those charged for crop-loans, as the former are sufficiently secured whilst the latter are generally without any security. This relationship has not changed during the last ten or twenty years.

19. (1) The difficulties met with by respectable borrowers in connection with long-term loans are :—

(a) That the lender in this district is not prepared to advance more than one third of the value of the land offered as security ;

(b) That the lender is not willing to accept as security, the land to improve which the loan is asked for, as the lender is not willing to take any risk.

(c) That the money market is tight at the time when the loan is required.

The purpose of the loan makes some difference in this respect ; for example, if such a man desires such a loan in order to enable him to invest it in some land the fertility of which is well-known, lenders will readily advance loans even at a lower rate of interest.

(2) It is difficult to get a long-term loan at a time when the money market is tight. Borrowers of long-term loans are not prepared to pay interest at the then current rate and lenders would then rather lend out their available money to those who pay higher rates of interest even though the loans they take are short-term loans.

(3) The following remedies are suggested :—

(a) In the case of loans required by respectable persons for improvement of their land, Government should lend out under the Land Improvement Loans Act. There should be adequate allotment made for this purpose. The allotment should be far more liberal than hitherto. Enquiries into applications for such loans should be promptly made and in fitting cases loans should be disbursed more expeditiously to enable the borrower to start his improvement work as soon as possible. Hitherto such enquiries are generally so protracted as to discourage the borrower.

(b) To relieve the tightness of money.

The money market is very tight this year and people find it now very difficult to raise a large loan at a moderate rate of interest. It is opined that if land mortgage banks be opened this difficulty can be appreciably removed.

20. (1) Yes.

(2) Stiff rules which necessitate a long enquiry before money can be issued.

(3) No.

21. (1) Yes.

(2) (a) In getting loans easily to improve their lands and for annual expenses and in depositing their savings, if any.

(b) In getting loans to buy cattle, etc., to enable them to carry on the work and in depositing their savings, if any.

(c) In getting loans easily for improvement of their land, and to give timely advances to their tenants.

(3) Cattle, jewellery and standing crops.

(4) Yes.

(5) Yes.

22. (1) Matters will be improved if the officers who are to issue loans under the Agriculturists' Loans and Land Improvement Loans Acts enquire promptly into each application and take special steps to issue the loans expeditiously in the villages of the borrowers, if possible.

(2) Land and cattle—No cost.

(3) Instruction 14 of the Agriculturists' Loans Instructions should be rigidly enforced. For this purpose Township Officers should be relieved of other duties as much as possible from January to 15th March by which date he should have completed all his enquiries regarding the necessity of loans, sufficiency of security, etc. After making enquiries in each village the Township Officer should inform all the eligible applicants that he would later inform them of the date on which he would visit their villages or the neighbourhood for disbursement of loans and they would then appear with their sureties for execution of the necessary security bonds. Allotment should also be increased. Period of loan should also be increased.

*Mandalay District.*

15. (1) No long-term loans—but long outstanding loans due to non-repayment as answers to questions 4 and 5.

(2), (3) and (4) As answers to question 4.

16. (1) No long-term loans.

(2) As answers to question 10.

17 and 18. As answers to question 4.

19. (1) }

(2) } As answers to question 10.

(3) }

20. (1) }

(2) } No knowledge.

(3) }

21. (1) Yes.

(2) Advantageous to (a) and (c).

(3) No security.

(4) No. Only (a) and (c) of (2).

(5) Cultivators in Burma would like such a bank believing that ;

(1) They will not lose land.

(2) They can repay easy instalments.

(3) They get cheap rate of interest.

(4) The landlords can have dealings with it. The period of loan should be 60 years, and should be based upon the custom of Burma. If they were to lose land they would not like it.

22. (1) and (2) Will be answered under chapter dealing with co-operative societies.

*Maktila District.*

15. (1) There is no bank in our district. Most of the co-operative societies are in liquidation. Chettiars and well-to-do Burmans do not give long-term loans. Therefore it is not necessary to answer the rest of this question and also questions 16 to 19.

20. (1) Yes.

(2) We do not know.

(3) No.

21. (1) Yes.  
(2) They will be helpful to all the three classes of people by enabling them to raise crop-loans and long-term loans at an equitable rate of interest.  
(3) Jewellery.  
(4) and (5) Yes.
22. (1) We cannot think of any other measure.
23. Nil.
24. (1) Intermediate loans are needed by (a) practical cultivators, (b) tenant cultivators. Almost all loans are originally crop-loans but when the borrower is unable to repay at the time of the harvest, a crop-loan becomes an intermediate loan.
27. There is competition but it is not very keen.
28. Ill feeling against the Chettiars is common, because they charge high interest, and demand interest at the end of every month. These documents are executed in Tamil. The Chettiars cannot speak Burmese very well and they often appear rude to their customers. This ill feeling cannot be removed as long as the Chettiars remain the chief agency through which cultivators raise their loans.
29. (1) Yes.  
(2) They usually accept the account kept by the lender.  
(3) We do not know.  
(4) We do not know.

*Sagaing District.*

15. (1) (a) Nil ; (b) Very little, (c) Mostly from Chettiars and other money-lenders.  
(2) Burmans and Chettiars. Mostly from Burmans.  
Chettiars 1/4 : Burmans 3/4.  
(3) Mostly cultivators : about three-quarters.  
(4) About a quarter of them are land owners and they provide about half of the loans.  
(5) These loans are usually issued to land-owning cultivators only, but no loan is refused simply on the kind or class of cultivator.  
(6) No.  
(7) They prefer, if it may be so called, to deal with persons personally known to them.  
(For the sake of clearer understanding, we may add here that long-term loans known here are those issued on the understanding that they would be paid back within three to five years. The term may subsequently extend to any number of years provided that the lender is still satisfied with the security which is usually land.)
16. (a) 15 per cent. to 20 per cent. per annum.  
(b) 20 per cent. and 10 per cent. per annum.  
(c) Lower rate is charged when a higher return is assured.  
(d) Not fixed by a month.  
(e) Once a year. No, except after a harvest. One to three years are allowed.  
(f) No definite period agreed upon, but repayment is fixed so as to fit in with harvest. If time is fixed borrower cannot repay when he likes. If time is not fixed, he may do so. Equally, the lender may

also demand his money at any time. If time is fixed, repayment generally takes place on the expiry of that period.

(g) Yes ; but this is not allowed if the loan has been taken on usufructuary mortgage of land. In other cases no additional payment is required. Interests ceases from the date of re-payment so far as the amount repaid is concerned. No notice is required where no definite period has been agreed upon. There have been cases of lenders having refused repayment by instalments. Such cases occur only when the land mortgaged (with possession) is assured of good outturn.

(h) Not if a definite period has been fixed. When land secured is of poor quality lenders sometimes press for repayment. Stamp duty and registration fees in mortgaging land to another lender. Yes.

- (i) Land.
- (j) No other.
- (k) Ninth-tenths are usufructuary mortgages.
- (l) Mortgage deeds. In Burmese language.
- (m) No oral agreement.
- (n) No other.
- (o) None except the payment of revenue by the mortgagee.
- (p) All expenses to be borne equally by both parties.
- (q) No.
- (r) Not of any kind.
- (s) They generally wait from one to three years.

(2) No modification is necessary for any item in respect of any particular class of long-term loan.

17. They remain steady. They have become less by about a third during the last ten years.

18. Rates of interest for long-term loans are lower. Less by about a third.

19. (1) Difficulties are in the form of inability to furnish adequate security and want of regular business. No difference.

- (2) Same answer as above.
- (3) No remedy can be suggested.

20. (1) It is not known to the general public.

(2) The principle of joint liability is not at all appreciated. What is more conditions and precautions governing the issue of such loans are too elaborate.

- (3) No.

21. (1) Yes.

(2) (a) In getting loans at low rate of interest for longer terms.

(b) In getting loans more easily from their landlords having dealings with the land mortgage banks.

(c) Same as in (a) but to a greater extent.

(3) Tenants are generally from the class of people who own no land, and as such they will not be able to give any security.

(4) Not to tenant cultivators.

(5) Yes.

22. (1) No other measure.

No answers arise for (2) and (3).

*Katha District (Kawlin and Hantko Sub-committee).*

15. (1) No long-term loans are granted. There is no bank in this Subdivision nor do the co-operative societies grant long-term loans, almost all the loans are repayable after harvest in that same year.

Land mortgage banks are desirable in Burma, as both landlords and tenants can expect to get loans at smaller rate of interest and repayable at fixed time by easy yearly instalments. The security they can furnish is the land by the owner and cattle by the tenants.

No other measures than formation of land mortgage banks can be recommended.

*Administrator of Government Estates, Burma.\**

20. Few cultivators seems to know about these loans.

*Deputy Director of Agriculture, Arakan Circle.*

15. No such loans are taken by cultivators.

20. (1) Yes.

(2) Because only a very few cultivators possess mortgageable property.

(3) Yes, in so much that such a loan might enable the borrower to increase his profits.

21. (1) Yes.

(2) (a) Practical agriculturists owning their lands will be able to borrow money from the bank at a reasonable rate of interest.

(b) Tenant cultivators should be able to obtain loans on easier terms as the landowners will be able to borrow from the bank.

(c) Landowners can borrow cheaply and finance their tenants.

(3) Personal security and standing crops.

(4) Yes.

(5) It would only be reasonable, and cultivators have been accustomed to having their lands sold when unable to repay loans.

22. (1) No other measures.

*Deputy Director of Agriculture, Irrawaddy Circle.*

15. (1) (a) A fair amount, (b) Very little, (c) The major part.

(2) See reply to question 4 (2).

(3) None.

(4) See reply to question 4 (4).

(5) (6) and (7) See replies to question 4.

16. (a) Rs. 2 to 2-8 per cent. per mensem.

(b) Rs. 1-8 to Rs. 3 per cent. per mensem.

(c) The rates depend on the amount of the loan and the credit and the standing of the borrower as well as on the security offered.

(d) The Burmese month. Thirteen times.

(e) Annually. Not usually. There is no definite period—lender may sometimes wait a month or two after settling day.

(f) "Practically all loans made either on Mortgage Bond or on pro-note are expressed to be payable on demand, but in practice no lender expects repayment and no borrower expects to be called upon to pay, on demand" See also reply to question 32. (General Manager, Dawson's Bank).

(g) The borrower is allowed to repay an instalment of the loans, and at any time of the year. Usually no additional payment is required for the privilege. Instalments are however rarely paid before they are due, because the borrower usually finds it more profitable to invest the

\* Answers relate to Government estates in Hanthawaddy and Pegu districts.



money at a higher rate of interest than he is paying himself. Chettiers generally treat instalments as deposits and reckon interest on the whole sum until it is fully paid up. Dawson's Bank charge interest on the balance due, *i.e.*, an instalment ceases to bear interest as soon as it is paid.

Notice of repayment of an instalment is not generally required. The refusal of an instalment offered by a borrower has not been heard of.

(h) The lender has the right to recall the loan at any time as it is taken "On demand." This right may be exercised when the lender finds a more profitable investment for his money, or when he is not satisfied with the repayments of either interest or instalments, or when he himself is being pressed by a creditor. Also when the Chettiar firm changes its agent at the end of three years. The borrower may have to raise a new loan with some other lender at a higher rate of interest and to pay the cost of registration on the new mortgage deed. If the borrower cannot raise a loan elsewhere and the lender files a suit, the former has to pay the costs of the suit.

A fresh loan may sometimes be arranged with the same lender at a higher rate of interest.

(i) Landed property.

(j) Jewellery.

(k) Usufructuary mortgages are rare.

(l) Mortgage Deed or promissory notes. English, Burmese and Tamil.

(m) Yes as regards repayments of instalments and interest.

(n) Stamp fees, registration and writing fees.

(o) No.

(p) None.

(2) No.

17. Rates of interest fluctuate slightly in accordance with the money market. There has not been much change during the last ten years, but in the present year the rates are slightly higher than in the previous year or two.

18. Usually the same rates of interest are charged for both kinds of loans.

19. (1) No difficulties.

20. (1) Yes.

(2) Because they are unable to offer sufficient security and because of the formalities associated with these loans, which formalities generally result in considerable delay.

(3) No.

21. (1) Yes.

(2) They will be useful to practical agriculturists owning their land and to landowners who let their land to tenants, because they will be unable to raise loans at lower rates of interest than at present and they will have the assurance of getting a fair deal. It is doubtful whether land mortgage banks will be of any use to tenant cultivators, except perhaps in that the landlord, who usually finances the tenants, would be able himself to raise loans at low rates of interest and thus to allow his tenants lower rates than they pay at present.

(3) Tenants can offer no security as a general rule.

(4) Lack of security would make it impossible to recommend lending to tenant cultivators. As regards the other two classes it is recommended.

(5) Some cultivators are bound to appreciate the lower rates of interest and businesslike methods of such banks, but there are a certain number who would not like the strict enforcement of payment at due times. It is thought that all will in the long run see the advantages of land mortgage banks.

22. No suggestions.

*Deputy Director of Agriculture, Myingyan Circle.\**

15. Long-term loans are not taken by cultivators except from Government.

20. (1) Yes.

(2) I imagine the reason why few cultivators ask for Government loans is due to the trouble involved in getting them and to the delay and untimely issue of such loans when granted. Government also demands gilt edge security and this is not always available.

21. (1) Yes.

(2) They should be advantageous to all three classes of borrowers in granting loans quickly and at a reasonable rate of interest.

(3) Possibly gold.

(4) Yes.

(5) In the dry zone where crops are liable to fail, a bank which made it a regular practise to sell up a borrower because he failed to pay after a bad harvest would not, I imagine, receive much support. The village money-lender ultimately gets his dues but he has sometimes to wait for them and a bank I think would have to do the same only selling up a borrower who deliberately defaults after a successful year.

22. I can suggest none.

*Deputy Registrar, Co-operative Department, Mandalay Charge and Myoók (Co-operative Branch), Myinmu Range.†*

15. (1) (a) Bank—*nil*.

(b) Co-operative Societies—very little.

(c) Other persons—greater portion.

(2) Burmese and Chettiars, the latter predominating.

(3) *Nil*.

(4) There are a few chetties who have taken over mortgaged lands, but the majority are Burmese.

(7) Prefer to deal with Chetties because of lower rate of interest.

16. (a) 2 to 3 per cent. per mensem.

(b) Lowest 2, highest 3 per cent. per mensem.

(c) Different rates of interest are fixed on the standing and reputation of borrowers.

(d) Burmese. One month's interest is never paid for a whole year.

(e) Interest is due for payment yearly at harvest. The interest is compounded on due date if not paid.

(f) No definite period is fixed, but the borrower is liable to be called upon to pay at any time.

(g) Yes, the borrower can repay an instalment of the loan at any time of the year. No additional payment is to be made by the borrower for this privilege. The interest on the paid up instalment ceases on the

\* Reply has particular application to the "ya" lands of the dry zone.

† Joint reply ; relates to Sagaing, Mandalay and Kyaukse districts.

date of payment as soon as it is paid. No notice is required for notice of instalment. I have never heard of an instalment offered being refused by a lender.

(h) Yes, the lenders have a right to recall the loan at any time and they only use this right when they want to foreclose on the mortgage, and when their own business is jeopardized and when the borrower's standing becomes shaky. When recalls are made, they generally have to meet them in litigation or by borrowing at a higher rate of interest, and a borrower does not commonly arrange a fresh loan with the same lender when his loan is recalled,

(i) landed property and jewellery are the usual kinds of security.

(j) Personal surety of wealthy people.

(k) Usufructuary mortgages are very commonly taken.

(l) Registered mortgage deeds in Burmese.

(m) No.

(n) Nil.

(o) Nil.

(p) Cost of registration, stamps and writing charges, and sometimes searching fees in registration office as to whether the mortgaged property is free from encumbrance.

(q) No.

(r) No custom.

(s) The interest is due to be paid yearly at harvest, and if it is not paid on the due date then it is compounded.

(2) No.

17. There is no remarkable variation in the rates of interests from year to year, but during the last 10 or 20 years the rate has decreased from 3 to 1½ or 2 per cent. per mensem.

18. The comparison is 2 to 3 and 3 to 4 per cent. per mensem.

19. (1) The difficulties are :—

(2) (a) lack of mutual knowledge,

(b) lack of sufficient security.

The purpose of the loan does not make any difference with respect to those difficulties.

(3) There is no other remedy to these difficulties than by Co-operative methods.

20. (1) Yes.

(2) The fact is known to very few cultivators only and there is generally very little improvement needed for the lands.

(3) No.

21. (1) Yes.

(2) (a) For purpose of redemption of loans taken at high rates of interest.

(b) For purchase and redemption of land.

(c) No useful purpose will serve to big landlords who let their lands to tenants.

(3) Landed property bought or redeemed with the money from the Land Mortgage Bank.

(4) No. Not to the class mentioned in 2 (c).

(5) Yes, but it would be more advantageous to the cultivators if the rate of interest were lower than that charged in Co-operative Societies where though a member has to pay 15 per cent. per annum on his loan, he actually pays only 10 per cent. the balance being left in the Society for common benefit.

22. (1) Co-operative Banks should be established in greater numbers for the improvement of the facilities of agriculturists for long term loans.

(2) Landed property. No cost of any kind other than travelling expenses would be incurred by a borrower for a loan of this kind.

(3) For practical working, such Banks require long term deposits. These Banks should themselves form a provincial institution for borrowing from the general public locally, and from foreign countries, by issuing debentures or using methods adopted by large Municipal Corporations and the Port Trust, borrowing on the security of landed property mortgaged to the Bank. Another method suggested for getting funds for long term loans is for bonds to be issued by the provincial institutions on the same system and method as those adopted for French Premium Bonds.

*Range Officer, Co-operative Department, Insein.*

15. Very little from Co-operative Societies.

22. (1) The State should finance or should help a Co-operative Bank in raising capital sufficient for allowing the Co-operative Societies long-term loans.

(2) Land unencumbered would be obtained as security. The cost will not be higher than that of an ordinary crop-loan in view of the length of the period of loan.

(3) The Co-operative Department will have to interfere more with the internal administration of the Bank and the Societies, and should be able to command more influence and authority than they do at present. Other than this there is nothing new to be done in the practical working of measures.

*Official Assignee and Administrator-General.*

21. (1) Yes.

(2) (a) Practical agriculturists would be enabled to raise money for improvement of their holdings and introduction of more or less modern methods.

(b) Tenant-cultivators would be able to obtain loans on the security of their crops or from their landlords on more reasonable terms. Any sound scheme of competition against the money-lender would make the latter more reasonable as regards interest especially.

(c) Landlords being able to borrow money on reasonable terms would themselves tend to become lenders to their tenants and thus cut out the money-lenders gradually.

(3) The security of growing crops.

But they need not borrow direct from the banks. Their landlords knowing the tenants may borrow themselves and lend at an enhanced but still reasonable rate of interest to their tenants.

(4) Yes—to practical agriculturists and landowners freely and less freely to tenant-cultivators.

(5) Cultivators in Burma would gradually come to appreciate and like such a bank—once they realise that it is on the whole more advantageous to deal with it than with money-lenders. The bank must for a number of years go slow in bringing land to sale until the people are educated into understanding the principles of sound banking to some extent.

*Karen National Association.*

15. (1) For answers please see Question 4 (1) under crop-loans to cultivators, being practically the same.

(2) For answers please see Question 4 (2) under crop-loans to cultivators, being practically the same.

(3) For answers please see Question 4 (3) under crop-loans to cultivators, no difference.

(4) For answers please see Question 4 (4) under crop-loans to cultivators, no difference.

(5) For answers please see Question 4 (6) under crop-loans to cultivators, being the same.

(6) For answers please see Question 4 (7) under crop-loans to cultivators.

(7) For answers please see Question 4 (8) under crop-loans to cultivators, there is no difference.

16. Cultivators have to take long-term loans.

(a) At the usual rate of interest of 20 per cent.

(b) The highest rate is 24 per cent. and the lowest rate is 15 per cent.

(c) For answers please see Questions 4 (7) and 5 (d). The difference depends upon the kinds of security given.

(d) The rate of interest is fixed by the Burmese month, and payment is usually made once in a year.

(e) Interest is due for payment once in a year usually after harvest. Generally after harvest cultivators are called upon for settlement of debts, and fresh documents are executed for the interest due. However this is not the general practice. Only a few instances practiced by hard-hearted money-lenders against ignorant cultivators.

(f) No definite period is fixed as a rule, it is generally understood to be in harvest time. However borrowers are allowed to repay the loans whenever they like without any previous notice. In some cases they are called upon to repay at an inconvenient time.

(g) Yes, borrowers are allowed to repay an instalment of loans at any time of the years without any notice. However there are some greedy money-lenders who refuse to accept an offer of such part repayment.

(h) As a rule no lender has a right to recall the loan at any time. They sometime do so as explained in (e) above, whereby a fresh loan is commonly made with the same lender.

(i) and (j) For answers please see Question 5 (1) (f) and (g).

(k) Usufructuary mortgages are very rare as the rate of interest on loans is better than rent of land.

(l) Mortgage deeds written in Burmese language are executed for loans.

(m) Very rarely in long-term loans.

(n) Forfeiture of mortgaged property is another condition if a loan is not settled by the appointed period.

(o) No other condition we know besides the above.

(p) As a rule no deduction is made from the principal money except expenses.

(q) No interest is deducted at the time of giving out loans.

(r) For answers please see Question 5 (1) (o). No custom.

(s) There is no fixed rule. For answers please see Question 5 (1) (p) to get some idea.

(2) No modification is necessary of the answers given above.

17. For answers please see Question 5(4) under crop-loans to cultivators.

18. The same as those charged for crop-loans.

19. For answers please see Question 10 under crop-loans to cultivators, being the same.

20. For answers please see Question 12 under crop-loans to cultivators.

21. (1) Yes.

(2) These land mortgage banks should give out loans to all individuals without any distinction of class for the purposes indicated in (1) (a), (b), (c), (d), (e), (g) and (h) only and for no other purpose.

(3) Tenants can give security stated in 5 (1) (f) and (g), and also standing crops they cultivate.

(4) Yes, to all the three classes individually mentioned in item (2) above.

(5) If the borrower failed, the bank should take up each case and relax its conditions according to the merits of each case ; else a blessing would become a curse.

22. Our Association is now formulating a colonization scheme for agriculturists to improve their conditions, and which will be submitted to the Local Government when completed.

*Mr. A. D. Kiernander.*

To ease the position of State landholders, they should be given landholders' rights as given in Lower Burma. Those persons find it extremely difficult to borrow except at exorbitant rate of interest.

*Mr. P. S. Subbaiya, B.A., A.I.B. (Rangoon).*

15. (1) (a) Banks—very little.

(b) Co-operative Societies—to a greater extent than Banks.

(c) Other persons—a large portion.

(2) Chettiers are numerous and provide the majority of the loans. Guzerathis can be numbered, Burmans and Chinamen, none.

(3) None.

(4) Not many so long as there are Chettiers.

(5) No.

(6) No.

(7) Borrowers of long-term loans generally prefer Chettiers to banks as the former are generally not insistent on repayment of loan so long as it is fully secured and payments of interest are regular, whereas the latter urge at frequent interval repayment of loan at least in instalments.

16. (1) (a) Same as for crop-loans as sometimes crop-loans ultimately tend to become long-term loans.

(b) Same as for crop-loans.

(c) Same as for crop-loans.

(d) In Rangoon—the English month—12 times a year. Elsewhere—the Burmese month—13 times a year.

(e) Interest is payable monthly. Default of interest payment for two or three months makes the lender demand a fresh pro-note for the principal and interest due.

(f) Yes. Three years. Yes. The borrower is allowed to repay whenever he likes before the expiration of the agreed period. The loans are invariably repayable on demand. Even crop-loans are repayable on demand but the lender cannot profitably demand his loan before harvest time.

(g) Yes. Any time of the year. No additional payment is required for payment in instalments but there is no reduction of interest for the instalments paid. This results from the crude method of working the instalment. The monthly instalment amount for a loan of Rs. 300 for a year at 12 per cent. per annum is Rs. 28. The lenders are not entirely to blame because many of the borrowers fail to understand the correct instalment system. No doubt the borrowers have a feeling that no allowance is made for the amounts paid but they have to pay for their ignorance of arithmetic and so long as they can get the loan they want they do not care if they have to pay a slightly greater interest and ultimately wipe off the loan. The borrower need not give previous notice. I am yet to hear of a case where a lender refused payment of an instalment of his loan.

(h) Yes. They generally do not so long as payments of interest are regular and the borrower continues to be solvent. This right is exercised when the borrower appears to fail. He does this because he wants to be a secured creditor in the event of the borrower's ultimate bankruptcy. A fresh loan for an old loan from the same lender is arranged in rare cases. The execution of a fresh pro-note covering the principal and interest of the original pro-note comes under this category.

(i) Land, buildings.

(j) Jewels.

(k) Usufructuary mortgages are rare. The mortgagee does not want to undertake the repayment of his loan himself.

(l) Promissory Note together with a mortgage deed.

In Rangoon—English and Burmese.

Elsewhere—Burmese alone.

(m) Yes, as to ultimate repayment of the loan.

(n) Generally none.

(o) Payment of instalments if agreed upon.

(p) None.

(q) None.

(r) None.

(s) One or two months according to the nature of the case.

(2) None.

17. No. It is fixed at the time of giving the loan which rate is fairly high to provide for fluctuations from year to year.

18. No change.

19. (1) No difficulties have been experienced by respectable borrowers.

The purpose of the loan has no bearing upon the grant of it so long as it is adequately covered. Of course some loans on personal security are granted but they are to finance a concern started by the borrower in which case the purpose is taken into consideration. There have been

cases where the lender has come to grief owing to the nature of the concern and unbusinesslike habits of the borrower.

(2) No difficulties and hence

(3) No remedies.

20. (1) Yes.

(2) Ignorance of the fact in some cases and the conditions of the loan in the other cases.

(3) Cannot say.

21. (1) Yes.

(2) In financing the agriculturists for their cultivation of paddy, tenant-cultivators for intensive cultivation, and land-owners for making permanent improvements.

(3) House, cattle.

(4) Yes ; but in the case of landlord and tenant of the same land for his portion of the work on the land.

(5) Not likely. This is the very reason why borrowers resort to Chettiars in preference to the banks. The land mortgage banks should for the time being charge only a nominal rate of interest and allow the borrower to spread his instalments of the loan over as long a period as is convenient for him. After some time when the agriculturist has learnt to be more truly economical the rates of interest and the amounts of instalment may be revised without the agriculturist feeling it.

## Section 6.—Long-term Loans to Landlords.

### *Pegu District.*

23. No difference.

### *Tharrawaddy District (Zigon Sub-committee).*

23. No difference.

### *Hanthawaddy District.*

23. See answer to question 14. There is no difference regarding facility for obtaining loans between the practical cultivator and the landlord who leases his land.

### *Insein District.*

23. See answer to 22 (1).

### *Prome District.*

23. There is few, if any, such loans.

### *Myaungmya District.*

23. None.

### *Maubin District.*

23. No difference.

### *Thaton District.*

23. A non-cultivating landowner seldom or never takes long-term loans to be used in connection with the land he lets out to his tenants.



If he does at all, it may be for the purpose of buying more lands or for trading in rice and paddy or for the purpose of supplementing his own money in erecting a rice mill, saw-mill or some other branch of industry, expecting to repay the loans from rents of paddy lands and profits of the trade year by year. The rate of interest on the loans is between Rs. 1/4 and Rs. 3 per cent. The interest on secured loan is less than that on unsecured loan.

Loans from banks and co-operative societies are nil in this district. Many persons in the district, such as traders, landowners and government retired officers lend out money to such landlords and expect payments of interest at harvest. Monthly payment of interest is rare. There are many lenders who prefer to accept gold, jewellery, etc., as security in order to avoid litigation in law courts in case of default. In such cases rate of interest would be between Rs. 1/8 and Rs. 2 per cent. per mensem. Interest is calculated by English calendar months. There are some rare cases where the Chettiar money-lenders calculate interest by the Burmese month against his illiterate borrower. Every three years there is a double month, viz. the month of *Wase* (approximately August) and this leap month is sometimes taken advantage of by shrewd money-lenders in calculating the interest.

In the case of a sudden re-call, the borrower resorts to a simple changing of shoulders as it is called, if that is possible. Otherwise he has to pay a higher rate of interest especially if the call is made out of season. It is easier to get loans after the harvest than before.

*Thalon District (Pa-an Sub-committee).*

23. No difference. They may be treated on par.

*Thalon District (Kyaikto Sub-committee).*

23. No difference.

*Tavoy District.*

23. The conditions are the same. There is no difference.

*Thayetmyo District.*

23. The differences in such a case are—  
(1) that such borrowers pay a lower rate of interest.  
(2) that in fixing the rates of interest by the month, the English month is adopted.

*Mandalay District.*

23. They will appreciate such loans under land mortgage bank system.

*Sagaing District.*

23. No difference at all.

*Deputy Director of Agriculture, Irrawaddy Circle.*

23. None.

*Deputy Registrar, Co-operative Department, Mandalay Charge and Myothk (Co-operative Branch), Myinmu Range.\**

23. Land-lords get better terms in respect of rate of interest and securities.

*Karen National Association.*

23. Practically there is not much difference between cultivators and landlords regarding long-term loans, only that a landlord has a bigger credit.

**Section 7.—Intermediate Loans.**

*Akyab District.*

24. (1) It is a practice here that loans are repayable at next harvest. As a rule owing to certain circumstances, time is extended from year to year.

25. (1) and (2) Nil.

26. (1) Nil.

*Pegu District.*

24. (1) (a) For the purpose of buying cattle in case of loss by death.  
(b) Same as in (a).

(c) For making advances to tenants.

(2) No other purpose.

25. (1) None.

(2) None.

26. (1) Yes, but only when there is exceptional scarcity of money.  
No.

(2) The difficulties arise when there is extensive failure of crops or when there is a slump in the paddy market.

(3) The early creation of a state land mortgage bank.

*Tharrawaddy District (Zigon Sub-committee).*

24. (1) (a) For extensions and improvements:

(b) Not necessary.

(c) To finance tenants and extension.

(2) Not to our knowledge.

25. (1) and (2) Cannot answer.

26. (1) to (3) Intermediate loans do not exist at present. No answers possible.

*Hanthawaddy District.*

24. No intermediate loans in this district, all loans in this district are those explained in the Note to Question 14, i.e., current account loans renewable every year.

25. See answer to 24.

26. See answer to 24.

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\* Joint reply ; relates to Sagaing, Mandalay and Kyaukse districts.

*Insein District.*

24. For the purposes mentioned in question 1.  
25. I have not been able to answer questions 16 and 17.  
26. The same as those described in the answer to question 10.

*Prome District.*

24. (1) By class (a) for land improvements, purchase of cattle-redemption of mortgages ; by class (b) for purchase of land, purchase of cattle, redemption of debts ; by class (c) for land improvement and redemption of mortgages.

(2) Not known.

25. (1) (a) The usual rate of interest is Rs. 1-12-0 per mensem.

(b) The highest and lowest rates of interest, are Rs. 2 and Rs. 1-4-0 per mensem.

(c) The rate of interest depends upon the money market and also upon the borrower and lender.

(d) The Burmese month is adopted for payment of interest. Interest is paid 12 times a year except in leap year.

(e) Interest is usually due only after a harvest. If it is not paid, it is usually treated as an addition to capital after one year or three years.

(f) Three years is usually fixed as the period after which the loan will be repaid and this period is fixed to end at harvest time. The borrower is allowed to repay the loan whenever he likes in the case of a simple mortgage. If no definite period is fixed, the borrower is liable to be called upon to repay at any time. He is not generally called upon at an inconvenient time.

(g) A borrower can repay the loan by instalments. No refusal of an instalment or claim for interest on an instalment after its payment, on account of failure to give notice or otherwise, has ever been heard of.

(h) In the case of on demand loans, the loan can be recalled at any time. When a period is named, they presumably cannot be recalled except at the expiry of the period. Chettiars sometimes recall loans on a change of agent, because accounts are being settled. The borrower then has to pay the expenses of executing fresh documents, but a fresh loan is generally arranged.

(i) Immoveable property.

(j) Nil.

(k) In the case of Burmese money-lender, but not in the case of Chettiars, usufructuary mortgages are fairly common.

(l) On-demand notes or mortgage deeds written in Burmese.

(m) No.

(n) None.

(o) None.

(p) For stamps, writing and registration if necessary.

(q) None.

(r) None.

(s) Until a fresh document is executed.

The rates of interest have, in the case of crop-loans, changed from year to year with the change in the money market generally.

(2) The same as in part (1) above.

26. (1) There are no difficulties. The purposes of the loan would make a difference to the interest charged. The interest on such loans is however unnecessarily high.

(2) The high interest is presumably due to lack of capital available for loans.

(3) The obvious remedy is an increase in the capital available.

*Myaungmya District.*

24. (1) (a) Owner-cultivators need intermediate loans to carry out minor improvements to the land, to build ordinary houses and to buy cattle.

(b) Tenants usually have no security to offer for intermediate loans and are therefore unable to obtain them.

(c) Landlords for the same purposes as (a).

(2) No answer.

25. (1) and (2) No changes.

26. (1) None as far as the Committee is aware.

*Maybin District.*

24. (1) (a) For marriages and funerals.

For religious ceremonies.

For replacement of cattle.

For purchase of machinery.

For rebuilding house and granary.

(b) For marriages and funerals.

For religious ceremonies.

For replacement of cattle.

For rebuilding house and granary.

(c) As for (a) above.

(2) No other purpose can be mentioned.

25. (1) No changes.

(2) No changes.

26. (1) None. Yes, if credit is sufficient no difficulty arises.

(2) When there is neither security nor credit.

(3) No remedy possible.

*Thaton District.*

24. (1) (a) Practical cultivators owning land will need intermediate loans for the following purposes :—(1) For purchase of bullocks and buffaloes to make up the loss caused by theft, cattle diseases and other natural causes. (2) For improvements of lands, such as raising *kazins* and bunds. (3) Engagement of labour to level down high lands with the surrounding fields. (b) Intermediate loans taken by tenant cultivators are unknown. A tenant cultivator may need loans for family necessities, such as, illness, death, funeral ceremonies, *Shinbyu* and other *Ahlus* of religious nature.

(c) Such non-cultivating landlord may need such loans for advances to his tenants and for himself to buy more lands.

(2) Not in a position to answer.

25. No change is needed in either case, except perhaps to safeguard the interest the charging of compound interest; where if interest cannot

be paid after one year the same is converted into and added to the principal.

26. So long as there is moveable and immoveable property available for the purpose of security and the money-market is not tight, no difficulty is experienced in getting intermediate loans. The purpose for which the loan is required makes no difference. In view of the above answers, (2) and (3) need not be answered or do not arise.

*Thalon District (Pa-an Sub-committee).*

24. (1) (a) To buy land or to build houses that may confer earning power.

(b), (c) The same as (a) above.

(2) To meet sudden unexpected occasions ; such as funerals.

25. (1) Do not arise—as none in existence.

26. (1) Want of bankers. No difference.

(2) Same as above.

(3) Establishment of mortgage banks.

*Thalon District (Kyaikto Sub-committee).*

24. (1) (a) For purchase of new pieces of lands.

(b) None known.

(c) For purchase of new pieces of lands.

(2) For no other purposes.

25. (1) No change.

(2) Lenient rate of interest should be charged for such loans.

26. (1), (2) and (3) None known.

*Tavoy District.*

24. (1) In the Tavoy District (c) Landlords require intermediate loans for trade.

(2) We have no knowledge of the condition of the other parts of Burma.

25. (1), (2) No changes are needed in our answers to these question in respect of cultivators and landlords.

26. (1) There is no difficulty for respectable cultivators or landlords for intermediate loans, if money is available.

As a rule money is not available as intermediate loans are loans made unexpectedly for some urgent business.

26. (2) The remedy is the opening of the mortgage bank.

*Mergui District.*

24. (1) For improvement and extension of land to landlords and practical cultivators.

(2) No idea.

26. (1) No difficulty. No difference.

(2) The question does not arise.

(3) Nil.

*Thayetmye District.*

24. (1) (a) To improve their lands.

(b) Nil.

(c) To make improvements to their land and to make advances to tenants to buy cattle.

(2) Nil.

25. (1) No changes.

(2) Landlords usually get loans at lower rates of interest than cultivators ; and in their case interest is calculated by the English month.

26. (1) The difficulties consist in—

(a) Tightness of money market.

(b) Chettiar money-lenders being reluctant to advance money on the security of land.

(c) The Burman money-lenders residing outside the locality are reluctant to advance money on the security of land.

Yes, if the loan is made for the purpose of improving existing holdings, the money-lender would be reluctant to issue a loan, as it naturally suggests the inference that the land is not very productive. If a cultivator proposes to raise a loan on the security of land which he is going to purchase he will generally get the loan easily.

(2) When the money market is tight which often happens during recent years, money has to be borrowed at higher rates of interest, as the amounts in the hands of money-lenders, including Chettiar firms, are very limited. Such amounts are generally only sufficient for issue to short-term borrowers who are prepared to pay such higher rates of interest. So people who want intermediate loans find difficulty in obtaining their loans at a fair rate of interest.

(3) Attempt should be made to revive faith in co-operative societies or in the alternative establishment of land mortgage banks.

#### *Mandalay District.*

24. (1) and (2) As answers to questions 4 and 5. As crop loans are not repaid they become intermediate loans and long-term loans.

26. (1) }  
(2) } As answers to question 10.  
(3) }

#### *Sagaing District.*

24. (1) See answers to question 14.

25. (1) and (2) No changes.

26. (1), (2) and (3) See answers to question 19.

#### *Katha District.*

24. The only intermediate loans known are Agricultural Loans issued by Government for cattle and seed grains to classes (a) and (b).

#### *Katha District (Kawlin and Wuntho Sub-committee).*

24. Intermediate loans are needed for the purposes of buying cattle and improvement of land, but the loans granted are generally repayable

in the same year during harvest. If land mortgage banks are opened they can meet this demand.

*Deputy Director of Agriculture, Arakan Circle.*

24. (1) Intermediate loans are apparently more or less unknown in this locality.

*Deputy Director of Agriculture, Irrawaddy Circle.*

24. (1) (a) Owner-cultivators need intermediate loans to carry out minor improvements to the land, to build ordinary houses and to buy cattle.

(b) Tenants usually have no security to offer for intermediate loans and are therefore unable to obtain them.

(c) Landlords for the same purposes as (a).

(2) No answer.

25. (1) and (2) No changes.

26. None, as far as the Committee is aware.

*Deputy Director of Agriculture, Myinguan Circle.\**

24. (1) By tenant-cultivators for the same purposes as crop-loans. By land-owning cultivators and landlords to effect permanent improvement to land, bunding tanks, and to purchase implements and machinery.

25. Cultivators do not ordinarily take intermediate loans though crop-loans in a series of bad seasons may be extended if the interest is paid regularly.

*Deputy Registrar, Co-operative Department, Mandalay Charge and Myobk (Co-operative Branch), Myinmu Range.†*

24. }  
25. } No answer as Intermediate loans exist only in theory. In  
26. } practice they are the same as long-term loans.

*Superintendent of Land Records, Myitkyina.*

24. (1) Intermediate loans in true sense of the word are very rare. Loans on pro-notes with the hope of getting a settlement at next harvest are in vogue here. If complete settlement is not made a fresh document drawn up in pro-note. The purposes for which intermediate loans if ever there are any, are needed by practical cultivators owning lands are :—(a) to buy cattle, to make permanent improvements to build house, *ahlus*, funerals and to settle scattered debts. Landlords take intermediate loans sometimes but never the tenants.

(2) Omitted.

25. (1) Answers as follows to questions in paragraph 16 for intermediate loan.

(a) Thirty-six per cent. per annum.

(b) Forty-eight per cent. and 30 per cent. per annum.

(c) Depends on security and integrity of man.

(d) Fixed by month ; Burmese month used, but understood that any repayment is to be expected only at harvest time.

\* Reply has particular application to the "ya" lands of the dry zone.

† Joint reply : relates to Sagaing, Mandalay and Kyaukse districts.

*Myitkyina.* ]

(e) Once in harvest time. Interest is not due except at harvest time. If interest is not paid at the end of the term agreed upon for complete settlement of debt the interest is treated as a debt with interest, by drawing up a fresh document.

(f) A definite period is generally fixed, viz. three to five years. The period is usually arranged so that the payment will become due in harvest time. The borrower is allowed to repay any time he likes before the period agreed upon expires.

(g) No custom.

(h) No.

(i) Cattle, house, joint-security of persons.

(j) None.

(k) Five in 100 cases (*Note.*—In Mogaung Subdivision when mortgages are taken as security usufructuary mortgages are taken in every case, but in Myitkyina town and suburbs non-usufructuary mortgages are taken.)

(l) Bonds. Mostly in Burmese and some in English.

(m) No.

(n) No.

(o) No.

(p) Cost of transaction.

(q) No.

(r) No.

(s) If interest is not paid at the end of the period agreed upon for settlement of debt the lender at once begins to reckon interest on it by drawing up a new document.

(2) None.

26. None.

*Burma Agricultural Society.*

See evidence in Chapter XII.

*Burmese Chamber of Commerce.*

See evidence on Questions 3 to 12 above.

*Karen National Association.*

24. For answers please see questions under long-term loans to cultivators and landlords. Properly speaking there is no difference.

25. For intermediate loans no changes are needed in the answers to Questions 16 and 17.

26. For answers please see Question 19, being the same.

*Mr. A. D. Kiernander.*

To ease the position of State landholders, they should be given landholders' rights as given in Lower Burma. These persons find it extremely difficult to borrow except at exorbitant rates of interest.

*Extract from a Report by U Ba Maung and U Mya, Members of the Provincial Committee.*

*Lower Chindwin District.*—The agricultural area of the Lower Chindwin District is about 800,000 acres of which about 700,000 acres are owned by about 70,000 cultivators. The area actually cultivated is



about 500,000 acres, of which about one-fifth fails each year. The owners of the land work with their own capital or with money borrowed from Chettians on the security of gold, jewellery or the land itself. The cultivators have to pay interest on such loans from landowners at Rs. 2 to Rs. 2-8-0 per cent. per mensem. Leases of lands are made on a yearly rental of two-fifths of the year's gross yield and a payment of the same proportion of the land revenue. If the owner supplies the seed to the tenant at the beginning, the latter has to return double the quantity in the end. The tenants usually borrow money for their expenses from the owners and repay in crops the value of which generally exceeds the money borrowed by one-third. Sometimes when crops fail or when loans cannot be repaid in time, the amount due is added on to the next year's payment.

*Mr. P.L.L.N. Narayan Chettiar (Pyapon).*

24. to 26. Intermediate loans are not also usual.

### Section 8.—All kinds of loans.

#### *Akyab District.*

27. *Nil*

28. *Nil*.

29. (1) Yes.

(2) Yes.

(3) Arakanese money-lenders keep accurate accounts. Rule of three.

(4) No disputes about the Arakanese money-lenders and borrowers. With Indian money-lenders.

30. (1) (a) By return of document with an endorsement to the effect that the debt has been fully discharged and if the mortgager desire, a release document is executed by the mortgagee.

(b) By return of promissory note. Some by endorsement to the effect that the debt has been fully discharged.

(c) *Nil*.

(2) No receipt is given, but endorsement of payment is made by the borrower on the document.

31. No difficulties.

32. (1) No.

33. No cases of long-term loan.

37. (1) Two to three months.

(2) About two months.

(3) About 45 days.

(4) By amending the Civil Procedure Code. More than three months. By amending the law.

(5) From three months to six months depending on the discretion of the Judge. Short period might be granted, when there is free circulation of money.

38. (1) There are some disputes between Arakanese borrowers and Indian money-lenders, but not so common.

(2) *Omitted.*

(3) Part payment of principal and interest between small Hindu money-lenders and Arakanese borrowers.

(4) Arbitration is very seldom resorted to.

39. (1) Yes.  
(2) Yes.

*Sandoway District.*

27. No.

28. No.

29. (1) Yes.

(2) They commonly check the lender's account.

(3) The lenders do not keep account books. Interest is calculated by referring to documents.

(4) No.

30. (1) (a) Return of the document or for partial payment.

(b) Endorsement at the back of document or before witnesses.

(c) Before witnesses.

(2) No.

(3) No.

31. No difficulties.

32. No.

33. There are no long-term loans.

34. No Chettiars here.

35. Nil.

36. About two months.

37. (1) About two months.

(2) About a fortnight.

(3) About two months.

(4) About a month.

(5) None as far as known.

38. (1) No.

(2) No.

(3) Nil.

(4) Not necessary at all.

39. (1) Yes.

(2) No.

(3) Mostly for crop-loans.

*Pegu District.*

27. There is no competition.

28. None.

29. (1) Borrowers are generally able to reckon the interest themselves.

(2) Borrowers commonly check, though they also trust the account kept by the lender to a certain extent.

(3) Yes. Double checking on the part of both the borrower and the lender.

(4) There is no such dispute in the experience of the Committee.

30. (1) (a) Return of the mortgage bond to the borrower.

(b) Return of the promissory note to the borrower.

(c) No formal acknowledgment made in such cases.

(2) Yes.

(3) No.

31. No. The remaining questions do not arise.
32. (1) Yes, once in a way.  
(2) The reason generally given is that the money is very urgently required for the lender's own private purposes.  
(3) The real reason is generally because the borrower is heading towards a sort of financial ruin or because the lender wishes to invest his money elsewhere at greater advantage to himself.  
(4) Yes.  
(5) The Committee has no remedy to suggest.
33. No. In view of this answer, the remaining questions do not arise.
34. The borrowers offering insufficient security suffer the inconvenience of being asked to repay the loans and interests due.
35. Nil.
36. Three months on an average. There seems no possible means of reduction.
37. (1) Two months on an average. There seems no possible means of reduction.  
(2) One month in addition. There seems no possible means of reducing the time.  
(3) One month. There seems no possible means of reducing the time.  
(4) Three months. There seems no possible means of reducing the time.  
(5) The period of six months should stand, as this is the minimum time that should reasonably be given to an average judgment-debtor to satisfy the decree otherwise than by the delivery of the mortgaged property.
38. (1) No.  
(2) and (3) Do not arise.  
(4) Arbitration is used on a small scale in some of the backward villages. Arbitrators are appointed by consent of both the parties. Their decision is commonly effective.
39. (1) Yes.  
(2) No.  
(3) Do not arise.

*Tharrawaddy District (Zigón Sub-committee).*

27. Very little or no competition.
28. No ill-feeling.
29. (1) Generally cannot reckon by themselves others have to do it for them.  
(2) They trust the lenders' accounts and do not commonly check their accounts.  
(3) Accounts accurate. Interest calculated correctly from proper accounts.  
(4) No dispute or very little; and when that happens it is with Chettiars.
30. (1) (a) By the return of the mortgage deed.  
(b) By the return of the pro-note.  
(c) By verbal acknowledgment.  
(2) No receipt.  
(3) Yes.

31. Difficulties arise when several loans are taken on different kinds of securities by a borrower. Lender usually demands payment of a particular loan before others are allowed to be repaid although the debtor desires to clear a loan other than the one for whose repayment the creditor presses. Ignorant borrowers in such cases take no action and the lenders are cunning enough not to play this trick on intelligent borrowers.

These difficulties cannot be prevented altogether as matters now stand. No remedies even can be suggested.

32. (1) Yes, mostly Chettiars.

(2) The alleged enhancement of bank rates or a pressing letter from the head office and such other plausible reasons.

(3) To enhance interest.

(4) Yes.

(5) No remedy unless time for repayment is fixed.

33. No long-term loans in use here.

34. When agents change, repayments are pressed for more or less with a view to raising interest.

35. (a) Unexpected demands to raise interest.

(b) To demand additional security although the first security is sound.

(c) Different and increased rates are charged on loans on promotes which are taken after a loan on a mortgage bond. No remedy as long as borrowers are to deal with Chettiars by the force of circumstances.

36. Average six months. To reduce time is the look-out of the Courts concerned.

37. (1) Six months.

(2) One month.

(3) Three months.

(4) One month.

(5) No reduction recommended as the law now stands gives the judgment-debtors a better chance of paying up before their properties are auctioned at low prices.

38. (1) Very little disputes.

(2) No.

(3) No.

(4) No.

39. (1) Yes.

(2) No.

(3) Does not arise in view of answer to (2).

*Hanthawaddy District.*

27. There is no competition amongst persons who regularly lend money to cultivators.

28. No ill-feeling is common against any class of lenders.

29. (1) Yes.

(2) Yes, they trust the account kept by the lender.

(3) Yes, they calculate it themselves.

(4) There are no disputes about the accounts.

30. (1) (a) and (b) The repayment of a loan is acknowledged by returning the document to the borrower.

(c) The loan is written off in the Chettiar's books in the presence of the borrower.

- (2) No, but the document is endorsed accordingly.
- (3) Does not arise.
- 31. No difficulty arises in recovering pro-notes, etc., in this district.
- 32. (1) Lenders very occasionally ask borrowers unexpectedly to repay their loans immediately.
  - (2) Owing to the pressure from the banks.
  - (3) General tightness of money.
  - (4) No, they do not ask for such repayments.
  - (5) It does not arise.
- 33. There are no long-term loans in this District.
- 34. They do not suffer.
- 35. No complaint can be made by borrowers against any kind of lenders.
- 36. See answer No. 725.
- 37. See answer to 726.
- 38. (1) There are no disputes between borrowers and lenders.
  - (2) No.
  - (3) Dispute does not arise.
  - (4) It does not arise.
- 39. (1) No.
  - (2) No.
  - (3) It does not arise.

*Insein District.*

- 27. None at all. The risk is too great.
- 28. *Nil.*
- 29. (1) Not as a rule.
  - (2) No.
  - (3) Only the Chettiars.
  - (4) Disputes arise from rough calculations made in favour of the lender—all.
- 30. (1) (a) The mortgage deed is returned.
  - (b) The pro-note is returned with the stamp punched.
  - (c) There is none.
  - (2) No.
  - (3) Yes : it is not the custom.
- 31. (a) There are sometimes difficulties owing to the lender's failure to return jewellery or pro-note, (b) the borrower's only remedy is in a court, (c) by more business-like methods and keeping books, (d) No, not in a country where the moral standard is low though the practice followed in Rangoon, Bassein, Mandalay and Moulmein regarding "security with deposit of title deeds" might well be extended to the whole of Burma.
- 32. (1) Yes.
  - (2) The return of their agents to India.
  - (3) Feeling of insecurity as to their money.
  - (4) No.
  - (5) None at present.
- 33. Not known.
- 34. Yes : fresh deeds or pro-notes are necessary which puts the borrower to heavy expense. This practice by Chettiars forces borrowers to compound the interest and they are charged fees twice or thrice on the same amount.

35. The custom of "*Ponthe-to*," fixed interest, as practised in September and October by money-lenders should be enquired into. I am told it is complained against in this district.

36. Not known. It depends on the Judge and the Pleaders. No information has been forthcoming from the District Court.

37. See recommendations of Civil Justice Committee. This is not a question this committee can answer.

38. (i) Yes.

(ii) Yes.

(iii) and (iv) Not known.

39. (i) Yes.

(ii) Yes : probable expenditure is often overestimated to get a surplus.

(iii) Swindling is said to go on against Chettiars by cultivators getting large areas of worthless waste land assessed in their names.

*Prome District.*

27. No competition.

28. There is no such ill-feeling in this district. With reference to the unpopularity of Chettiars in parts of other districts, it is suggested that this district is too dependent upon the Chettiars to be able to afford to quarrel with them.

29. (1) Borrowers who are unable to reckon the interest due to themselves can always get some one else to do it for them.

(2) They generally trust the account kept by the lender.

(3) Interest is ordinarily calculated accurately by the lender. If lenders could not do this correctly, they would probably not be money-lenders.

(4) There are few disputes about accounts with any class of lenders.

30. (1) (a) By destruction of the document.

(b) By endorsement on the reverse.

(c) If no property has been pledged, a receipt is frequently taken.

(2) No, except that the repayment is noted on the reverse of the document.

(3) No difficulty.

31. Ordinarily no difficulties are met.

32. (1) Yes.

(2) Financial stringency.

(3) The reason given is generally the correct one, but sometimes the real reason is a desire to increase the rate of interest.

(4) Yes.

(5) No remedy is available except suitable modifications of the terms of the instrument.

33. No such case is known.

34. A fresh document has generally to be executed when a new agent takes over ; and borrowers also run the risk of not proving acceptable to the new agent, and so of having their loans withdrawn.

35. *Omitted.*

36. The Committee thinks the average time is about 3 months though in some cases a shorter time is sufficient. This period might

possibly be reduced by a modification in the procedure, but there does not appear any strong reason to suppose that this is the case.

37. (1) About 2 months. The Hon'ble Judges of the High Court are always trying to reduce these durations, and if they could be reduced by a change in the procedure, it would probably have been done already.

(2) One month.

(3) Ten or 15 days.

(4) Three months.

(5) No reduction is recommended. The Committee can see many advantages in the period of 6 months being allowed with few, if any, corresponding disadvantages.

38. (1) No.

(2) No.

(3) No.

(4) Arbitration is used in some cases between members of co-operative societies, but that is the only instance known.

39. (1) Yes, if they are not informed by the borrower.

(2) No.

(3) When deceit is practised, the money is always required for gambling. Any plausible purpose is pretended in such a case.

*Myaungmya District.*

27. A certain amount of competition exists.

28. No.

29. (1) Majority are unable to do so.

(2) Some of those who can do. Most trust the lender.

(3) Chettiars do. Burmans do not. They calculate interest themselves to the best of their ability.

(4) Disputes rarely arise about the accuracy of calculation. They generally are regarding whether certain payments have or have not been made. Disputes arise equally with all classes of lenders.

30. (1) (a) and (b) The document is returned to the borrower.

(c) No acknowledgment.

(2) Usually a receipt is not given for part-payment. In mortgages a receipt may be obtained if demanded. In pro-notes part-payment is entered in the document. Where no documents exist no receipt is given.

(3) Usually no difficulty.

31. Difficulty is experienced in recovering pro-notes as these are retained by the lender sometimes to show that that client has had several dealings with the lender, or because there are other transactions outstanding. Since in these cases the pro-notes are always punched and cancelled, the remaining questions do not arise.

In the case of mortgages and where jewellery is pledged there is no difficulty.

32. (1) Yes. It is the custom here for money to be borrowed on "On Demand" notes whether it is intended that the money should be repaid at the next harvest or after one or two years have elapsed, that is to say, though the arrangement may be that the money is to be repaid after some considerable period the exact period is never stated,

and the document is always an "On Demand" note. There are some lenders who unexpectedly ask the borrowers to repay loans without notice.

(2) That they want the money.

(3) Change of Chettiar agents and because a more profitable use for their money is offered elsewhere.

(4) Yes.

(5) The borrower should be educated to insist upon a document other than an "On Demand" note when he borrows money with the intention of repaying it after definite period; or alternatively that he should insist upon a document providing for fifteen days or a month or some suitable notice before the repayment can be demanded. It may be added that at present borrowers are in the hands of lenders to such an extent that they are unable to insist upon anything.

33. No.

34. The Chettiar system of changing agents results in a large number of loans being recalled sooner than expected, before the new agent comes.

35. The profits demanded by Mahomedan land owners from their tenants in return for loans are said to work out at an extortionate rate of interest.

36. *Ex-parte* cases three months. 75 per cent. cases are *ex-parte*. If contested, three months up to hearing, after this three months to get the decree, two months waiting for appeal usually (50 per cent. cases), three months for appeal, then applying for execution, three months to get order, then if the money is realised usually another three months.

37. (1) If not contested, three months. Normally nine months if contested; but fluctuating considerably.

By amending the Civil Procedure Code. It is the practice for notice to be served on the judgment-debtor although not actually required by the Civil Procedure Code. The judgment-debtor has already had six months' time and notice should be dispensed with.

(2) Two to three months.

(3) Three months. Can be reduced by dispensing with the notice.

(4) Depends on what steps the judgment-debtor takes. About two and a half months after date of issue of proclamation of sale.

(5) Accordingly to nature of a case should be reduced to three months, but this is too small for big cases and judges would have to be warned not to give the minimum always, as can safely be done now. One strong argument in favour of leaving it to the discretion of the judge instead of having a fixed period is that he may arrange so that the date of sale will fall at a time when the property is at its highest value.

Six months is too long, meaning undue delay in small cases, even if payment is made earlier.

38. (1) No, common.

(2) }

(3) }

(4) }

No.

39. (1) Yes.

(2) Yes, usually.

(3) When a man's credit is low he is often unable to raise a loan for private use without pretending that the money is urgently required to enable him to produce his crop.



They pretend that they require the loan for business purposes because there is more chance of their getting it than if they disclosed that it was to be used for luxuries.

*Thatón District.*

27. Competition among money-lenders is unknown.

28. No.

29. (1) Yes.

(2) Lender's accounts are seldom or never checked. They rather trust to the lenders and their accounts.

(3) Except the Chettiars, other lenders do not keep accounts properly. No difficulty in calculating interest, if the date of the loan and rate of interest are known.

29. (4) Sometimes on account of rate of interest or sometimes on account of part-payment of interest or principal. In loans on pro-notes on printed forms rate of interest agreed upon, originally, is not corrected on the stereotyped form.

As may be inferred, disputes arise with lenders who use printed forms.

30. (1) (a) In the case of mortgages, repayment is acknowledged by the bond being handed over, or by the stamp being punched or by the portion of the document which bears the signature being torn off or otherwise destroyed. (b) In the case of the pro-note, in the same manner. (c) In cases where no document exists, by payment in presence of witnesses, or sometimes by demanding a receipt.

Where property is pledged, the mere handing over of the property suffices.

(2) Sometimes a receipt for part-payment is demanded but sometimes not. And sometimes payment is endorsed on the back of the document.

(3) In a majority of cases, receipt is given whenever demanded.

The ordinary cultivator does not as a rule trouble much about it. He trusts to his lender in that respect.

31. Unscrupulous money-lenders used to tell the ignorant cultivators that document will be returned later. Sometimes they say that they are mislaid somewhere. Sometimes they excuse that the keys of the almirah were taken away by some one. Sometimes they say that documents several as there are, cannot be sorted out or no final accounts yet settled. Such difficulties arise when the ignorant cultivator demands a stamped receipt of the repayment : when he ask for a list of articles of jewellery pledged, written on the back of the document ; or when he thinks that the unscrupulous lender is inclined to retain the documents with an object to take him unaware with a fresh claim, when he is likely to fail in his memory with regard to the transaction. The borrower then demands the return of the document, in the presence of witnesses and if he is unsuccessful, he will send a notice through his pleader, for the purpose of protecting his interest, in case of litigation against him. To safe-guard against these tricks, the money-lender should be made to produce documents in presence of witnesses before repayment is made or he must be made to give a receipt if he cannot produce the documents. Otherwise the borrower should be justified in refusing payment. The same applies in the case of pledge of jewellery. At the time of the loan, a list of the pledged articles should be signed and given to the

borrower and when the loan is repaid the list must be produced and articles of pledge must also be produced. These difficulties cannot be prevented altogether because the borrowers are not so strong-minded as to provoke the displeasure of the money-lender, fearing that if they do, they will find it difficult to raise loans in times of need. To avoid these difficulties, the uneducated mass of population must be taught on the subject, and the school reading text-books should be made to contain lessons on the same for the pupil to learn properly.

32. (1) Yes. On very rare occasions.

(2) They generally give reasons that their accounts are to be closed, that they wish to send the money to India as the new agent has come, and as the money is required very badly.

(3) They want to raise the rate of interest. Sometimes they want more security when they think that there are other properties free from mortgage.

(4) It is very seldom that they asked for the return of money for use in more profitable business. The chief reason is to raise interest.

(5) Remedies are left to the discretion of the parties. There can be no hard and fast rule but it all depends on the terms of the contract between the parties.

33. Yes. Lenders charge more rate of interest on a crop-loan. No. Chettiar's used to charge more interest. They are not numerous.

34. There is regular change once in three years in the personnel of the Chettiar's Agency. Then the borrower is pressed for repayment of debts. Sometimes the borrower is sued for part-payment which he has made but which the new agent does not vouchsafe it on account of the non-entry of the item in dispute in the account. This is probably due to the former agent's fraud. Sometimes the borrower is forced to execute a pro-note for the old-debt with interest due, added as principal.

35. Borrowers are compelled by the urgent circumstances of their need of finance to agree to the high rate of interest and furnish more than adequate securities, as imposed by the Chettiar's. Therefore rate of interest should be fixed in accordance with the spirit of the Usurious Loans Act or fixed as in the Act if there is a rate fixed therein.

36. The average duration of suits on pro-notes is six months. The process-server should be strictly warned to do their duties regularly and honestly.

37. In this locality, it takes about two months to obtain a preliminary decree in a mortgage suit. Short adjournments will reduce the period.

(2) About one month is required to get a final decree. This can be reduced by issuing sale-proclamation, and without issuing notices to the judgment-debtor as there has been already a lapse of six months.

(3) See answer above.

(4) To obtain the money in the mortgage-decree it takes sometimes from about 3 to 6 months. It depends upon the speedy disposal of the case by the Judge. Reduction of time does not therefore affect the realisation of the decretal amount.

(5) Six months is quite sufficient.

38. (1) Yes.

(2) Yes. But they are rare.

(3) About the payment of interest denial of receipt of interest. Rudeness of the money-lenders (Chettiar's) in making demands of their debts. The fraudulent intention of the debtors to cheat the creditors, in transferring their properties to their relations or friends.

(4) About 10 per cent. of the disputes are settled by the arbitration. Arbitration are generally appointed verbally. Yes. Their decisions are commonly effective.

39. (1) Yes.  
(2) Not very often.  
(3) Lenders generally asked the purpose for which a loan is taken. In some cases the usual purpose of the loan is not disclosed. Cultivation, funeral and treating purposes are pretended.

*Thalón District (Pa-an Sub-committee).*

27. No.  
28. No.  
29. (1) No.  
(2) They trust the accounts kept by the lenders.  
(3) No. To the best of their memory.  
(4) No dispute.  
30. (1) (a) The return of mortgage bond.  
(b) The return of pro-note or destruction.  
(c) Repayment is the release of obligation.  
(2) Seldom.  
(3) Not in practice.  
31. Double payment. When the lender is not faithful. Borrowers generally remain silent. For frugality, sobriety and propriety. Yes.  
32. (1) No. Very rarely.  
(2) When they themselves are in trouble.  
(3) As above.  
(4) No.  
(5) Nil.  
33. No. No. Other persons. Not numerous.  
34. Inconvenience is not caused by the change of agents if there be no default.  
35. Nil.  
36. About 6 months.  
Not possible to reduce.  
37. (1) About 3 months.  
Not possible  
(2) About a month.  
Not possible.  
(3) About 3 weeks.  
Not possible.  
(4) About 6 weeks.  
Not possible.  
(4) There are no reasons to alter the existing enactments.  
38. (1) No.  
(2) No.  
(3) Nil.  
(4) About 5 per cent. By mutual consent. Yes.  
39. (1) Yes.  
(2) Rarely.  
(3) To procure loan promptly.  
Pretended not to be in earnest.

*Thalón District (Kyaikto Sub-committee).*

27. Yes.
28. Yes; there is ill feeling against Chetties. Because they are usurious. The opening of a Land Mortgage Bank might remove this ill feeling.
29. (1) No. Others have to reckon interest for some of the borrowers.  
(2) No. They trust the accounts kept by the lenders.  
(3) Yes. By their own way.  
(4) The usual cause of disputes is due to the reckoning of interest according to Burmese months instead of English months as generally desired by the borrower. With Chetties.
30. (1) (a) and (b) Mortgage deed and pro-note are returned to the borrower.  
(c) When no document is furnished as security there is no acknowledgment.  
(2) Yes.  
(3) No.
31. None.
32. (1) Yes. (2) The reasons given are financial stringency.  
(3) To lend out the money at higher rate of interest.  
(4) Yes.  
(5) No suggestion.
33. Yes. Yes. Chetties. Yes.
34. All borrowers suffer inconvenience in reckoning interest on interest when they are unable to repay the loan when changes of agency take place.
35. The general complaints are harsh dealings and high rates of interest. No suggestion.
- 36 & 37. Same answers as are given to Questions 725 and 726.
38. (1), (2), (3), (4). No.
39. (1) Yes. (2) Yes. (3) For various purposes, such as gambling, purchase of jewellery, etc. For purchase of merchandise; for initiation of sons and for improvement of lands.

*Tavoy District.*

27. There is no competition amongst local money-lenders.
28. No ill-feeling exists.
29. (1) Illiterate borrowers are unable to reckon interest. The interest had to be calculated by other persons or by the lender.  
(2) They more or less rely on the lenders' account by which they do sometimes make mistake to their own costs.  
(3) As a rule the lenders do keep accurate accounts. Lenders know personally how to calculate interest.  
(4) The usual cause of disputes arises either owing to the dishonesty of lenders or borrowers.
30. (1) Repayment of loan is acknowledged in (a) and (b) by returning the bond to the borrower. (c) by returning the pledge, e.g., jewellery.  
(2) If the borrower is intelligent he demands for a receipt or he endorses it in the bond.  
(3) As a rule they have no difficulty.

31. There is no difficulty to recover bonds or pro-notes after payment. In some cases the borrower owed money to the lenders outside the bond. In that case after the payment of the debt on the bond the lender may retain it for the security of the unsecured debts. If the retention of the bond is just the borrowers submit to it. If unjust the borrowers would report the matter to their headmen. There ends the matter with simple-minded borrower. The remedy is to educate them by compulsory primary education.

32. (1) The lenders very seldom unexpectedly ask for the repayment of the loans immediately or after a short time unless he himself is afflicted with unforeseen circumstances, e.g., fire, business, necessity, etc.

33. (2) They give true reasons for the demand. Sometimes they don't give any reason at all.

(3) In some cases real reason is not given.

(4) No, not in this district as far as our experience is concerned.

(5) The remedy is to defend in Court but this is very expensive. The borrowers would rather get loan from another lender than go to Court even at little higher rate of interest and expense.

33. Local money-lenders would not go to that extent but Chettiar lenders would ask for more.

34. By changing agents the borrowers have to bear extra costs of drawing up new documents and the interest being converted into principal.

35. The complaint is high rate of interest. By opening a mortgage bank or an indigenous bank with the help of Government money.

36. About 3 months. By reducing the period of fixing the date for the appearing of the defendant according to the distance of his residence from Court. If in town a short duration may be given.

37. (1) About a month. By reducing the period of fixing the date for the appearance of the defendants according to the distance of his residence from Court.

(2) Another two months are added to the six months. *Vide* answer to questions 36, 37 (1).

(3) Two months. To reduce the time for serving notice on defendants.

(4) Two months. To reduce the period for appearance of defendants.

(5) We would suggest to reduce it to 3 months. Because the judgment-debtor who is unable to raise money to repay the decretal amount within 3 months. Cannot raise within 6 months Even within a year. On the other hand the decree-holder will be greatly inconvenienced.

38. (1) Very few disputes arose.

(2) No.

(3) Owing to dishonesty of either lenders or borrowers.

(4) Arbitration is seldom used in this district.

39. (1) No.

(2) Sometimes they do.

(3) For some necessary expenses.

*Mergui District.*

27. No.

28. No.

29. (1) Yes.  
 (2) They trust the lender's accounts.  
 (3) Yes. They do.  
 (4) The question does not arise.
30. (1) In case of documents—by return thereof ; when there is no document—the entries scored out.  
 (2) No.  
 (3) No.
31. No.
32. (1) No.  
 (2) Does not arise.  
 (3), (4) and (5), No.
33. No.
34. There is no Chetty in this district.
35. No.
36. Two months. No reduction is possible owing to very bad communication.
37. (1) Three months. No reduction possible.  
 (2) One month. No reduction possible.  
 (3) Two months. No reduction possible.  
 (4) Three months. No reduction possible.  
 (5) We recommend no reduction as the debtor is being deprived of a valuable right, *i.e.*, the equity of redemption.
38. (1) No.  
 (2) No.  
 (3) No.  
 (4) No.
39. (1) No.  
 (2) The question does not arise.  
 (3) The question does not arise.

*Toungoo District.*

27. No.
28. No.
29. (1) About 80 per cent. of the Burmese male borrowers are literate but only about 25 per cent. are able to reckon interest. They usually bring one who can reckon interest. In some cases they trust the account kept by the lenders.  
 (3) Yes.  
 (4) When either interest or part payment of principal is made and the payment is not recorded nor a receipt granted for the same. Hence sometimes dispute arose between lender and borrower.
30. (1) (a) By endorsement on back of the instrument.  
 (b) Omitted.  
 (c) Not acknowledged in writing.  
 (2) No.  
 (3) Yes. The lender usually tells the borrower. It is alright—I am not going to cheat you.
31. There are very few instances where the borrowers keep with the lender as security pro-note or mortgage deed. They do pledge their jewellery—and no receipt is ever given by the lender. Sometimes disputes arise at the time of repayment of loan. The lender or the succeeding agent denies having received the gold. The remedy is to make compulsory the giving of a receipt for pledge received.

32. (1) Yes.  
(2) That they are pressed by Rangoon Bank or Chettyar creditor.  
(3) The real reason being they lost confidence in the borrower.  
(4) Yes, sometimes.
33. Yes. Mostly Chettyars. Instances are not numerous.
34. When an Agent is changed they usually demand for the return of the loan or for the renewal of the pro-note—resulting in either settling the interest due up to that date or making interest as principal.
35. None we know of.
36. Six months. The High Court can amend the defect.
37. (1) Six months.  
(2) Two months.  
(3) One month.  
(4) Two months.  
(5) We consider six months is reasonable.
38. (1) No.  
(2) No.  
(3) None.  
(4) Very little about 1 per cent. The arbitrators are appointed by both the parties. Their decisions are not usually effective.
39. (1) Yes.  
(2) Yes.  
(3) The real purpose is for gambling or unproductive use.

*Deputy Commissioner, Toungoo.*

36. The District Committee have not mentioned the fact that lawyers are as much responsible as the law for the delays of litigation. I doubt whether it is in the power of the High Court to reduce the average duration of civil suits.

*Thayetmyo District.*

27. No such competition in this district.
28. Yes, ill-feeling against Chettiar money-lenders is getting somewhat rampant. Their integrity is getting suspected. It can be removed only by employment of trustworthy agents and sub-agents.
29. (1) Yes.  
(2) Yes. Some still trust the accounts kept by the lender.  
(3) Yes, generally. Burmans calculate interest by their decimal system.  
(4) The usual cause of disputes about accounts is in respect of pro-notes regarding part re-payment of principal and payment of interest. Mostly Indians.
30. (1) (a) Sometimes (which is very seldom) by endorsement on the deed of mortgage concerned. But the Chettiar money-lender generally returns the mortgage deed after punching the stamp and retaining the portion of it which bears the signatures of the executants.  
(b) Same as (a) above.  
(c) No acknowledgment.  
(2) No.  
(3) Yes.

31. Cultivators sometimes meet difficulties in recovering pro-notes, mortgage deeds or other documents or jewellery given by them as security for loans, as the lender puts them off on some pretext or another. These difficulties arise when the cultivators concerned paid the repayments without first insisting on the production of pro-notes, etc., before such repayment. The borrowers usually do not take any steps for their return, except the jewellery. The difficulties can be prevented by the borrowers insisting on the production and return of pro-notes, etc., at the time when the repayment is made. No. Unless the borrowers are careful to look to their own interest.

32. (1) Yes, Chettiar class.

(2) Tightness of money market and the requirement of the bank concerned to pay up the loans taken by the Chettiar firms.

(3) Generally to lend out the same on a higher interest.

(4) Yes.

(5) None for the present.

33. No.

34. By being obliged to raise a fresh loan elsewhere or by being compelled to execute with the new agent, a fresh document wherein the existing debt consisting of principal and interest are treated as principal. 35. Formerly people had much faith in the integrity of the Chettiar firms, but for sometime past there have been frequent complaints to the effect that some of the Chettiar firms particularly smaller ones misappropriated some of the receipts without accounting for them in the books of the firms.

The remedy lies in educating the borrowers to take receipts for the payments they make.

36. Four months on an average.

It can be reduced if the presiding Judges are relieved of their criminal work.

37. (1) Three months on an average.

Same answer as to question No. 36 (2).

(2) One month on an average. Same answer as to question No. 36 (2).

(3) About a month. This interval can be reduced if the decree-holder take prompt steps.

(4) About four months. The sale and recovery of the money is often delayed by the judgment-debtor setting up other people to make fictitious claims to the property attached. When this is found to be proved the Court concerned should never fail to take action against the fraudulent claimants.

(5) There are no valid reasons for reducing the period, but there appear to be good reasons against reducing the period in as much as the mortgagee should be given ample time to enable him to raise funds to redeem the mortgage. No reduction is recommended.

38. (1) Fairly common.

(2) No.

(3) Ignorance and negligence on the part of the borrowers and dishonesty on the part of the employees of the Chettiar firms.

(4) Very little.

By the parties.

Yes.

39. (1) Yes.

(2) Not often.



(3) The real purposes in such cases are those against which there is a strong public opinion, for example, a Buddhist money-lender will not advance loans for purposes of working fisheries, slaughter-houses and dealing in intoxicating liquor and drugs.

The purposes usually pretended are to purchase cattle, agricultural implements and to give an *ahlu*.

*Mandalay District.*

27. Yes.

28. Not heard of, but during the early period of co-operative movement, the money-lenders did not like it.

29. (1) Yes, they can.

(2) Yes, they trust when there is a pro-note or a bond.

(3) Very few keep accounts. They rely on the bonds and pro-notes.

(4) Disputes arose for not demanding back the pro-notes and bonds.

30. (1) Omitted.

(2) No receipt asked for. Entries are made on the back of pro-note or bond.

(3) They do not ask for receipt.

31. When the loan is fully paid up, it is not difficult to obtain the pro-note or bond. Difficulties in receiving jewellery given as security for loans not heard of. This difficulty will not arise if the pro-note or bond is obtained from the lender.

32. (1) Not often heard of.

(2) Omitted.

(3) } Not heard of.

(4) }

39. (1) Some do.

(2) Some do.

(3) In most cases they do not wish to state the repayment of old debts and they mention other purposes.

*Myingyan District.*

27. There is no competition as there are more demands for the loans than the money-lenders are willing to meet.

28. There is no ill-feeling.

29. (1) The majority of the borrowers are able to reckon interests, and in the case of others, it is done by their friends.

(2) The majority trust the accounts kept by the lenders.

(3) Lenders generally keep accurate accounts.

(4) Usually there are no disputes.

30. (1) For mortgage and pro-note, the repayment is entered on the back of the document itself. If the loan is cleared the document is returned to the borrower. No loan is ordinarily made without a document.

(2) Besides the endorsement made on the back of the document, no others receipts are given.

(3) This question does not arise.

31. No such difficulties are usually met with here.

32. (1) No.

(2), (3), (4) and (5) Nil.

33. No such cases are known here.

34. Those who have not been regular in payment of interests are generally asked to settle account before the next Agent takes over the business.

35. No high-handedness on the part of the money-lenders is noticed here.

36. The average is from 6 to 12 months' time. To reduce the duration strict supervision should be exercised over the process-serving establishment. In the case of attachment of immovable property the time required for proclamation and for confirmation of sale should be reduced.

37. (1) The average is about 6 months. No suggestion for reducing this period.

(2) Within 15 days. No suggestion for reducing this period.

(3) One month. The process-serving establishment can assist in reducing this period.

(4) *Omitted.*

(5) Reduction of this period seems advisable, as for this period the judgment-debtor is liable to pay interest. Three months should be quite sufficient for the judgment-debtor to make up his mind.

38. (1) Yes, disputes are common.

(2) Cases where disputes arise through misunderstanding of each other's language are not wanting, though very rare.

(3) Disputes about the execution are mostly common.

(4) Only a small percentage is settled by arbitration. Arbitrators are generally appointed by means of written agreement by the parties. The decision is commonly effective.

39. (1) Yes.

(2) No, they do not often deceive the lenders.

(3) For cultivation and trade. In urban areas, loans are sometimes taken for unproductive purposes, such as for buying jewellery, on the pretence that they are wanted for productive purposes.

*Myitkyina District.\**

36. About 6 months.

The improvement of communications and the appointment of a whole-time judge to deal with cases.

37. (1) About 3 months. Please see answer to question 36.

(2) One or two months. Please see answer to question 36.

(3) Within one month. Please see answer 36.

(4) About three months. No suggestions.

(5) The reduction of the period from 6 months to 3 is suggested because the interest accumulates as against the defendant. It would be in the interest of defendants to have the period reduced.

38. (1) No.

(2) No.

(3) No.

(4) About 10 to 15 per cent. of cases are referred to arbitration, arbitrators being appointed with the consent of parties. The decisions are effective.

39. (1) Yes. They do.

(2) Yes, in few cases.

(3) The real purposes are domestic but agricultural purposes are pretended.

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\* See also Superintendent of Land Record's reply on page 143.

*Sagaing District.*

27. Practically nil in the form of rendering facilities, such as better rate of interest or better terms.

28. No ill-feeling at all.

29. (1) Generally they are.

(2) They commonly do so.

(3) Very few keep accurate accounts at all. Interest is calculated from the date of loan, and this is done only at time of repayment or at time of litigation.

(4) Usually no dispute arises over accounts.

30. (1) By punching the stamp and destruction of documents in (a) and (b). No answer is called for for (c).

(2) No ; repayment is endorsed on the document itself.

(3) Very seldom.

31. No difficulties at all.

32. No such instance here for any of the 5 sub-questions.

33. Yes, this is done even so when the security still holds good for both loans. Such instances are rare, that being resorted to by purely money-lending class of people only.

34. Occasionally they may suffer on being pressed for repayment by the new agent.

35. No particular complaint except when they are too exacting in the matter of calculating interest.

36. Three months. Possibly by reducing the number of days now prescribed for proclamation.

37. (1) About 1 month. No suggestion.

(2) About 7 days. No suggestion.

(3) About 7 days. Reduction not necessary.

(4) At least 1 month. No suggestion.

(5) Much is to be said against the present practice in as much as it is directly responsible for (1) increase of work in the Courts, (2) delay in recovery and (3) accumulation of interest. Should be reduced to 3 months.

38. (1) No.

(2) No.

(3) Generally inability to repay. Sometimes disputes may arise out of unreasonable or inconvenient demands.

(4) Very rarely used. By selecting suitable representatives with the parties' consent. Yes.

39. (1) Yes, generally.

(2) Not often.

(3) Generally for gambling. Always on the pretence of using money for trading.

*Katha District.*

27. No.

28. No.

29. (1) Yes.

(2) No.

(3) Proper accounts are not kept. The document itself is usually the account.

(4) Disputes over accounts are usually unknown.

30. (1) (a) The document and mortgaged property are returned.  
(b) The note is returned.  
(c) No acknowledgment but payment is usually made before witnesses.
- (2) No.  
(3) No.
31. No difficulties have ever been heard of.  
32. No case has ever come to notice.  
35. The size of the lender's basket used in measuring paddy is a general cause of complaint. The remedy is to enforce a standard basket.  
(1) 36. If there is property to attach about 3 months. Otherwise two to three years. The time of proclamation of sale can be reduced to 10 or 15 days.  
37. (1) Three to four months. No suggestions.  
(2) About one month.  
(3) About 10 days. Depends on decree-holder.  
(4) About 70 days. Reduce the period of both proclamation and confirmation.  
38. There is no dispute.  
39. (1) Yes.  
(2) Yes. The Burman dislikes being questioned.  
(3) The usual purpose is for current expenses.

*Katha District (Kawlin and Wuntho Sub-committee).*

27. There is no competition among persons to lend money to cultivators.  
28. There is no ill-feeling against any class of lenders. The general tendency is to borrow from their own kind, i.e. Burmans, but when loans are not available recourse is then made to the Indians.  
29. (1) Yes, the Burman borrowers in the majority of cases, are literate, and they can reckon the interest due from them.  
(2) They commonly check the accounts, but in very few cases they trust the accounts kept by the lenders.  
(3) Yes, by arithmetical calculation.  
(4) No dispute of the accounts.  
30. (1) Repayment of loan is acknowledged in a mortgage if it is a usufructuary one, the acknowledgment is by return of the possession of the land, if a registered mortgage by the return of the deed of mortgage.  
(b) The pro-note is either returned or destroyed in the presence of the borrower.  
(c) When there is no document as security, the money was simply accepted and no receipt of any kind is given or asked for. The man making the payment would consider himself below his dignity to ask for a receipt and at the same time would hurt the feelings of the lender when at the time of the loan no document was asked from him.  
(2) No. The part payment is noted on their documents.  
(3) No. If receipts are insisted, they are given.  
31. No difficulty is experienced by the cultivators in recovering documents or jewellery given as security, when they repay their loans.  
32. (1) No lenders ask borrowers unexpectedly to repay the loans immediately or after short time.  
33. No.

34. As stated, there is only one Chettiar in this Subdivision and who does little business. No borrowers of any kind suffer inconvenience on this account.

35. The borrowers can have no complaint against the lenders, who are satisfied if repayment in coin or kind is made when due, the complaint is only against the borrowers, who adopt all kinds of tricks to defraud their creditors, the only remedy the lenders have is to have recourse to Court.

36. On the average it takes between 3 and 4 months to recover through the Civil Court, money due on pro-note, if execution is taken against moveable property longer time is required. The Civil Procedure Code has prescribed rules, and I do not know in what way this time can be reduced. It all depends upon the finding of the judgment-debtors and service of summons; notices and warrants in quick time in both the Regular and Execution cases.

37. (1) This as above depends upon the service of summons on defendants.

(2) About 2 months. This also depends upon the service of summons on the defendants.

(3) About one month. This also depends on the service of notice on the judgment-debtor.

(4) One month for proclamation of sale and one month for confirmation of sale, it generally takes about three months.

(5) I do not recommend any reduction of the period of 6 months by a preliminary mortgage decree as sometimes the judgment-debtor wants to make private sales and obtain better price by giving security in Court and they require more time to effect such private sales.

38. (1) No.

39. (1) Yes.

(2) No. The lenders before granting the loan generally make private enquiries.

*Deputy Commissioner, Upper Chindwin.*

27. No.

28. No.

29. (1) Yes.

(2) They check as well as trust the accounts kept by the lenders.

(3) Yes. By practice.

(4) The usual cause is the denial by the lenders of receipt of interest or part payment of the principal, which they sometimes forgot to enter in their accounts. Both Burmese and Indians are liable to this.

30. (1) (a) and (b) By returning the mortgage deed and pro-note and (c) by paying in the presence of reliable witnesses.

(2) No. A note of payment is usually made on the back of the deed or pro-note.

(3) This question does not arise in view of answer to (2) above.

31. No such difficulties are met with in this district.

32. (1) No.

(2) to (5) Do not arise.

33. No.

34. No Chettiers in this district.

35. No complaint.  
36. Three months. If bad communications can be improved.  
37. (1) On an average of one month. The period is too little having regard to the bad communications of this district.  
(2) One month. No reduction is possible.  
(3) About 45 days. Suggestion cannot be given.  
(4) About 20 days. This can be reduced by not allowing time for payment to the bidder.  
38. (1) Not common.  
(2) No.  
39. (1) Yes.  
(2) No.  
(3) Does not arise in view of (2) above.

*Administrator of Government Estates, Burma.*

27. Not now-a-days.  
28. No.  
29. (1) Yes.  
(2) No.  
(3) Fairly accurate.  
(4) Disputes arise because the money-lenders have the accounts and the borrowers have none.  
30. (1) (b) By destruction of the stamp and the return of the *sagyok*.  
(2) No, an endorsement is made on the back of the documents.  
(3) There is always difficulty in getting back the *sagyok* and it is not the custom to return the *sagyok* where there is only a part-payment.  
31. They go with witnesses to demand the return of the *sagyok*.  
32. (1) This is exceptional.  
(2) They say that accounts among themselves have not yet been settled.  
(4) Yes.  
34. The new man calls in the money at once and the cultivators have to sell out at once in order to pay up.  
38. (1) No.  
(4) Arbitration is resorted to. Both parties elect Lugyis of the Societies' Unions. The decision is commonly effective.  
39. (1) Yes.  
(2) A few deceive.  
(3) The real purposes in such cases are gambling and other unprofitable purposes.

*Assistant Commissioner of Income-tax, Rangoon.*

28. No symptoms of ill-feeling are common in Rangoon.  
29. (1), (2) In the case of small traders, it is generally the lender, who is usually a Chettiar, who calculates the interest due and the principal outstanding. His calculations are accepted without question or check.  
(3) The Chettiar money-lenders and other Indian money-lenders are generally very accurate in their calculations. They either calculate the interest themselves or get their clerks who are experienced persons to do it.  
(4) No remarks.

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\* Answers relate to Government estates in Hanthawaddy and Pegu districts.

32. (1) No instances have come to the knowledge of any officer of this department.

33. The answer is in the affirmative. A higher rate of interest is charged on the promissory-note even if there is still sufficient security for both loans. This remark applies Chettiar money-lenders principally. Yes, they are numerous.

34. Borrowers whose credit is at all shaky are inconvenienced at the time when the Chettiar agents are changed. They are either pressed to pay up the outstanding or to execute fresh promissory notes. If the borrowers are still in good credit, they suffer no inconvenience whatever.

38. Experience in examination of accounts of money-lenders in Rangoon suggests that disputes between borrowers and lenders are not at all common.

*Assistant Commissioner of Income-tax, Eastern Range.*

27. I do not think there is any competition amongst persons who regularly lend money to cultivators.

28. Ill-feeling against any class of lenders, as a class, is not common. Borrowers do not love Chettiars as a rule, but are glad enough to do business with them. In some villages one or more miserly old men are to be found who lend money to poor cultivators and charge extortionate rates of interest in cash or kind. They are much more usurious than Chettiars and are not loved by the villagers. But I do not think it would be correct to say that there is actual ill-feeling against them as a class.

29. (1) Owing to the high standard of literacy in Burma borrowers generally have no difficulty in reckoning the interest due by them to a lender. If they cannot reckon it themselves they can easily get it reckoned for them by friends or relations. But I have come across cases in Upper Burma where unsophisticated borrowers have been cheated by unscrupulous Burmese money-lenders.

(2) Yes. The Burmese borrowers, with few exceptions, usually check in this way the lender's account of their loan. But illiterate people such as Coringhi cooly maistries who borrow money from Chettiars have to rely solely on the accounts maintained by the lenders.

(3) Chettiars keep accurate accounts of their transactions, but not the Burmese money-lenders, who do not as a rule keep any accounts properly so-called but make rough notes of interest received on the back of the pro-notes or other documents. As loans are advanced at fixed rates of interest they have no difficulty in calculating the interest due.

(4) There are seldom disputes about the accounts. Such disputes as arise occasionally are due to the omission of the lenders to note interest payments on the documents. No disputes ever arise over Chettiars' accounts, which are always irreproachable.

30. (1) A repayment of loan is acknowledged in the case of mortgage, by return of the registered document to the borrower. In the case of a pro-note, it is either returned to the borrower or destroyed in his presence after the necessary endorsement has been made on the counterfoil. In other cases the jewellery or other pledged article is returned to the borrower. Loans are seldom given without some sort of security except to relations or intimate friends.

*Eastern Range.*

(2) It is not usual for a cultivator to get a receipt for part payment of a loan from a lender. When loans are repaid in part to a Chettiar the amount paid is at once credited in the latter's accounts and this is sufficient and dispenses with the necessity for a special receipt. When a part payment of a loan is made to a Burmese lender he usually notes the fact on the counterfoil of the pro-note or on the mortgage-deed as the case may be.

(3) In view of the above answer this does not arise. I have not come across any cases in which cultivators have had difficulty in recovering pro-notes, mortgage-deeds or other documents or jewellery given by them as security for loans. I should think cases in which such difficulties arise are very rare in this province.

32. (1) Very seldom I should think and then only if the borrower's credit is found to be bad or if the lender suddenly finds himself pressed for money.

(2)—(5) In view of the above answer these questions do not arise.

33. I do not think this sort of thing is done or at any rate cases of this kind are not numerous.

34. The inconvenience to which borrowers are subject through the Chettiar custom of changing agents every three years is that the outgoing agent (in order to increase his own commission which is regulated on a percentage-of-profit basis) tries to collect as much of the outstanding as possible before the termination of his agency and in doing so sometimes resorts to coercive measures prematurely or unwarrantably.

35. I have not heard of any other complaints by borrowers against lenders.

36—39. These can be better answered by district officers.

*Assistant Commissioner of Income-tax, Western Range.*

27. I believe there is some competition amongst some money-lenders to get hold of customers who are safe and who are more or less regular in their repayments of loans and interest due. In some cases I believe a money-lender would advance a loan to a borrower to pay off a loan to another lender from whom the said borrower has taken that loan in order to induce the borrower to do business with him.

28. No. The relations between the borrowers and the lenders are generally good.

29. (1) The borrowers generally are able to reckon the interest due by them and there is no necessity to check the lender's accounts in regard to the amount of the interest due. What is generally done is that when the interest is due or paid, the lender and the borrower compute the interest due on the amount of the loan and the period for which it has been held by the borrower, and there is little or no dispute whatever in regard to the amount.

(3) The Burmese and Indian Mahomedan lenders do not all keep accounts but they calculate the interest due in the way above mentioned from the pro-notes or other documents held by them. Chettiar and other Indian lenders always keep accounts and these are generally accurate.

(4) There is seldom any dispute about the accounts as between the lenders and the borrowers.



30. (1) The repayment of a loan is acknowledged in the case of—  
(a) a mortgage, by delivery of the mortgage deed to the borrower, or by a reconveyance of the mortgaged property ;  
(b) a pro-note, by cancelling the pro-note and delivering it to the borrower. In some cases of loans taken on pro-note, articles of jewellery are deposited by borrowers with the lenders as further security. On repayment of the loans these articles of jewellery are returned to the borrowers ;  
(c) loans are very seldom advanced without a document securing a loan. Such transactions may take place between friends and relatives for temporary loans only, and when such loans are repaid, no formal acknowledgment is made. The repayments are made generally in the presence of witnesses.

(2) and (3) No receipt is generally given either when a loan is repaid in full or when only a portion of it is repaid, and the cultivators neither expect to get such a receipt nor ask for it.

31. No difficulty is generally experienced by cultivators in getting back their pro-notes, mortgage deeds or other documents or jewellery given by them as security for loans when these loans are repaid in fully by them.

32. (1) to (5) When the security is good no money-lender of any class ever asks for repayment of any loan immediately or after a short time. Such lenders are generally of Burmese and Chettiar classes, and these classes of lenders do not care to withdraw their loans for use elsewhere when these loans are in safe security.

33. No. A lender does not charge more than the usual rate of interest even when the borrower effects a second mortgage on the same property, when there is still sufficient security for his loan. The mortgage loans are generally made by Chettiards but long-term loans on mortgage are not numerous.

34. In cases where the security is good and sufficient, there is no inconvenience as the succeeding agent accepts the transfer of the loan made to him by the out-going agent ; but in cases where the security is doubtful and where interest payment have been in arrears, the succeeding agent generally refuses to accept the transfer of the loans, and the out-going agent then presses the borrower for the repayment of the loan and interest due. When such repayment is not made on demand, then a suit is filed for recovery. It is believed, however, that such contingencies are rare as the borrowers either manage to repay the interest due or manage to furnish further security. Consequently, the borrowers suffer the inconvenience only of raising loans elsewhere to pay off the original loans and interest due, or of finding the further security required.

35. I am not aware of any complaint that borrowers have against any class of money-lenders.

36 and 37. I have no knowledge of the working of the Courts and am, therefore, not in a position to submit notes on these questions.

38. (1) Except in the case of mortgage of ancestral property, disputes very seldom or never arise between the lenders and borrowers. In the case of mortgage of ancestral property, disputes may arise as to the rights of the person or persons in effecting the mortgage of the property with the lender.

(9) No.

(3) As mentioned above in (1).

(5) I have no knowledge in the matter contained in this question and am, therefore, not in a position to make any note.

30. (1) Loans are usually taken by borrowers from local money-lenders and the latter generally know the purposes for which the loans are wanted. The lenders do not generally ask the purposes for which the loans are taken.

(2) I do not think that they are any large number of cases in which borrowers deceive the lenders in regard to the purposes for which loans are taken.

(3) Loans are generally taken for current family expenditure or for business and occasionally, I believe, for such purposes as *shin-byus*, ear-boring ceremonies, marriages and *ahlus*, and also for purchase of jewellery and property.

*Deputy Director of Agriculture, Arakan Circle.*

27. There is no keen competition amongst persons who regularly lend money to cultivators.

28. No, not common.

29. (1) Generally the borrowers are unable to reckon the interest due from them. Only very few seek the assistance of others to reckon the interest.

(2) Very few appear to check the accounts kept by the lenders, as in most cases they trust him.

(3) The accounts are said to be fairly accurate.

(4) Usually there are no disputes about the accounts.

30. (1) (a) On land mortgages, repayment is acknowledged by endorsing the document and stating that a final settlement has been made.

(b) Repayment on pro-notes is acknowledged by the return of the pro-note itself or by defacing the signed stamp on the pro-note.

(c) By a simple receipt.

(2) Generally they get a receipt for the part payment of a loan. But sometimes they forget to demand it and the lender does not usually force a receipt on them.

(3) Generally no difficulty if the demand is made, but in some cases, the lender is said to refuse one on the grounds that the parties are well acquainted and a receipt therefore unnecessary.

31. Seldom any difficulties.

32. (1) Not when the security is good, only when they find that the borrowers are heavily in debt.

(2) That money is urgently required.

(3) Fear of loss.

(4) If so, very seldom.

34. Borrowers experience great inconvenience through the change of agents in chettyar firms, by the immediate demand of the loan, the necessity to execute fresh pro-notes or to repay a certain amount of principal and interest.

35. No other complaints.

36. It depends on the amount of the decree passed by the courts. Said to be about three years on an average.

37. (1) It takes about three to six months on an average to obtain a preliminary decree in a mortgage suit. The period may be reduced by compelling the parties in suits to bring their witnesses in time or to procure sufficient documentary evidence within a specified time.

(2) No idea.

(4) The average time which elapses between the proclamation of sale and recovery of money varies from two to three months, sometimes up to six months.

38. (1) Disputes are not common in this locality.

(2) No.

(3) None.

(4) Arbitration is seldom necessary.

39. (1) No.

(2) No.

*Deputy Director of Agriculture, Irrawaddy Circle.*

27. A certain amount of competition exists.

28. No.

29. (1) Majority are unable to do so.

(2) Some of those who can, do. Most trust the lender.

(3) Chettians do. Burmans do not. They calculate interest themselves to the best of their ability.

(4) Disputes rarely arise about the accuracy of calculation. They generally are regarding whether certain payments have or have not been made. Disputes arise equally with all classes of lenders.

30. (1) (a) and (b) The document is returned to the borrower.

(c) No acknowledgment.

(2) Usually a receipt is not given for part payment. In mortgages a receipt may be obtained if demanded. In pro-notes part payment is entered on the document. Where no document exists no receipt is given.

(3) Usually no difficulty.

31. Difficulty is experienced in recovering pro-notes, as these are retained by the lender sometimes to show that that client has had several dealings with the lender, or because there are other transactions outstanding. Since in these cases the pro-notes are always punched and cancelled, the remaining questions do not arise.

In the case of mortgages and where jewellery is pledged there is no difficulty.

32. (1) Yes. It is the custom here for money to be borrowed on "On Demand" notes whether it is intended that the money should be repaid at the next harvest or after one or two years have elapsed, that is to say, though the arrangement may be that the money is to be repaid after some considerable period the exact period is never stated, and the document is always an "On Demand" note. There are some lenders who unexpectedly ask the borrowers to repay loans without notice.

(2) That they want the money.

(3) Change of Chettiar agents and because a more profitable use for their money is offered elsewhere.

(4) Yes.

(5) The borrower should be educated to insist upon a document other than an "On Demand" note when he borrows money with the intention of repaying it after definite period; or alternatively that he should insist upon a document providing for the fifteen days or a month or some suitable notice before the repayment can be demanded. It may be added that at present borrowers are in the hands of lenders to such an extent that they are unable to insist upon anything.

33. No.

34. The Chettiar custom of changing agents results in a large number of loans being recalled sooner than expected before the new agent comes.

35. The profits demanded by Mahomaden land owners from their tenants in return for loans are said to work out at an extortionate rate of interest.

36. *Ex-parte* cases three months. 75 per cent. cases are *ex-parte*. If contested, three months up to hearing, after this three months to get the decree, two months waiting for appeal usually (50 per cent. cases), three months for appeal, then applying for execution, three months to get order, then if the money is realized, usually another three months.

37. (1) If not contested, three months. Normally nine months if contested ; but fluctuates considerably.

By amending the Civil Procedure Code. It is the practice for notice to be served on the judgment-debtor although not actually required by the Civil Procedure Code. The judgment-debtor has already had six months' time and notice should be dispensed with.

(2) Two to three months.

(3) Three months. Can be reduced by dispensing with the notice.

(4) Depends on what steps the judgment-debtor takes. About two and a half months after date of issue of proclamation of sale.

(5) According to nature of a case should be reduced to three months, but this is too small for big cases and judges would have to be warned not to give the minimum always, as can safely be done. One strong argument in favour of leaving it to the discretion of the judge instead of having a fixed period is that he may arrange so that the date of sale will fall at a time when the property is at its highest value. Six months is too long, meaning undue delay in small cases.

Interest is payable up to end of six months from date of decree even if payment is made earlier.

38. (1) Not common.

(2) No.

(3) No.

(4) No.

39. (1) Yes.

(2) Yes usually.

(3) When a man's credit is low he is often unable to raise a loan for private use without pretending that the money is urgently required to enable him to produce his crop.

They pretend that they require the loan for business purposes because there is more chance of their getting it than if they disclosed that it was to be used for luxuries.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myoók (Co-operative Branch), Myinmu Range.\**

27. No.

28. Yes. Owing to the exactitude with which dues are demanded without the least consideration for seasonal disaster and family troubles on the part of borrowers. There is no other remedy to remove this ill feeling than to resort to co-operative method.

\* Joint reply; relates to Sagaing, Mandalay and Kyaukse districts.

29. (1) Yes.  
(2) They commonly check the interest claimed by the lender.  
(3) No; the interest, however, is calculated accurately from the bond on which the amount and date of payments of interest are generally noted.  
(4) Disputes are very rare, but sometimes arise for failure to note the payments of interest on the bonds by Burmese lenders.
30. (1) (a) By returning the mortgage bonds.  
(b) By returning the pro-note or destroying it.  
(c) No acknowledgment.  
(2) No.
31. It is only in exceptional cases that cultivators meet with difficulties in recovering pro-notes, mortgage deeds or other documents or jewellery given by them as security for loans when the lender is dishonest and the borrower is very simple. The borrowers as a rule do not proceed for the recovery, but only defend themselves when second demands are made through Court. To prevent this difficulty, the borrowers can go to Civil Courts.
32. (1) Yes.  
(2) Requirement of money for more urgent business.  
(3) Urgent requirement of money for other business.  
(4) Only in exceptional cases.  
(5) The remedy lies in improving facilities for borrowings.
33. No.
34. The borrowers suffer either through recall of the loan or executing a new bond with a higher rate of interest.
35. The general complaints are—  
(1) High rate of interest and  
(2) Recall of loan at inconvenient times without consideration for seasonal disaster or family troubles. The remedy lies in resorting to taking loans from Co-operative Societies.
38. (1) No.
39. (1) No.

*Superintendent of Land Records, Myitkyina.*

27. No.  
28. No.  
29. (1) No, they have it done by another person.  
(2) Yes.  
30. (1) (a) Bond returned.  
(b) Destroy the pro-note.  
(c) Nothing done.  
(2) No, but a note is made by lender some how or other.  
31. None.  
32. No.  
33. No long-term loan.  
34. No Chettiar money-lender in this district.  
39. (1) Yes.  
(2) Seldom.  
(3) Domestic, agricultural expense.

*Karen National Association.*

In Burma all kinds of loans are the same ; and it is not necessary at all to differentiate them into crop-loans, and other loans, and tenant loans, and cultivator-loans and landlord-loans. They more or less bear the same conditions.

27. There is very seldom competition and practically none this year and the year before amongst money-lenders.

28. Generally speaking there is no ill-feeling against any class of money-lenders. However, as a rule, if a borrower fails to settle his debt, and his creditor resorts to the court of law, such borrowers usually bears ill-feeling against his creditor. This is human nature all the world over—money-lending breeds ill-feeling.

29. The majority of borrowers are able to reckon the interest due from them ; but there are some illiterates who cannot do so. There are some wicked money-lenders who take advantage of such ignorant borrowers. There are black sheep among all classes of money-lenders. If there is competition amongst money-lenders, not only the rates of interest will be reduced, but the moral of money-lenders will improve also.

30. It was not the custom amongst cultivators to ask receipts or acknowledgment for any payment made. However they do now come to realize their folly through experience in the court of law.

31. Very rarely. If it is really desired to reduce rates of interest and improve the moral of the lenders, just set up competition.

32. There is no such class distinction in Burma. Wicked money-lenders will make use of all possible tricks conducive to their interest. The only possible remedy is competition.

33. & 35. For answers please see 32 above. All depends upon the moral of lenders.

34. Yes, in some cases changes of agents bring forth mistakes and misunderstanding.

36. & 37. It all depends upon the nature of cases and the character of Judges.

38. Yes, to some extent there are disputes between borrowers and lenders sometimes through the poverty and dishonesty of borrowers and sometimes through the greed and dishonesty of lenders, and arbitration very seldom succeed.

39. Lenders do not always ask the purpose of loans. As explained above they do even induce borrowers of good credits to take on more loans than barely necessary for them.

Sometimes borrowers themselves deceive their lenders saying the loans taken are for paying up or settling old debts, and in fact they applied the loans in some other purpose.

*Mr. P. S. Subbaiya, B.A., A.I.B. (Rangoon).*

27. No.

28. No.

29. (1) Borrowers are generally able to reckon the interest themselves.

(2) Some check and others trust.

(3) Of course. Mentally. Periods of less than one month treated as one full month.

(4) Usually no disputes.

30. (1) Repayment of loan is acknowledged in the case of—  
(a) Mortgage—by a deed of release executed in Rangoon and in the Districts by punching the Court fee stamp on the mortgage deed and delivery.

(b) The stamp is punched.

(c) No such loan is given to the public. To some well-known persons accommodation is given now and then for small amounts and for the non-payment of which they do not seek the Courts for remedy.

(2) No receipt is given but the payment is entered on the back of the pro-note by the person paying.

(3) No.

31. No difficulty is experienced. But when the lenders have deposited the title deeds in the Imperial Bank for a loan they have to take out the deeds with the redemption offered for the mortgage in which it is only a question of time.

32. (1) They generally do not when there is a good security unless there is anything tending to depreciate the value of the security or the borrower is likely to become insolvent.

(2) They plainly ask to be paid or secured.

(3) The lenders generally ask for repayment of loan rather than be secured. That is to say they try to avoid the lengthy proceedings of a Bankruptcy Court as their money is locked up until such time as the distribution of the dividend.

(4) They do not ask for repayments otherwise but obtain a loan from the Imperial Bank by depositing the title deeds deposited with them. But this step may not generally be necessary as they can get the accommodation from among themselves.

(5) No remedies are necessary.

33. When there is sufficient security for both the loans no higher interest is charged for the crop-loan. The unfair advantage has not been taken generally.

34. No inconvenience. The previous Agent fully instructs the incoming Agent about the debtors. Every Agent is as keen as his predecessor in not losing the business of the house by any indiscreet action or tight sitting on his part. The Principal's instructions to his Agent in this respect is so very strict that there is no danger of the borrower suffering from the change of Agents.

35. None.

36. One year at least ; sometimes even three years. This could be reduced by hastening in the Court. The law requires that the summons should find the debtor not to speak of the delay of the process server, and the *ex-parte* cannot be passed unless three successive summons at intervals have failed to find the debtor.

37. (1) Six months.

(2) Not very much. The six months is itself a long period.

(3) Two months for which the Court is mainly responsible. The time is taken for taking out a list of the belongings of the debtor, but this is generally done even before the final decree. So no long period need elapse between the final decree and the proclamation of sale. A week or at the most a fortnight is enough for this purpose.

(4) The statutory period of one month.

38. No.

(2) No. The lenders are fully conversant with the borrowers' language. All Chettiers for example speak Burmese fluently. If they do not know the language they do not generally enter into this relationship.

(3) None.

(4) The disputes are largely settled by arbitration. One or two selected by the borrower and one or two selected by the lender arbitrate.

This is commonly effective.

39. (1) They do.

(2) The lenders do not care to know for what purpose money is borrowed so long as they have adequate unencumbered security. But when a crop-loan is taken the lender generally follows a harvest and the proceeds of the sale of the paddy.

(3) This does not arise.

*Mr. P.L.L.N. Narayanan Chettiar (Pyaññ).*

27. No competition.

28. There is ill-feeling against Chettiar lenders. The cause is want economy on the part of borrowers. The Chettiers keep account and if they earn Rs. 100 they spend minimum and gave the balance whereas borrowers if they earn Rs. 100 they spend Rs. 150 and get into debt, sell their properties and they blame the money-lenders for their own folly. If the borrowers do not borrow from Chettiers, the latter will be compelled to quit and vacate from this locality. This can be remedied if they are taught economy.

29. (1) Sixty per cent. borrowers are able to reckon interest due the other do not check.

(2) They trust the account kept by lender.

(3) Lenders keep account. They employ clerks to write.

(4) No.

30. (1) Mortgage by deed of cancellation by acknowledgment in writing on the reverse or punching stamp and return of document.

*Pro-note* punching stamp and returning.

*Bond* punching stamp and returning.

(2) Usually no receipt because they are lost repayment are endorsed on the reverse.

(3) No.

31. Usually no difficulties.

32. No.

33. No he is charged only the usual interest.

34. No.

35. No, other complaints.

36. It nearly takes one year. This period can be reduced if Court expedites proceedings as the Rangoon Small Cause Court and refuses adjournment on flimsy grounds.

37. (1) If take one year to get a preliminary mortgage decree. Same as in 36.

(2) Two months after expiry of six months from preliminary mortgage decree.

(3) Interval of one month.



(5) Mortgagee gets sufficient time to redeem prior to institution of suit; but he delays and giving further time of six months does not improve his position. Even after six months he asks for more time to pay. This period can be reduced to three months.

38. (1) No.  
(2) No.  
(3) If dispute arises, they are due to heavy debts of borrower and consequent inability to pay.  
(4) In a few cases. Decision is effective.
39. (1) Generally no.  
(2) No.  
(3) This does not arise.

## Section 9.—Marketing of Agricultural Produce.

### *Akyab District.*

40. (1) Paddy is the only crop which is cultivated to any extent in this district.

(2) For consumption within the districts, by retail by the cultivators themselves. Surplus is sold wholesale to Paddy Traders. Various ways. At the time of sale. No limit.

- (3) (a) Dealers of other places and through Brokers.  
(b) By own money, raising loans and by discounting hundies.  
(c) From Bankers and Chettyars.  
(d) }  
(e) } *Omitted.*  
(f) }  
(g) At the time of sale.

41. (1) No. Paddy. Owners and tenants.

(2) By pressure of payment of Government Land Revenue. Paddy crop. Ask Land Record Department. If not for the pressure mentioned cultivators would defer their sale until they get better price. Small cultivators sell all early. Big cultivators sell part. As a rule no loan is taken after harvest.

(3) The date due for the payment of Government Land Revenue should be fixed about the end of March.

42. Some small borrowers are controlled this way by small money-lenders.

43. (1) Paddy. Yes. Stock and Personal.

(2) Very few. Large cultivators. By borrowing.

(3) They do not sell their produce earlier due to pressure by their creditors. The produce is extremely small. As the district is too remote from the market they sell it locally as quickly as possible. Generally paddy crops are cultivated.

The majority are owners and the rest are tenants.

As it has been explained above the produce is sold at usual time. They sell it all leaving a portion for *Wuzan* and for local sale.

As there is no pressure there is no loss.

They prefer selling their produce earlier than taking loans.

(4) No special proposal is required as none is required.

44. There are no such instances in this district.

45. No such system is in existence in the district but the storage of the goods in the godowns upon which the advances are obtained is sufficient and satisfactory.

46. (1) In answer to the question sub-headings (1) and (2) it is necessary for the Government to control such warehouses and prescribe the forms of documents in order to make the storage of the produce as satisfactory security and to give a good title to the purchaser.

(3) Suitable Government's financial assistance would be required in constructing and working the warehouse.

(4) Paddy—It would yield fruitful result if the plan be introduced in larger towns where milling and banking business is carried on.

47. We have no bankers here and hence no other cashment suggestion can be given apart from the answer given to Question 46.

*Kyaukp̄yu District.*

41. (1) The cultivators used to borrow money as an advance for the sale of their crops in order to enable them to pay their labourers and meet their other necessary expenses. The crops were supplied at the harvest time.

They use to cultivate paddy, sessamum, ground-nut especially in Cheduba and sugar-cane.

The majority are owners and less cultivators are tenants.

The amount of loan is usually taken between Rs. 50 and Rs. 100. They take the loan from local money-lenders as there is no recognized bank in the district.

They used to borrow money in order to enable them to pay the paddy reapers and to meet other necessary expenses and they repay the loan in kind or money at the harvest time.

*Deputy Commissioner, Kyaukp̄yu.*

40. (1) The principal crop of the district is paddy; other crops such as sesamum, sugar-cane, groundnut, are so very small that it is not worth consideration. Practically the whole of the amount of the paddy produced in the district is required for local consumption with the exception of a few hundred baskets of paddy, which are exported to Akyab and Bassein.

(2) The crops, which are consumed in the district, are sold retail by the cultivators themselves to bazaar sellers. The amount purchased by each bazaar seller is not very much and generally only a couple of rupees is needed. They generally pay the cultivators on cash or they exchange for some other edibles.

The surplus crop retailed by each consumer depends entirely on the area of the land worked by him and it is generally sold for the purpose of obtaining money for revenue or rent.

(3) Paddy crops which are taken to Akyab or Bassein markets are partly bought by the dealers or brokers in the district and partly by the dealers or brokers from Akyab or Bassein Districts.

(b) These dealers have to borrow money from financiers; some have their own private money but this amount is small. Hundi system is not in force.

(c) The dealers or the brokers generally take loans from the Chetty money-lenders and from other money lenders. As they are well known person and the loans being for a short period they are obtained generally on personal security.

(d) As stated above, Hundi system is not in force here.

(e) The business done by each dealer or broker is so small with each cultivator and as the Hundi system is not known the dealers and the brokers have to buy from the cultivators for cash money.

(f) The cultivators retained sufficient *Wunza* and seed grains and sell the surplus as quickly as they can with the best advantage as they have no safe storage places.

(g) As the purchasers are generally strangers, the cultivators demand cash on delivery of the paddy.

41. (1) Many cultivators in the district do not borrow money in connection with the marketing of their paddy. They cultivate paddy, sesamum, sugar-cane and ground-nut. Two-thirds are owners and one-third tenants. The tenant class generally have to borrow money to meet the expenses of cultivation. The loans taken by them are generally taken from the landlords. The landlords in turn have to borrow money on mortgage of their lands or other property from the financiers of Akyab or from the few money lenders in Kyauk-pyu. The total amount of loans given out or taken by the people in each year would amount only to about half to one lakh of rupees per annum in the whole district.

(2) Cultivators in the district are not compelled by lack of money and by pressure from their creditors to sell their produce earlier than they would do otherwise. In former days they were in a hurry to sell in order to obtain money for revenue. At present the cultivators have come to learn that there is no need of great hurry and take their time and avail themselves of the best opportunity. As I have stated above, they prefer selling their crops as quickly as possible as they have no safe storage place.

(3) The cultivators are at a great disadvantage as they cannot fix their own price for the crop. The price is fixed for them by the purchaser who in turn offers such price depending on the general demand and supply. It would be of great advantage if co-operative sale centres could be established for these cultivators at convenient places so that they can take their crops to these centres instead of wasting their time in waiting for purchasers to come round. The cultivators could be share-holders of these Co-operative centres.

42. I do not think the cultivators are very much controlled now-a-days by their creditors in disposing of their produce. Most of the creditors here are indifferent as to whom the crops are sold so long as they get their money and their interest.

45. There are no banks in the district.

46. Regarding this question No. 46, it will be a long time before the cultivators can be taught any method of taking security. They would rather prefer to have their cash money for their crops immediately, because the amount of surplus stock sold by the each cultivator is not very much. The little money that they would get by selling this surplus stock is needed by them for food, clothing, charity and amusement. Even if the co-operative sale centres are established, the cultivators would immediately need the bulk of the money for their crops. Such sale centres need only be established for the paddy crops.

47. The commercial quantity of the crops grown in the district is small and so there is no advantage for any bankers to do business in the district. The annual income that comes from outside for the produce of the district amounts only to about Rs. 3 lakhs, and this income is scattered all over the five townships of the district.

*Sandoway District.*

40. (1) Paddy.  
 (2) Cultivators themselves sell retail.  
 (3) (a) Generally by local dealers and agents of distant buyers.  
 (b) Some raise loans and a few by discounting hundis.  
 (c) From local money-lenders, usually by executing mortgage deeds.  
 (d) It is not common to raise money by hundis.  
 (e) People generally are ignorant about hundis.  
 (f) Between 200 and 150 baskets.  
 (g) Immediately.
41. (1) No, they cultivate paddy as owners.  
 (2) Not many ; paddy by owners is cultivated.  
 (3) Answer not necessary.
42. No.
43. (1) Paddy ; No.  
 (2) No.
44. (1), (2) and (3) No such practice here.
45. No bank system here.
- 46 to 53. Not practised here.

*Pegu District.*

40. (1) The only principal crop in this district is rice which is both consumed near by and sent to a great distance.  
 (2) No. Through millers and traders. They get money by borrowing from money-lenders. The cash is paid to the cultivator on delivery at the threshing floor. The average cultivators sell at one time all the crop that they have decided to sell.  
 (3) (a) They are bought by local dealers as well as by dealers from other places and by brokers and agents of distant places.  
 (b) The dealers trade on their own money or raise loans, but they never get money by discounting hundis.  
 (c) The dealer usually take loans from the money-lenders on pledge of landed property or jewelleries at an interest of one rupee to one rupee eight annas per cent. per mensem.  
 (d) This question does not arise.  
 (e) The ignorance of the general public as to the use of hundis, and the nearness of this district to Rangoon.  
 (f) 300 to 1,000 baskets.  
 (g) On delivery of the paddy at the threshing floor.
41. (1) No. Rice. Some of them are owners and some of them are tenants. The remaining questions do not arise.  
 (2) The remaining questions do not arise.  
 (3) This question does not arise in this district.
42. No.

43. (1) No, during the last five years.  
(2) and (3) Do not arise.
44. (1) Railway receipt is the only such document used in this district.  
(2) None.  
(3) None.
45. Yes. The Committee have no changes to suggest.
46. (1) Any negotiable document will do, but the Committee feel that they are not in a position to suggest the exact form the document should take which may perhaps be left to the legal experts of the Government.  
(2) Yes. No further provisions would be necessary or desirable.  
(3) Yes.  
(4) Paddy. Railway Towns.
47. None.
48. (1) No.  
(2) It would.  
(3) None else in this district.  
(4) None as far as the Committee can see at present.  
(5) The Committee feel that they are not in a position to suggest the form of the warrant which may perhaps be left to the legal experts of Government.
49. The Committee regret that they are not in a position to offer any useful criticism on the matters referred to in this question.
50. (1) Yes, in the year 1923, but the scheme has turned out a failure after two or three years' trial.  
(2) The difficulty of obtaining the necessary finances at reasonable rate of interest.  
(3) This difficulty can be overcome by the increase of facilities for obtaining money at reasonable rate of interest.

*Tharrawaddy District (Zigbn Sub-committee).*

Marketing of Agricultural Produce.

40. (1) Paddy.  
(2) Cultivators sell retail.  
(3) (a) Yes, mostly through brokers of distant buyers.  
(b) By raising loans.  
(c) Chettyars.  $1\frac{1}{2}$  per cent. per mensem on landed and other valuable securities. Repayment generally within six months.  
(d) No.  
(e) Sellers prefer cash. Hundis therefore not used.  
(f) Entire yield by two sales on the average.  
(g) Cash on the spot.
41. (1) Crops generally sold in villages. No loans taken for marketing.  
(2) Some are compelled to sell earlier than they wish to. They are mostly paddy cultivators, both tenants owners. Generally they like to keep till Kason or Nayon (April or May) or four or five months after harvesting if they are not forced to sell early. If loans are readily available they will not sell their crops. By being compelled to dispose of their produce earlier than usual, they lose in an ordinary year anything from Rs. 20 to Rs. 50 per 100 baskets of paddy.

(3) Ready loans at cheap interest will relieve them from this difficulty.

42. No.

43. (1) Paddy and little gram. They have to borrow money to carry on their business by offering landed properties and other securities for the loans.

(2) Cultivators do not as a rule store their produce. If and when they do so they take loans from Chetties while the produce is stored.

(3) The produce itself is generally given as security for loans taken while it is being stored up. The produce has to be measured and stored up in the presence of lenders in godowns selected by them. The keys of those godowns are kept with lenders and the produce must be sold only in the presence of lenders and the money obtained from sales must first go to the lenders in repay of their loans. In short, lenders are the real owners of the produce and the speculator is a mere nominal owner without much control over the produce.

44. (1) to (3). These documents are not used in our locality.

45. Godowns kept by banks unnecessary. The present Chettiar system is quite safe.

46. (1) Warehouses not considered to be necessary.

(2) to (4) Not answered.

47. The Committee cannot advise on this point.

48. (1) No.

(2) Yes.

(3) Yes.

(4) If there is any one to cash such warrants there will be no drawbacks or limitations.

(5) No suggestion can be given.

49. We cannot advise.

50. (1) No.

(2) and (3) Cannot answer.

*Hanthawaddy District.*

40. (1) The principal crop is paddy.

After keeping sufficient for "wunza" seed and expenses of cultivation the balance is disposed of to brokers and sent to a great distance.

(2) No crops are consumed near by.

(3) (a) they are bought by Rangoon Brokers.

(b) }

(c) }

(d) }

(e) hundis are not used because the district adjoins Rangoon.

(f) if market is good the whole is sold, if not only enough is sold to meet expenses incurred on revenue, etc., and the rest retained in the hope of a better market.

(g) money is paid on the threshing floor at the time of purchase.

41. (1) No.

(2) They must only sell sufficient to pay land revenue. Paddy is cultivated and four-fifths of them are tenants. They would keep the whole crop about a month longer but for the pressure of land revenue

payments. The big cultivators sell a part the small men sell the whole as they cannot get a price for small amounts. It depends on the market rate how much they lose by selling early. They prefer to sell early if the market is good, but if it is bad they take loans for payment of revenue.

(3) Government should bring pressure to bear on the big millers to prevent them from keeping down the market prices during February and March. Land revenue is due on or before the 31st March and this is the latest date when they can safely keep their crop on the threshing floor : the action of the millers forces them to sell on a low market.

42. No.

43. (1) None.

(2) Yes, some of them store their own produce for sale a long time after harvest. They borrow from Chettiars or from owners of granaries in which their produce is stored.

(3) They do not give their produce as security for these loans.

44. Omitted.

45. There are no banks in this district.

46. (1) A transferable warrant prescribed by Government which would be as good as a railway receipt as the Chettiars and banks would then lend money on it.

(2) The Government should license and supervise the warehouses.

(3) Government should be ready to finance if required.

(4) For paddy ; in the bigger villages where communications and facilities of transport are favourable.

47. The agricultural produce must be in possession of the lender otherwise the security is not worth taking.—See the Beng Chuan case.

48. (1) The rice millers do not store paddy in this district.

49. The Sub-Committee agrees with the principle laid down in this question but is doubtful whether there is any hope of standard grades for the present owing to the many different variety of soils and the fact that so many different types must be used at present to suit the various soil varieties. The Sub-Committee hopes that when the Agricultural Department has had more time on research work in the district it may be possible to restrict types and standardise grades and when this has been done provision of storage in bulk should undoubtedly be provided for each standard grade.

#### *Insein District.*

40. (i) Paddy.

(ii) No. The answer to the other question is not known.

(iii) Not known with certainty.

41. (i) No. Mostly paddy. Mostly tenants : difficult to say.

(ii) Yes. Paddy. Owners mainly. Three months between Rs. 100 and Rs. 200 on an average. They prefer to sell early rather than take loans.

(iii) None.

42. Not known.

43. (i) Paddy. Yes. Land and rice mills.

(ii) Only for about 3 months by borrowing.

(iii) Not known.

44. No information is available to this Committee.

45. Not known.

46. Not known.

47. )

48. ) These are questions for Rangoon experts.

49. )

50. (i) Yes. Paddy sale societies.

(ii) *Nil.* Except a limit to the credulity with which many co-operative societies have so far been treated in the matter of loans.

(iii) Education and a general raising of the community's moral standard.

#### *Prome District.*

40. (1) The principal crop is paddy which is mostly milled in the district. The majority of the committee think that about 25 per cent. is sent to Rangoon. Tobacco is the next most important crop in the Shwedaung subdivision and is mostly exported.

(2) The paddy crop for local milling passes through the hands of brokers. The brokers are financed by the millers. The cultivator is paid on delivery of the paddy. The small cultivator sells from 50 baskets upwards at a time. The large cultivator sells up to a very large amount when price is good.

(3) (a) A purchase is made by local brokers,—generally on behalf of agents of distant buyers who come to the district for the purpose.

(b) Some brokers get their money from the miller in Rangoon. Some local dealers raise loans to purchase paddy for shipment to Rangoon.

(c) When local dealers take loans they take the money from the Chettiar on the security of the produce.

(d) Hundies are not used.

(e) Because it is not the custom.

(f) As much surplus as he has, provided the price is good.

(g) On delivery of the produce.

41. (1) Cultivators do not borrow money for this purpose.

(2) Most cultivators have to sell a portion of their produce early in order to pay taxes and wages. It is impossible to say how much longer they would keep this portion of their produce if not compelled to sell. They would probably sell it with the balance in February or March or later still in July. It might pay individual cultivators to enable them to hold up their produce until July, but if all cultivators were able to do this, the effect might presumably be to reduce the price in July. Each cultivator perhaps loses the difference in price of 50 baskets between January and March, say, half of Rs. 30, *i.e.*, Rs. 15.

(3) It is suggested that Government revenue demands might be deferred until later in the year, and that increased facilities for obtaining loans through some agency might be provided.

42. Not so far as is known.

43. (1) Paddy is stored by local dealers for sale at a later date. Loans for this purpose are taken on security of the paddy and of immoveable property.

(2) They store a portion of their paddy until about July. They carry on with the price obtained for a portion of the crop.



(3) Such loans are given by co-operative societies and are payable before the 31st March. A copy of the document used by the societies is attached.

Loans are also given by Chettiars on the security of stocks. A small loan is taken on the security of a quantity which the borrower is required to deposit in the first place ; and subsequent advances are made as the produce deposited is increased, up to a fixed limit. The Chettiar keeps the key of the godown until the loan is repaid, but the borrower is responsible for the insurance and incidental charges connected with the storage.

44. (1), (2) and (3) None in this district.

45. There is no reason why such a system should not be satisfactory. Insurance and incidental charges including the charge for shortage should be paid by the borrower.

46. (1) and (2) Omitted as being legal questions.

(3) Probably.

(4) For principal crops only, such as paddy, and for parts of the country where a very large portion of the crops is sent out of the district.

47. This is a matter for lawyers.

48. (1) It should be possible for a lawyer to devise a form of warrant which would serve the purpose.

(2) Yes.

(3) Yes, where crops are plentiful.

(4) There are no obvious drawbacks.

(5) Please see reply to (1) above.

49. (a) (b) and (c) In the opinion of the committee there is room for improvement, and for marked improvement, in the finance of marketing paddy without the restriction, etc., suggested. The restriction, etc., may be necessary before the full benefit of the improvement can be felt, but it should nevertheless be possible to improve at present.

50. (1) A scheme was proposed for forming a co-operative society for the purpose but it came to nothing.

(2) Difficulties would have been met in raising loan for the purpose.

(3) By provision of fresh sources of capital.

#### *Bassein District.*

41. (1) (a) There are few cultivators in this district who borrow money in connection with the marketing of their crops.

(b) They cultivate paddy chiefly.

(c) They are owner-cultivators.

(d) A few hundred rupees to pay land revenue, reaping and other cultivating expenses.

(e) The loans are taken generally from Chettiars and some-time from Chulia money-lenders.

(f) The loan is made on the joint security of immoveable property and the crop is and is repayable after the sale of paddy.

(2) (a) Yes.

(b) They cultivate paddy.

(c) Both owners and tenants.

(d) Three or four months.

(e) Generally all.

(f) Twenty to thirty rupees on a hundred baskets of paddy.  
(g) They have to sell early partly because they cannot get loans or they have no quantities for storage. They are unable to get loans.

(3) Joint Sale Societies financed by well established banks are suggested as is done in Upper Burma.

42. Cultivators who borrowed money are compelled by money-lenders to sell their paddy to the first broker who is available in their locality.

45. Undoubtedly such a system would help the cultivators but such a system appears to be absolutely impracticable.

46. (1) It is extremely doubtful whether any person of good reputation would build warehouses at suitable centres. The risk from shrinkage, destruction by rats, etc., is too great. The conditions which would be found necessary to impose would be to the disadvantage of the cultivator. The scheme is absolutely impracticable and would encourage rather than discourage litigation.

47. Does not arise.

*Myaungmya District.*

40. (1) Paddy. Both exported and consumed locally. Other crops unimportant.

(2) Paddy consumed locally—No. Local brokers and traders who either sell to millers or have the paddy milled and then sell to retailers. Part of the crop is obtained by local traders in payment of rents and advances made by them to the growers. Money to pay for the crop is in other cases obtained by borrowing. Cash is paid to the cultivators on delivery. Usually from 200 to 300 baskets.

(3) Ninety per cent. of the crop passes from the hands of the growers to the landlords or others creditors on account of rents, loans, etc. These landlords and creditors are usually the local dealers.

(a) All three.

(b) Generally raise loans.

(c) Local dealers borrow from Chettiars who usually demand land as security. About 90 per cent. do this.

(d) and (e) The use of hundis is not understood by the people.

(f) 200 to 300 baskets, *i.e.*, the whole of his surplus.

(g) On delivery.

41. (1) Rarely. Paddy chiefly. Both tenants and small holders. Loans if taken at all are usually taken from Chettiars, land being mortgaged generally. Tenants are rarely able to raise loans on account of having no security to offer. Interest is usually slightly higher (one or two annas per cent. per mensem) than in the rains because of the shortage of money at this time.

(2) Yes. Paddy. Both owners and tenants. Would wait for highest price obtained about June ; but lack of facilities for storing after March, difficulty of transport after the middle of May, and even with facilities for storing risk of theft. They sell all surplus early and lose about Rs. 20 on 100 baskets. They would prefer to take loans, but are generally compelled to sell because loans cannot be got.

(3) Properly organized markets and local granaries in which the crop can be deposited as security against loans taken. Joint sale by co-operative societies or similar associations.

42. Creditors, generally landlords, usually insist on paddy being sold to themselves and sometimes stipulate as to the size of the measuring basket to be used and the price to be paid. Cases have been found near Wakèma where the landlords, who are creditors, insist on the tenant growing a particular kind of paddy which gives the landlord the best profit in trade.

43. (1) Paddy. Yes. Land, mills, jewellery.

(2) No.

(3) No. Produce is not accepted as security except by Dawson's Bank. A copy of the "Declaration of Trust" and other papers which give the conditions are attached.

44. (1) None known.

(2) Does not arise.

(3) No suggestions.

45. Yes. The wider adoption of the system followed by Dawson's Bank should be encouraged. To be of real use there should be one godown in every three or four village-tracts at points where paddy is or can be shipped or transhipped into paddy gigs. The only disadvantage that can be seen in this system is that it entails extra handling of the produce in depositing it in and removing it from the granary. At present paddy is shipped at the nearest point to the threshing floor and is not handled again until it arrives at the mill.

46. (1) Warehouse keeper's certificate or wharfinger's certificate which should be negotiable.

(2) Yes.

(3) Yes.

(4) With regard to Myaungmya District, paddy and dried fish. The plan would be suitable for the whole district.

47. No.

48. (1) No reasons, provided that millers are subject to the same conditions as warehouse keepers.

(2) Likely to help greatly.

(3) Yes, to cotton, groundnuts, dried fish, oil-seed and jaggery in other parts of Burma.

(4) Nil.

(5) The Committee are unable to make any suggestions.

49. (a) The restriction of the kind of paddy grown to a small number of types would help the trade as the presence of numerous types each with its peculiarities is responsible for the present poor quality and low value of Burma rice.

(b) Standardised grading in each type would enable those who finance the marketing of paddy to estimate with some degree of accuracy the value of the produce. They could thus make advances on the produce with greater assurance.

(c) Provision for storage in bulk of standard grades is desirable because buyers can afford to pay better prices for large quantities of one grade than they can if the quantities are small and scattered. The experience of Canada with regard to wheat may be cited.

50. (1) Yes. Joint sales societies have been encouraged by the Agricultural Department for several years without success

(2) The members of the societies find difficulty in raising money for their immediate needs after harvest while waiting for their crop to be disposed of. They have no reserve to fall back on. Failure of Co-operative Societies in general and the poor progress of the movement in this district is not encouraging.

*Maubin District.*

44. (1) Receipts granted by shippers for agricultural produce shipped are used for borrowing money from millers in Rangoon. No other class of lenders will advance money on these Mate's Receipts.

(2) Omitted.

(3) Omitted.

45. Such a procedure would be unworkable. None.

46. (1) Simple Warehouse delivery orders.

(2) Supervision by Government and use of prescribed forms would be essential.

(3) No need.

(4) Paddy, groundnut, peas, tobacco, catch, cotton, chillies, onions, potatoes, sesamum and sesamum oil.

47. Omitted.

48. (1) There is no reason why rice-millers should not issue transferable warrants as suggested.

(2) Yes.

(3) Yes : to sesamum, groundnut, cotton.

(4) No drawbacks or limitations can be foreseen. The practice already prevails in one or two towns in the Delta.

(5) Name of mill, firm or Company.

Place.

No.....

Date.....

Deliver to.....or bearer

the goods specified below—

Date of receipt of goods.	Nature of goods.	Quantity or weight.	Charges on account of storage millage.	
			Paid ...	To pay ...

*Signature*.....

49. (a) Restriction of types not feasible as a cheap rice is required by labourers for their own consumption, (b) but for purposes of export grading of paddy should be standardised for the benefit of the general market. (c) Large exporters have ample facilities for handling grain for export in bulk.

50. No.

*Pyawon District.*

41. (1) The Committee interpreted the term "marketing" as holding on to the crop until the most favourable opportunity arrives for disposing of it. Few cultivators proper are in a position to take loans for marketing as thus defined. Those who do take loans in this

connection are almost invariably landowners. The ordinary cultivator has to dispose of his crop on the threshing floor. A tenant is not in a position to wait for a good price. Loans for marketing are usually taken from Chettiers. Such loans would have to cover the following expenses :—

- (a) The payment of land revenue ;
- (b) Advances to tenants ;
- (c) Expenses of any transplanting that may become necessary ;
- (d) General expenses of cultivation.

This type of loan is a hypothecation of paddy in the granary.

(2) Many cultivators are compelled by lack of money and pressure by creditors to sell their produce earlier than they otherwise would. The main crop cultivated is paddy. About 70 per cent. cultivators proper are tenants and 30 per cent. are owners. If their circumstances permit it most cultivators would desire to hold on to their paddy for two to four months after harvesting till the rainy season opens. Such cultivators as are in a position to hold on to their paddy sell half the crop early and reserve only the other half. Prices of paddy being subject to fluctuation it is impossible to estimate the loss sustained by the cultivator from having to sell his paddy on the threshing floor.

(3) The cultivator proper, as has been remarked above, is not usually in a position to get a loan to enable him to hold on to his paddy. Consequently he has to sell his paddy from the threshing floor almost invariably. It is difficult to see how he can be assisted.

42. Excluding the case of advances to tenants made by the owners we may say that creditors very rarely control borrowers regarding the disposal of their paddy. Naturally the creditor prefers the borrower to sell his crop early so that the borrower may at an early stage have ready money to repay his loan. In the case of owner and tenant, the tenant is absolutely bound with regard to the disposal of his crop.

45. It would be advantageous both to the banks and to the debtors if there were a system in which banks kept in their godowns crops upon which their advances had been made. The security is thus in the bank's possession. There is no fear of breach of contract. The debtors, on the other hand, who possessed no godowns would have a chance of storing their paddy until favourable prices prevailed.

The debtors should pay all cooly charges. He should also pay a fixed amount, say Rs. 3 per 100 baskets of paddy. The charge for godown storage should not depend on the period of the storage. The godown should have different compartments for different classes of grain. Paddy should be measured on the premises ; the same measuring basket should be used throughout. For every 100 baskets of paddy there would be a wastage of 1 basket in the first month, 2 baskets in the second and third months, 3 baskets in the fourth month and the same in every month up to the tenth month. This wastage should be deducted from the amount of paddy stored. The bank should be held responsible for any extra wastage, or in the alternative the whole compartments of the godown should be leased out and the charge made would be according to the capacity of the compartment. The deterioration in the quality of paddy stored arising from any cause whatever should be the owner's risk and not made chargeable to the bank.

46. (1) The documents necessary would be :—(a) warehouse-keeper's certificate ; (b) warrant of goods (negotiable) ; (c) Fire Insurance policy.

(2) The Committee was of opinion that a system of Government licensing and supervision with forms of documents prescribed by Government would be highly expedient but not absolutely necessary. The Committee felt that once a system of licensing and supervision was introduced unlicensed warehouses would be unable to compete with licensed warehouses. As regards licensed warehouses the Committee felt that the supervision exercised by Government should be close and strict and the licensed warehouse-keeper should be placed on security. Every licensed warehouse should be insured against fire.

(3) The best course of action for Government would be to erect and run model warehouses at suitable places.

(4) As far as this district is concerned warehouses would be for paddy. Warehouses should be established at every township headquarters.

47. In the opinion of the Committee no other methods but that suggested in the reply to question 46 could be devised of arranging for agricultural produce to constitute a security satisfactory to indigenous and other bankers.

*Thatôn District.*

40. (1) The undermentioned principal crops of Thatôn District are consumed near by—

- (i) Sessamum.
- (ii) Coconuts and other fruits such as marayan, pineapple, mango, mangostine, guava and jack.
- (iii) Vegetables including drumstick, peas, pulses and chillies.
- (iv) Tobacco.

The undermentioned principal crops of the Thatôn District are sent to a great distance :—

- (i) Paddy and rice.
- (ii) Betel.
- (iii) Betelnut.
- (iv) Sugarcane and its product called Kyanthaga.
- (v) Durian and tanyin fruits.
- (vi) Rubber.

(2) In some cases cultivators themselves sell retail and in other cases petty traders sell retail.

The money required for this petty trade is not much and so the traders generally can manage to save it for the purpose. The cash is to be paid generally at the time of the delivery of crop.

The crops are sold in various quantities at a time-ranging from a few pice worth to about five rupees worth.

(3) (a) The crops are bought by local-dealers, dealers from other places, and brokers and agents of the distant buyers.

(b) Some traders trade on their own money and some on borrowed money. They do not get money by discounting hundis.

(c) The dealers commonly take loans chiefly from Chettiars and other Indians and also from some wealthy Chinamen and natives of Burma. The rate of interest vary from Rs. 1-4 to Rs. 3 per cent. per

mensem. Personal security is accepted in case the money is lent on an on demand note and in other cases either moveable property is to be deposited as security or immoveable property is to be mortgaged as security.

(d) The dealers do not commonly raise money by hundis.

(e) Most of the dealers do not know about hundis and some who know about them are discouraged by the delay in getting money at the time of their presentation.

(f) In case of paddy—About 200 or 250 baskets.

In other cases, it is difficult to make a definite statement.

(g) The crops are to be paid for generally at the time of delivery and in some cases cultivators have to wait some time from a few days to a few months to get the money when dealers cannot pay cash down at once.

41. (1) The answer to the first question is in the negative.

(2) The first question is answered in the affirmative. Mostly they cultivate paddy crop. In Thatôn and Kyaikto Subdivisions and in Pa-an Township of Pa-an Subdivision of this district about one-third would be owners and two-thirds tenants of their land. They would keep their produce one to three months to obtain better prices. Mostly they sell all except *wunza* and seed grains.

They lose from Rs. 10 to Rs. 30 on every 100 baskets of paddy by having had to sell it earlier. They prefer to sell it early rather than take loans, because paddy gets dry and loses weight when kept longer, the rate of loss by dryage being two per cent. when it has been kept one month and three per cent. when it has been kept more than three months. The rise of price is uncertain and they will have to pay interest on loans if they take them.

They have been unable to get loans during the past two years on account of tightness of money. They cannot afford to remain in the kwins long owing to want of water and on account of robbers.

(3) Owing to the absence of competition of buyers from other countries, the prices of paddy and rice were low during the harvest seasons of the past two years.

Most of the local paddy traders of this district have to deal with big rice mills in Moulmein. During the past two years it is reported that only one firm, *i.e.*, Steel Bros. & Co. at Moulmein bought paddy and rice from traders of this district. As no other firm at Moulmein bought paddy and rice from traders of this district, Steel Bros. & Co. could even compel the trader to sell their rice to them at an enhanced capacity of baskets, *i.e.*, at 75 lbs per basket though the firm in Rangoon bought rice at 72 lbs per basket. From this it will be seen that the traders of this district lost three lbs. on every basket of rice sold to the Company at Moulmein.

To make up this loss traders must try and get paddy at cheaper rates from the cultivators. Consequently cultivators suffered loss considerably. To assist the cultivators to be able to sell their crops early at good prices, Government should try its best to break up the combination of the big firms. Only when there is no such combination there will be healthy competition of buyers during the harvest season as in olden days. Government should also pass an act regulating standard weight of a basket of paddy and rice to be adopted throughout Burma. Seventy-two lbs. should be the standard weight per basket of rice.

Burma being an agricultural country the cultivators are the mainstay of its population. Only when the cultivators are prosperous, traders and others also can be prosperous.

During the past two years the banks did not lend out money to the Chettiars during the paddy season and so the Chettiars could not lend out money so largely as before to traders. The result was that paddy trade became dull. If the banks do not lend out money to Chettiars, Government should lend out money on good security to traders during the harvest season. This will assist the cultivators indirectly to be able to sell their crops early and profitably.

42. Such cases of control are rare. A few rice mill-owners who own paddy lands are able to control their tenant-debtors to sell the produce of the land they cultivate to them at current prices.

43. (1) Paddy and rice.

Most of the dealers commonly borrow money to carry on the business. They give personal security or moveable or immoveable property as security.

(2) Only those who can afford to do so without taking a loan from others do so. This class of cultivators would be only about 5 per cent in this district.

(3) Those who store paddy or rice in rice-mills can get loans from the mill-owners on security of their produce on interest at Rs. 1-4 to Rs. 1-8 per cent per mensem. Some local mill-owners give the cultivators or traders only a simple receipt of the produce stored giving particulars as regards the kind and quality of the paddy or rice and its quality and lend the required money on on-demand note to the owner of the produce that has been stored.

Some mill-owners buy paddy on credit from cultivators or landowners on the threshing ground, promising to pay on it at a current price in a future month during the year.

In such cases also the mill-owners give them only receipt for the paddy. The sellers demand for payment of the money, when the price of paddy has risen to the amount which they consider to be a proper price. The mill-owners pay the money as promised and the business is settled in this way.

44. (1) The use of such documents for borrowing money is not known in this district.

(2) and (3) In view of above, these questions do not arise.

45. I think that it would be satisfactory.

I do not suggest any change.

46. (1) They would need to give to persons who stored produce with them, documents acknowledging receipt of the particular type of produce and its quantity and promising to deliver the same to the storers or order, i.e. the documents should be made negotiable.

(2) I do not think that Government would be able to effectively supervise warehouses without extra taxation on the people and so I think it would be quite sufficient if Government prescribe the forms of the documents as indicated above.

(3) The answer is in the negative.

(4) In the district the plan appears to be suitable for the paddy only. The suitable centres for construction of warehouses would be along the railway line and at the sea-ports in Thaton and Kyaihto Subdivisions and along the river-banks in Pa-an Subdivision.

47. No.



48. (1) No reason can be given.

(2) It will not help it in case paddy is stored in big mills whose owners can control the paddy market by their combination to keep it down.

(3) No.

(4) Question does not arise.

49. (5) *Vide* answer to No. 46 (1).

49. (a) We do not think it quite possible to restrict the kind of paddy grown to a small number of types in this district because conditions of holding of land their soils are different; cultivators are obliged to cultivate only those types of paddy that are suitable to their respective holdings. Even in one holding it is necessary to cultivate two types of paddy. Success of the crops is more important to the cultivators than the improvement in their marketing.

49. (b) and (c) These improvements may be possible where paddy grown can be reduced to a small number of types.

50. (1) No.

(2) We would suggest the Provincial Banking Enquiry Committee to put this question to the Imperial Bank if they would be pleased to lend money to such societies or associations at usual rate of interest on good security. If they would do so, there can be no difficulties to be met in getting money.

(3) If the banks would not care to lend money to them the difficulty can be overcome only in one way, *i.e.*, Government should lend money to the Societies or Association on good security.

*Thalton District (Pa-an Sub-committee).*

40. (1) Shangale crops consumed.

Ye-haing, Kalagale, E-Kre and Kauk-kyi are sent abroad.

(2) No.

Through the hands of local dealers.

By loan or by advance received from millers.

About 50 per cent.

(3) (a) Yes.

(b) Yes.

(c) Loans from other persons on interest.

Advance from millers on discount—moveable and immoveable properties.

(d) None in practice in this locality.

(e) As the practice is unknown.

(f) Fifty per cent.

(g) At the time of sale or on return trip.

41. (1) Rarely. See answer to question No. 40 (1).

(2) Not generally—there may be few instances.

Ordinary crops.

Both.

Generally up to the beginning of the rain—ordinary crops.

Winter crops till September.

Prefer to sell as early as possible.

Loss or gain depends on fluctuation of paddy market.

(3) None to vary the existing custom which works peacefully and harmoniously.

42. Nil.

43. (1) Generally Kauk-kyi and Yahaing. Yes. Paddy storage.  
(2) Seldom. By loan.  
(3) Yes. Generally by executing a pro-note.
44. No railway—no knowledge.
45. Yes. Satisfactory.
46. (3) Yes.  
(4) For agricultural produce [especially paddy. One in each headquarter of the township.
47. No.
48. (1) There is no reason to prevent it.  
On the contrary it is a boom to agriculturists.  
(2) Yes.  
(3) Yes. Those that are not subject to speedy decay.  
(4) None.
49. To achieve improvement in the finance of the marketing of paddy it is indispensably necessary to restrict the kinds of paddy and standardized grading so as to differentiate from inferior quality. Provision for storage in bulk of such standard grades is also invariably required so that the producers can retain the produce for a longer period. The earlier the disposal the lower the price.
50. (1) Nil.  
(2) Lack of knowledge, sympathy and confidence would be the difficulty.  
(3) The change of executive members yearly and the restriction of those who are retiring not to be eligible for re-election in the succeeding one year.

*Thalon District (Kyaikto Sub-committee).*

40. (1) Paddy and sugar-candy are both consumed in district and sent to a great distance.  
(2) No. Sold to traders. Either from their own money or from money-lenders. Just after the sale is transacted. One hundred baskets at one time.  
(3) (a) Bought by both the local dealers and others.  
(b) Some trade on their own money and some raise loans.  
(c) From chetties at varying rates of Rs. 1-8 to 2-8 per cent. per month. Usually no security is taken.  
(d) No.  
(e) None known.  
(f) One hundred baskets at least.  
(g) Soon after the transaction of business.
41. (1) Yes. Paddy and sugar-cane. Some are owners and some tenants. Varying from Rs. 500 to Rs. 1,000. Mostly from chetties. No.  
(2) No. Paddy and sugar-cane. Some are owners and some tenants. The remaining questions do not arise.  
(3) No suggestion.
42. No.
43. (1) Rice. Yes. Security of the property they own.  
(2) No. The question does not arise.  
(3) This question does not arise.
44. (1) Railway receipts.  
(2) Yes. No suggestion.  
(3) No suggestion.

45. No. No suggestion.  
46. 47, 48 & 49. None known.  
50. (1) Yes. (2) Difficulty in getting members to form association owing to general depression of trade.  
(3) No suggestion.

*Toungoo-District.*

41. (1) Principal crops consumed near by:—Paddy, beans, peas, tobacco, chillies, onions, sugarcane, vegetables, betelnut. Sent to great distances:—Paddy, beans, peas, tobacco, chillies, groundnut.

(2) In almost all cases the cultivator sells to middle-man, such as village stall-keepers, brokers, traders. These people use their own money and also borrow from Chettyar firms. Cash paid immediately or a few days after delivery of goods.

(3) (a) Same answer as (2).

41. (1) No.

Same crops as those mentioned in 40 (1).

They are almost all tenants.

(2) Yes.

Same crops as mentioned in 40 (1).

Almost all are tenants.

In case of paddy up to the end of Buddhist year, *i.e.*, about the middle of April.

In case of Kaing-crops, such as tobacco, beans, chillies, etc.,—the harvest is over only towards the end of May and they would like to keep till the middle of June.

In almost all cases, they have to sell all that are left after paying debts, rents, cattle hire, etc.

The market is lowest at harvest, *viz.*, 15th December to 15th February for paddy for obvious reasons. The price goes up gradually 5 to 10 per cent. at least in the course of two months.

Similarly the price of Kaing crops goes up gradually from 15th May to 15th July, *e.g.*, the price of good Shwegyin tobacco starts at Rs. 50 per 100 viss at harvest—and by the middle of July it will be Rs. 60, *i.e.*, 20 per cent. increase.

They would prefer to hold on for a month or two if they can get loan at reasonable rate of interest, say Rs. 1-8-0 per cent per month, but they cannot get loan as the loans taken by them for cultivation have not been repaid yet.

(3) By forming Banks and Co-operative Societies (b) by changing or extending the time for collecting land revenue and capitation tax.

The Township Officers are very energetic in collecting the taxes due. Some take very drastic measures.

42. Yes, in some cases. Most cultivators received loans for cultivation and household expenses throughout the year from the money-lenders, mostly their landlords who can expect to get them back only at harvest. In order to safeguard their interest, the lender told the cultivators not to sell to others but to themselves at the same price. The practice is not common and no hardship is caused to the cultivator.

43. (1) Paddy, tobacco, beans, peas, chillies, etc.

Yes, they have to borrow money. They offer whatever security they have, land, house, jewellery, personal.

(2) No. They cannot.

45. Yes.

46. (1) The documents needed are those mentioned in section 108 of the Indian Contract Act.

46. (2) Yes, it would be better at first that the warehouses should be licensed and supervised by Government.

(3) Yes.

(4) Paddy, tobacco, beans, peas.

47. No.

#### Commissioner, Magwe Division.

40. Sesamum is one of the most important exports of this division. A great difficulty in connection with it is adulteration of the oil. It is probably adulterated by the person who expresses the oil, and there is further adulteration as the oil passes from one dealer to another. It is practically impossible to obtain pure sesamum oil in Lower Burma and substitutes are taking its place. One of which I hear a good deal is called *nga gale hsi* and is, I believe, an importation from India. Its composition is not known.

Cattle breeding is carried on almost throughout the plains districts of the Magwe Division. There is great difficulty in finding a market. Cattle from Thayetmyo are driven down through Prome. From other districts to some extent from Thayetmyo they are sent down by Irrawaddy boats or on rafts. But it takes time to find a market and owners are very much in the hands of the people they employ as selling agents. I do not see how matters can be improved. But the surplus cattle which almost every cultivator owns are reserve which carries him over a bad agricultural year and if selling arrangements could be improved, immense benefit would result.

49. The export of paddy to Lower Burma is not important. The irrigated areas of Minbu can grow almost any kind of paddy but when irrigation is uncertain *mogaung* paddy is grown, the variety planted must be shortlived, otherwise, with a 30-inch rainfall it stands small chance of maturing.

#### Thayetmyo District.

40. (1) The following principal crops of this district are consumed nearby :—paddy, sesamun, chillies and onions.

The following are sent to a great distance :—sesamun, cotton and tobacco.

(2) Yes.

To some extent, but generally these crops pass through the brokers and local traders before reaching the consumer.

These brokers and local traders get the money by borrowing or get advances from some big traders in Prome and Rangoon.

The cash is paid to the cultivator on the delivery of the crops.

The extent of the sale of such crops by an average cultivator at one time depends on the market.

(3) (a) They are bought by local dealers as well as by dealers from other places and brokers or agent of distant buyers.

(b) A few of the dealers trade on their money but some of them raise loans. Dealers from other places and brokers or agents of distant buyers get money by discounting hundis.

(c) The dealers commonly take loans from the chettiaras as well as from the local Burman money-lenders, generally at fair rates of interest, on condition that they agree to store the crops at the places approved by the money-lender and that the keys thereof are to be entrusted to them. The dealers in certain crops, such as cotton and sesamum, receive loans from the mill-owners in the district on pro-notes with interest which however is not devised when the crops are only supplied.

(d) Hundis not common.

(e) Hundis are not much used as there are few Chettiar firms the business of which is much limited.

(f) About half.

(g) On delivery of the crops.

41. (1) Few cultivators in this district borrow money in connection with the marketing of their crops.

They cultivate cotton, tobacco, sesamum, chillies and onions.

They are mostly owners of the land they cultivate.

They usually take such loan as is just sufficient to defray expenses.

These loans are taken from local money-lenders.

When the price offered in the locality is considered to be much below the price prevailing in other places the cultivator takes from local money-lenders a small loan sufficient to cover the expenses of transporting his crops at the usual rate of interest on condition that the loan is to be repaid on the return trip.

(2) There are not many cultivators in this district who are compelled by pressure by their creditors to sell their produce earlier than they otherwise would. But there are many cultivators who are compelled by lack of money to sell their crops in order to pay land revenue and capitation-tax. The same crops as have been mentioned in the answer to question 41 (1) above, are cultivated by them.

They are owners as well as tenants of the land they cultivate.

Generally they would keep their produce for about three months if not so compelled to sell.

They do not sell all their crops early : they sell only a part.

By this they lose about 15 to 20 per cent. in an ordinary year.

They prefer to sell early rather than take loans. A majority of cultivators are unable to get loans.

(3) Co-operative credit societies run on the sound lines would assist cultivators in the matters referred to above. But it is feared that it would not be possible to open co-operative credit societies as the existing societies in the province are in bad odour.

42. Yes. There are many cotton cultivators who are so controlled for taking loans from people employed by the cotton mills in the district. They are required to sell to these people at the price current at the time of sale.

43. (1) Cotton, tobacco and groundnuts are stored by local dealers or millers for sale after some time. These dealers commonly borrow money to carry on this business on the security of the produce they store.

(2) Cultivators in this district are poor, working small plots and do not therefore store their produce for sale a long time after harvest.

(3) The crops are kept in the godowns approved by the lender. The key of the godown is kept invariably with the lender who regulates the quantity to be sold at a time. No copy of such loan document available. Storing of produce by local dealers is rare.

44. (1) Borrowing money on such document is not known in this locality.

(2) and (3) do not arise.

45. Yes, provided the bank issues a warehouse-keeper's certificate to the owner of the goods. To safeguard the bank every advance or loan made by it to the owner of the goods should be endorsed on such certificate to show that the bank has a lien on the goods to the extent specified therein.

46. (1) A transferable warehouse-keeper's certificate or any other document of like nature acknowledging receipt of goods stored as well as liability to make over delivery to a holder in due course.

(2) To prevent dishonest practices by warehouse-keepers we think it desirable that the warehouses should be licensed and supervised by Government and that the form of document should be prescribed by Government.

(3) Government's financial assistance in constructing and working the warehouses by indigenous races would be really helpful.

(4) The plan would be suitable if warehouses are established at the riverine township headquarters in Thayetmyo District for the following produce : Cotton, tobacco, chillies, onions and groundnut.

47. If the warehouse-keeper and the indigenous or other banker mentioned in this question be one and the same person then the answer to question No. 45 applies. If, however, the indigenous or other banker and the warehouse-keeper are different persons the warehouse-keeper's certificate should specify the extent of the banker's lien on the agricultural produce in questions, a duplicate of the certificate being delivered to the banker by the warehouse-keeper. It should be made a condition that the produce is stored in a warehouse approved by the banker.

48. (1) No reason.

(2) Yes.

(3) Yes to cotton, groundnut, sesamum, tobacco and onions.

(4) Dishonesty and insolvency on the part of the miller are the drawbacks while the development of such a business will be limited by the consideration of the good reputation and credit of the miller.

(5) The following form of warrant is suggested:—

“ Transferable warrant issued by . . . . .

“ I hereby acknowledge the receipt of . . . . . baskets (or viss) of . . . . . from . . . . . for storing (or milling) and undertake to deliver the same on production of this warrant.”

49. (a) The statement is true but it is difficult to grow the same kind of paddy over a large area owing to the difference in soil, unevenness of the ground and uncertain nature of rainfall. Most of the cultivators in the district are still following the primitive methods of cultivation with the antiquated ideas of their forefathers still strongly implanted in them. It would be better if the Agricultural Departments after due local investigation and experiment, advise the cultivators in the locality to select certain few types of paddy suitable for the locality and then the number of types of paddy will be appreciably reduced, for it is considered that with proper demonstration and explanation cultivators can be induced to take up the advice of the Agricultural Department expert.

(b) and (c) The statement is quite correct especially in its application to the foreign market. Once the restriction of the kinds of paddy to a smaller number of types is effected it will not be found difficult to bring about a standardized grading in each type nor would it be difficult to provide for storage in bulk of each standard grades. At present although each cultivator keeps each kind of paddy separately it is found impracticable for the trader to keep all these kinds separately.

50. (1) No.

(2) The people have lost faith in co-operative credit societies on account of recent failures and it will be difficult to get new societies formed in the near future.

(3) By educating the people on co-operative lines

*Magwe District.*

43. (1) Paddy, groundnut oil and sessamum oil are stored by some local dealers. Most of these dealers borrow money to carry on this business. Gold, jewellery and immoveable property are generally given as security for loans.

(2) About 3 per cent. are able to store their produce for some time after harvest. They do not borrow money, but carry on by selling small quantities of their produce to meet current expenses.

(3) Produce is sometimes given as security by dealers only. The produce is locked in godowns the key of which is in the hands of the lender. Some times, documents are executed. Copies of documents are not available.

44. (1) *Mates* and railway receipts are used sometimes as security for loans.

(2) The difficulty is that the lender must some times have an agent at the place where the loan is taken. Every money-lender cannot be induced to give credit on such documents. This difficulty can be removed by amending the law and making them negotiable.

(3) Not known.

45. *Omitted.*

46. (1) A receipt similar to a *mate's* or railway's.

(2) The receipt mentioned in sub-paragraph (1) should be negotiable.

(3) Government's assistance in construction and working the warehouse would be needed at least at the start.

(4) For paddy, groundnut, groundnut oil and sesamum oil at the bigger trade centres such as Magwe and Taungdwingyi in the Magwe District.

*Mandalay District.*

40. (1) Small quantity of paddy and beans are consumed nearly but the rest are sent to Rangoon.

(2) Sold to traders and millers through brokers to such quantity as to cover their immediate needs at market rate.

(3) Beans are generally to a great distant place.

(a) Yes.

(b) Their own money, loans or hundis.

(c) They borrow from Chetties on security of gold and diamond at a rate rising from one and a quarter to two per cent.

(d) Omitted.

(e) Only traders from distant places used hundis. Local men do not use them.

(f) As much quantity as to cover their immediate needs.

(g) In most cases in cash but in some a few days' credit.

41. (1) Already answered.

(2) The cultivators being pressed by money-lenders have to dispose of their crops earlier than the time when they should.

Whether they are landlords or tenants has been answered in question (6).

They will hold up as long as others. Almost they reaped have to be given up to *pe-be*, *saba-pe* and other money-lenders. No one likes to sell his crops early. Among them may be included people who cannot raise loans.

(3) The remedies are as follows :—

To organize societies and banks lending money on the security of crops as well as what has been suggested in answer to question 10; that Government should postpone collection of loans to Co-operative Societies by accepting security of crops.

42. It was heard of years ago but not now.

43. (1) Not much heard of.

(2) Some store up and those who can store do not find difficulty in securing loans when they want.

46. (1) It is necessary to organize storage societies —

(1) either under Co-operative Societies Act or (2) by such societies should be negotiable (it is learnt that such system works successfully in Canada).

(2) In the beginning Government should treat them and later they can run their business like Co-operative Societies.

(3) Yes, it is necessary.

(4) They should be organized along the railway and waterway places where people who can manage may be found.

47. Some Co-operative Societies and Companies issue loans on the security of goods; some traders and brokers agree to sell during a certain period at market rate.

49. (a), (b) and (c) Willing to support any measure to improve the finance of the marketing of paddy.

50. (1) Societies had once been organized under Co-operative Societies Act.

(2) (a) Necessary funds can be raised.

(b) Cannot compete with Joint Stock Companies.

(c) Cannot dispose of quickly.

(3) (a) To enable to raise loans on the security of goods.

(b) To organize wholesale societies at the seaport towns or agency society and a body of agents or the Companies should assist to maintain permanent relations between the produce and the consumers.

*Deputy Commissioner, Mandalay.*

42. If a cultivator has borrowed money on the security of his crop he is controlled by his creditors as to the disposition of his crop.

45. This is in effect the system upon which joint stock banks work. I have no change to suggest.



46. (1) The system indicated is well known in some countries and adequate safeguards have presumably been invented.

(2) I am not competent to advise.

(3) No.

(4) For storable produce near river ports and railway stations.

47. I am not competent to advise.

*Kyaukse District.*

44. (1), (2) and (3). The practice of *Tansabaung* is not in vogue in this district.

45 and 46. The committee has not much experience in this matter and cannot give their opinion. But it desires the Government to introduce a scheme (something like the Egyptian scheme of loans on the security of cotton) for the crops mentioned to paragraph 43 (1).

48. (1) to (5) The committee does not agree to introduce this scheme as the cultivator will find that the value will be lowered, and the scheme will not be popular among cultivators.

49. (a), (b) and (c) The committee does not wish to comment but agree to the statement.

50. See answer for 914.

*Remarks by the Deputy Commissioner.*

44. I have no experience of this practice.

45. (1) There is not much storage in this district. Crops after sale to hills are milled and mostly sent to Shwebo or Myingyan for consumption. There is no reason why crops should not be kept temporarily in bank godowns if the bank has a competent business manager.

46. (1) Goods stored are presumably not sold in good faith by the storer unless they have been sold to him or he is authorized to sell them. Either a sale deed or power to sell on behalf of the owner would be required.

(2) I doubt whether the small cultivators would like to bring their produce to such godowns whether run by Government or not godowns owned by private individuals would probably be run more economically, but if cultivators brought their produce to such godowns they would fall very much into the power of the owners. I prefer the idea of state ownership of such godowns, but Government agency in this province is scarcely efficient enough to do the work.

(3) See above.

(4) In this district paddy, chilly, onions. Indian corn and various types of groundnut are the main crops.

47. Under present arrangements crops form a satisfactory security for indigenous bankers and money-lenders. Joint stock working on European lines have seldom enough local money on crops direct, and I can suggest no practical way of their doing so.

48. (1) The cultivator prefers to get his money at once, rather than a document on which he cannot afford to sue.

(2) Very doubtful.

(3) Other products are not milled.

(4) The lack of commercial education amongst the cultivators.

(5) Omitted.

49. (a) This is certainly desirable but can only be done by education and persuasion of cultivators over a number of years.

(b) Standardization is impracticable until (a) has been carried out.

(c) Existing godowns appear suitable when grading is established.

50. (1) Yes, but it was a failure from the start.

(2) Depositors found the management of society was not such as to command confidence, and money was not forthcoming.

(3) By improving educational facilities and forming a class of reliable managers and committee members.

*Myingyan District.*

40. (1) Maize, lu, millet and paddy are consumed near by, while cotton, groundnut, tobacco, sesamum and various kinds of beans are sent to a great distance.

(2) Crops are not sold by cultivators in retail.

Generally they are not through traders.

They got the money chiefly by borrowing.

Cash is paid on delivery of goods.

Usually the surplus crop is sold out in one lot by an average cultivator.

(3) (a) Chiefly by dealers from other places and agents of distant buyers.

(b) Some dealers by raising loans and some by discounting hundis.

(c) From the Chettiar firms and from the Imperial Bank of India, Ltd. From the Chettyar firm, no period for repayment is fixed ; with the Imperial Bank, the period is usually three months.

The Imperial Bank would charge 12 annas interest per month per Rs. 100, while the Chettiar firms would charge Rs. 1-12-0 interest.

Loans are usually given on personal security by the Chettiar firms, while the Imperial Bank takes gold and goods as security for the loans.

(d) With the Imperial Bank, the money has to be paid immediately after the presentation of the hundis ; but with the Chettiar firms, some two or three days' grace is given. As an additional security in the case of a Chettiar's firm, the bill of lading has to be deposited with him, and this bill of lading together with the hundi is sent on to his agent at the destination.

(e) Hundis are not much in use because the dealers often find it more profitable to dispose of their goods locally.

(f) They are sold out in two or three lots if they can afford to wait; but in the case of those who cannot wait, they are sold out in one lot.

(g) Money is usually paid at the time of delivery of produce. But poor cultivators have to accept advances before the crop is harvested.

41. (1) Cultivators generally do not want money for marketing their crops. Usually they are sold in their own villages to traders and brokers.

(2) Many cultivators are compelled by lack of money to sell their produce earlier than they otherwise would. This applies to all the principal crops grown here. Mostly they are tenants. They would wait for three more months if they are not compelled to sell. They would sell only a part early. By having to sell early their income is likely to be reduced by one-fourth per cent. They prefer to sell rather than take loans on account of heavy interest. They are obliged to sell as they are pressed by the creditors. There would be no question of

raising further loans, as in many cases, there would be very little left for the cultivator to meet the creditor's demand.

(3) To tide over the difficulties some arrangements by which the cultivator can get money to meet urgent demand by way of advance before his crop is actually sold seems necessary. They would perhaps involve storing of crops in godowns before they are sold. After deducting the necessary charges, the money obtained by the sale of different crops from different people can be distributed.

42. There are cases where the cultivators agree to sell all their produce to the creditors at the market value.

43. (1) Cotton, sesamum, beans, tobacco, groundnut, chillies and onions are sometimes stored by local dealers or millers. Yes, they have to borrow money for such business. Loans are usually given on the security of gold and buildings. Sometimes they are advanced on the security of goods stored.

(2) Cultivators who are also traders may keep their produce for, say, a period of three months. These are usually well-to-do people who need no outside help.

(3) No special form is used for this agreement. Ordinary stamp papers are used. The creditor takes delivery or keeps the produce in deposit with him by taking over the key to the godown where the produce is stored. The key together with the godown is handed back to the owner after the loan has been repaid.

44. (1) Only railway receipts are used for this purpose.

(2) No difficulties are experienced in the use of these receipts.

(3) No other documents are known. As the advantages of any other types of documents are not known here, the use of any other documents cannot be suggested.

45. This system is widely in use and is satisfactory. No changes are necessary.

46. (2) We consider that such system would not be practicable.

(3) Unless the Government manage the warehouses themselves, people are not likely to have confidence in private persons. If Government take up the business, a simple receipt representing the goods might serve the purpose.

(4) Cotton, groundnut and various kinds of beans would be suitable. Township headquarters might be used as centres.

47. No other suggestions.

48. (1) There is no reason why a transferable warrant should not be issued.

(2) Yes.

(3) It could be applied to cotton, groundnut and sesamum.

(4) Such a method is not adopted for want of experience.

(5) The warrant might say that the goods would be delivered to the person named in the warrant, or to its endorsee.

49. (a) (b) & (c) As this is not a paddy-producing district, this question is omitted.

50. (1) No scheme for forming co-operative societies has been proposed here. As the cultivators can get ready market in their own places, the necessity for co-operative marketing is not felt by them.

(2) For want of confidence it is not easy for these societies to raise loans.

(3) Encouragement should be given to better classes of people to undergo training in commercial management.

*Yamethin District.*

41 Yes.

The crops they cultivate are paddy, sugarcane, groundnuts, maize, jowar, beans, tobacco and onions.

Both owners and tenants.

The amount of loans varies from a few rupees to a few hundred, while in the case of the sugarcane planters of Pyinmana Subdivision it rises as much as several thousands.

They are generally taken from the traders of the towns.

Such loans are in fact advances made on the coming crops, and are widely known as *sababe*, *pebe*, *hnanbe* and are common all over Burma.

The only transaction of the locality worth mentioning is the loan taken by the sugarcane planters of Pyinmana Subdivision from their Chinese and Indian traders, from time to time before the harvest, on promissory notes payable on demand on the mutual understanding that the borrowers should supply the lenders the entire outturn of cane jaggery at a rate of Rs. 2 or Rs. 3 less than the current rate suffering at the same time a reduction of 3 viss per box of jaggery weighing from 35 to 42 viss.

The cultivators would gladly avoid the abovementioned transaction, if they could get loans on payment of usual rate of interest.

(2) Yes.

They cultivate paddy, sugarcane, beans, maize, jowar, cotton, tobacco, onions and groundnuts.

Both owners and tenants.

They would keep them till the last moment when the price cannot possibly rise or fall. The usual period is about two or three months.

Taking into consideration the loss of weight or quantity due to natural evaporation, the increase of interest on their debts, the expenses they would have to incur in having to provide storage, as well as the risk they would have to run in case of fire or theft, the loss incurred by them, if any would be very small.

They prefer taking loans rather than sell them early. But they cannot get the loans they want, as the lenders, at the time of harvest, are anxious to recover rather than make loans.

(3) The Government has attempted to decrease the indebtedness of the cultivators by establishing co-operative societies without success. Co-operation is the best possible assistance that could ever be given to a self-helping people. No one can help people who are not disposed to help themselves.

42. Yes. As regards particulars, the transactions of sugarcane planters of Pyinmana Subdivision mentioned above are typical.

43. (1) No such documents are used here for the purpose of borrowing money during the process of marketing.

45. Yes. No suggestion is made. Fire insurance of goods stored is absolutely essential.

46. (1) Warehouse-keepers' certificates or order of delivery would be necessary.

(2) Yes. No.

(3) Yes.

(4) For paddy, beans, groundnuts, cotton, tobacco and all kinds of grains. In large centres both in Lower and Upper Burma.

47. No.

48. (1) No reason whatever.
- (2) Yes. It would.
- (3) Yes.
- (4) No drawbacks, or limitations could be foreseen.

*Commissioner, Sagaing Division.*

The surplus paddy only of the Division is exported and some part of the sesamum, groundnut and jowar crop is consumed locally. Cotton, wheat, gram, beans, peas and jowar, potatoes, sesamum and groundnut are for the most part exported.

There is a certain amount of retail sale by cultivators in the most inaccessible and backward vallages. Shwebo supplies rice to the kaing cultivators on the Irrawaddy.

40. The crops are bought chiefly by local dealers or distant dealers through local brokers on their own money or on advances from big brokers. Cash is usually paid to the cultivators after deduction of any loan due from them on the spot.

A common practice is when produce is shipped by steamer or rail to borrow money on the railway receipt to purchase more. The money is borrowed from Chettiers and other money-lenders on pro-notes at rates varying from Re. 1-4 to Rs. 2-8 per cent. per mensem. Hundis are not used.

41. (1) Paddy is the main crop in Shwebo, Katha, Myitkyina and the Upper Chindwin. The dry zone districts export cotton, groundnut, jowar, sesamum, peas, beans, gram and wheat. Bhamo and Myitkyina export potatoes.

Cultivators rarely borrow money in connection with marketing.

(2) Forward sales of produce are very common and this applies to all kinds of produce. Paddy marketed in February obtains about 30 per cent. less price than it would if marketed later, but few cultivators who are not themselves owners and money-lenders can afford to keep their crops.

(3) The postponement of the date of collection of *thathameda* would be of some assistance as money-lenders force the sale of a greater quantity of paddy than is necessary to cover the small loan required.

42. In some districts, notably Katha, money-lenders often insist on the borrowers selling their produce to themselves.

43. Paddy is stored by local dealers and millers in Myitkyina, Katha and Shwebo and Mōnywa : in the dry zone districts cotton, beans, wheat and jowar are also stored.

The business is done both with the dealers on money and with capital borrowed on pro-notes.

Few cultivators who are not also land-owners and money-lenders can afford to store their own produce.

44. Railway and mate receipts are used as security for loans to be raised.

45. Banks are unlikely to go to the trouble and expense of keeping goods on their own godowns. The risks of loss will also be great.

46. I do not consider that the proposal is a practical one in this Division where the requisite standard of commercial morality has not

yet been reached, nor do I think that a system under which warehouses would be licensed and supervised by Government is workable. Such work is not the proper function of Government and would be expensive.

47. I do not consider this is a matter in which Government interference is desirable.

48. I take it that any miller of sufficient reputation has no difficulty in obtaining credit on goods in his possession. This is a matter which must be left to the discretion of a bank. Pressure on a bank to lend money to persons it has no reason for trusting is impossible.

49. The statement seems to me self-evident, but the improvement in the finance of marketing of paddy cannot be looked up until the cultivators and money-lenders have accepted it. Much could be done by dealers refusing advances except for certain standard types.

*Bhamo District.*

41. (1) The cultivators in this district are in the habit of borrowing money in connection with the marketing of their crops, but not many of them are compelled to do so.

The chief crops they cultivate are paddy and potatoes.

In the majority of cases they are owners and there are few tenants.

The usual amount of loans varies from Rs. 100 to Rs. 200.

The loans are taken from fellow cultivators of the better class.

The loans are returned either in cash or else in kind according to the market value of the produce at the time that the loan is repaid.

(2) No. The crops are paddy and potatoes. In the majority of cases they are owners and there are few tenants.

They keep their produce until they can get a suitable price. They sell a part of their produce when they find themselves hard hit.

In an ordinary year they lose about Rs. 15 per cent. They prefer to sell their produce early in certain villages in which they are unable to raise loans.

(3) An agricultural bank would be a boon to cultivators as it is probable that its rate of interest would be much lower than that of indigenous money-lenders or Chetties.

42. No.

43. (1) Paddy is the chief agricultural produce stored by dealers or millers for sale after some time. They do not borrow money to carry on business nor is security given.

(2) A few cultivators store their own produce for sale a long time after harvest and they do not require money while the produce is stored.

(3) As no loans are taken with the produce as security, no information about the conditions of loans can be supplied.

45. As there are no banks operating no opinion on this point is offered.

46. (1) A document authorizing the right to transfer produce should be given to the person who stores it.

(2) To make such documents a satisfactory security for bankers the warehouses should be licensed and supervised by Government and the form of documents should be prescribed.

(3) The financial assistance of Government would be required in constructing and working the warehouses on their inception. These could be taken over later on by the public.

(4) The plan would be suitable only in such places as the Delta where trade would appear to warrant it.

47. No further suggestion is offered.

*Myitkyina District.\**

40. (1) Potato and paddy crops are sent down to Rangoon.

(2) Nil.

(3) (a) By local dealers.

(b) Both on their own money and also by raising loans but not by discounting hundis.

(c) They get loans from their own class of people at Rangoon and Mandalay. No security is given. The rate of interest is 1 per cent. per mensem.

(d) Nil.

(e) Because supply bills are obtainable at the local treasury.

(f) About 4,000 viss at each transaction.

(g) Immediately.

41. (1) No.

(2) No.

(3) None.

42. No.

43. No.

44. In case of paddy, railway receipts are used. In case of potato price for the same is received after a month.

No documents are drawn up.

(2) No.

(3) Nil.

*Sagaing District.*

40. (1) Paddy, sessamum and groundnut are consumed locally. Cotton, wheat, peas and jowar are sent to other districts.

(2) No; they pass through the landholders and traders who raise money required for the crops from money-lenders. Cash is paid at the time of transaction. Generally all the surplus is sold.

(3) (a) By both local and distant dealers through local brokers.

(b) On their own money; occasionally with raised money.

(c) From Chettyars and other money-lenders. The usual practice is on pro notes without any security. The usual rate of interest charged is from 15 to 18 per cent. per annum.

(d) No.

(e) Not customary, because they are accessible to persons having regular dealings with Chettyars and what's more it is not every Chettyar Firm that render this facility.

(f) According to the state of market and also, to a less extent, to the immediate needs of the cultivator.

(g) At the time of transaction.

41. (1) No. Same crops as answered in 40 (1). Owners as well as tenants. Answers do not arise for the latter part of the question.

(2) Yes to a great extent. Crops are the same. They would like to keep their crops till they can get better prices. Some have to sell

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\* See also Superintendent of Land Record's reply on page 189.

all and others whose needs may not be so urgent sell only such portion as may be necessary to meet their urgent needs. They lose about 33 per cent. on the average, or perhaps more in very bad cases. They do not prefer to sell early, but they are unable to get loans.

(3) By establishment of banks that will issue loans on the security of harvest cropped.

42. Practically no restriction at all.

43. (1) Cotton, peas, wheat and jowar are stored by local dealers, mostly with their own money. When borrowed for that purpose it is done on pro notes.

(2) No.

(3) This practice is not known here.

44. (1) Railway and steamer receipts are used as security for loans to be raised.

(2) Yes ; this practice can be resorted to only by those who have regular dealings with recognized Chettyar Firms. The difficulties can be removed by the opening of banks.

(3) No new types.

45. Yes. No suggestions for changes.

46. (1) Warehouse-keeper's certificate should suffice.

(2) Yes : they should be licensed and supervised by the Government.

(3) Yes. It may only be for the beginning.

(4) Unperishable goods alone should be accepted, and the warehouse should be at the centres of trade.

47. *Omitted.*

48. (1) No reason at all.

(2) It would.

(3) Yes ; cotton and other dry crops.

(4) None we can think of.

(5) The best we can suggest is the simple receipt form.

49. *Omitted* as our district is not a large paddy district.

50. No.

*Katha District.*

40. (1) Paddy and *pebyu* both are consumed and sent away.

(2) Rice is sold basket by basket by cultivators as money is required.

(3) (a) Local dealers.

(b) On their own money or on advances from big brokers.

(c) Dealers take loans on receipts both railway and boat for paddy already shipped to enable them to buy more. The usual Chettiar rate of interest is paid.

(e) Hundis are not known.

(f) Sales are by cart loads of 25 baskets.

(g) On the spot.

41. (1) Paddy is the main crop. Owners.

(2) Lack of money results in forward sales. Paddy. Owners and tenants. Till the price rose. Only a part usually. About 30 per cent. every year. Unable to get loans.

(3) Enormous loss to cultivators is caused annually by *lathamedu* demand falling on 1st January. All paddy traders take advantage of this and will force cultivators to sell them 50 baskets at their own price to



enable the cultivator to pay his Rs. 5 or 10 tax. If *thathameda* demand is put back till 15th February it will be an enormous saving to cultivators. Short loans, three months from December to February, at low rates of interest, by Government without all the impediments of the present agricultural loan proceedings is the only other remedy.

42. The normal condition of a loan is that the borrower must sell his paddy exclusively to the lender.

43. (1) Paddy. Yes, loans are taken against the amounts stored.

(2) Never. They cannot afford to do so.

44. (1) Railway and mate's receipts are used to borrow money on.

50. (1) No.

*Katha District (Kawlin and Wyntho Sub-committee.)*

40. (1) and (2) The principal crop which are sent to the great distance, i.e., Rangoon, is paddy. A very little quantity of it, is consumed near by. The cultivators here do not cultivate other crops for sale. They do to a very little extent for their own consumption, and if there is any surplus, this is sold in the local market in small quantity daily and provide for the daily necessities in their houses.

(3) (a) The millers generally buy them, some of them are purchased by local dealers, who sells them to the millers elsewhere either Rangoon or Mandalay, principally the former.

(b) Some on their own money, and some paddy dealers by borrowed money. No hundus are in vogue.

(c) The paddy dealers borrow money from local money-lenders at Rs. 2-8 per cent. per mensem. No security given but principally on On-demand pro-notes. They are few in number.

(d) No.

(e) As there is no Chettiar nor is there a bank.

(f) Very little, most of the cultivators have very little paddy left after they have paid their loans to creditors due as *sabape*.

(g) Cash is paid at the time of sale.

41. (1) No.

42. They generally take *sabape* loans as stated and before the cultivators can do anything to their outturn the money-lenders are there to take delivery of the paddy due to them for loans.

43. (1) Paddy. Dealers specially and rice millers generally borrow money from lenders in big towns and they give their mill and other property as security.

(2) No.

(3) No.

44. No answer.

45. Any bank that may advance money should have its own godowns where security in paddy be stocked before making the loans on them. The question arises as to whether the cost of construction of such godowns will be covered by the interest received.

46. In a small place like this, persons of good reputation will not undergo the expense of building warehouses. Besides the ordinary cultivators will not have any faith in him to store paddy in their warehouses, although he may grant certificate which may be negotiable.

47. No.

48. This is not practicable in a small place like this. The milling is done by the mill owners of their own paddy for sale, the other milling

by cultivators is comparatively little and which are specially for owners' consumption. The majority of the people this side do not send paddy for milling but do their pounding at home.

49. No answer.

50. No.

*Deputy Commissioner, Upper Chindwin.*

40. (1) Paddy, beans and tea are principal crops in this district which are consumed near by the paddy and tea are sent to a great distance

(2) About 50 per cent are sold retail by cultivators and the rest by merchants to whom the cultivators sell their crop averaging from 50 to 100 baskets at one time. Cash is generally paid on delivery of the crop.

(3) (a) Bought both by local dealers and by dealers from other places.

(b) Some trade on their own money and some by raising loans

(c) From money-lenders on payment of interest. By mortgaging immoveable property.

(d) None.

(f) 25 to 100 baskets.

(g) On delivery.

41. (1) No. Paddy, beans and tea are cultivated. Owners.

(2) Many cultivators in this district are compelled by lack of money to pay revenues due, to sell part of their produce. Paddy is cultivated chiefly. Most of them are owners. Six months or until the beginning of rains when the river communication will be improved by the rise of water in the Chindwin river. They sell early only a part. They will lose about 25 per cent. They prefer to sell early on account of high rate of interest.

(3) Loans should be freely given with less interest.

42. No.

43. (1) Paddy, beans and tea. Local dealers commonly borrow money, and jewellery is given as security.

(2) Those cultivators who have sufficient money and who are not in pecuniary difficulty store their own produce for sale a long time after harvest.

(3) The produce itself is never given as security.

44. (1) None.

(2) and (3). The answer to the question does not arise.

45. Will be satisfactory.

46. (1) Ordinary receipts made transferable.

(2) No.

(3) Yes.

(4) Paddy in Lower Burma district and peas in Upper Burma districts.

47. None.

48. (1) No.

(2) Yes.

(3) Yes, peas and sessamun.

(4) None.

(5) Unable to suggest.

49. Unable to comment.

50. (1) No.

(2) and (3). Do not arise.

*Lower Chindwin District.*

41. (1) There is not sufficient borrowing for marketing purposes in this district to make it necessary to reply to this question.

(2) Both owners and tenants sell a portion of their crops at once, if only to pay revenue.

About 25 per cent. of owners are not compelled by pressure to sell early; of the remaining 55 per cent. opinion is divided as to the amount of crop that can be retained for a better market. Some say that about 50 per cent. of the crop has to be sold, others that in very few cases is pressure so severe as to make it necessary for the whole of a crop to be sold by an owner.

There are few, if any, tenants who are not compelled to sell as soon as the crop is reaped.

The main paddy crop is reaped usually in this district about December and is threshed out and sold in January and February.

Dry crops are harvested in March.

The best market months for paddy are August and for dry crops June and July.

The loss incurred by early sale is estimated at from 30 per cent. to 50 per cent.

The question whether the cultivators prefer to sell early rather than to take loans, depends entirely on the local rate of interest which will have to be paid on loans.

In fact, in the majority of cases cultivators do sell early.

41. (1) It is very difficult for cultivators to get loans for the purpose of holding back a crop. Most loans are repayable in kind at the prevailing market rate. The lenders are often traders in the crop concerned.

(3) The suggestions received with regard to assisting cultivators in this matter were :—

(1) Co-operative Loans Societies should be encouraged. If any form of Co-operative Institution is to be formed, it is now insisted that the control should be by Government. This is the result of recent failures of so many Co-operative Societies both here and elsewhere.

(2) It was also proposed as has often been proposed before that the collection of *thathameda* should be deferred until March and land revenue until May.

(3) Agricultural loans should be issued more freely and in larger amounts in order that cost of purchase of cattle should be covered.

(4) It is suggested that Government should advance loans on the *sabape* system and that, at the time of repayment, should give advances in anticipation of profits.

My experience of the Co-operative Department was that although Mr. Dunn strongly advocated the formation of Co-operative Sales Societies throughout the Province, there has never been any real support for such societies owing largely to lack of trust in the knowledge of marketing as likely to be displayed by Managing Committees.

42. No.

43. (1) Peas, sessamum, millet and gram are stored for subsequent sale.

It is common to borrow money for storage purposes in Mōnywa town. In the rest of the district not much storing is done, and there is no

one in position to store up 1,000 baskets, working on their own capital. In Mònywa money is borrowed from local chettliars. If a man is well-known and trusted, he can obtain without security a sufficiency to build his godown. Subsequently he borrows money on the stock. The chettiar keeps the key of the godown.

(2) Such cultivators as store produce to sell after harvest, obtain money by selling a portion of their crops, but as mentioned above there is comparatively little of such storing.

(3) I attach a specimen copy of the ordinary form of a promissory note which is made out when loans are taken for crops stored. This document was written out in my presence by a member of the Committee at headquarters and was at once shown to the Chettiar who was present and was recognized by him as acceptable. This system is not in force among Burman money-lenders.

45. The general reply to this was that a system would be good, but there were no suggestions as to how it would work, and doubts were expressed as to whether such banks would succeed in Mònywa District. Unless the bank locally were run by Government, it would receive no support. No Co-operative Storage Societies have been a success.

There are a few godowns in Mònywa, divided up into compartments and rented out to individuals for storage purposes. Unless a bank were in a position to receive small amounts of crops, in the same way as a money bank would receive small amounts of money, it would not be of any real assistance to the ordinary cultivator. It is difficult to see how a scheme of separation of stock for each contributor could be effective. My money is as good as any one else's, but my paddy might be much worse or better than my neighbours, and I should, if it were better, want it kept separately. I do not personally think that any godown banks could yet be formed in this district.

There is a system, I understand, in force in parts of Lower Burma whereby a man can hand in to a working rice-mill his stock of paddy. He is given a credit for the number of baskets which he brings, and can operate on that as a running account. If he requires money as money, he can draw from the mill and his "Stock Credit" is reduced by the number of baskets which, if they had been sold, at the local rate of the day on which the money is drawn, would have fetched him the sum required. The paddy itself he never sees again. It is taken into the ordinary working of the mill, and the mill becomes the creditor's bank until the credit is exhausted.

This system, of course, does not help the small man who is bound to realize early.

46. (1) The only suggestion is a form of promissory note of the same nature as currency notes in which the warehouse would "promise to pay" on demand at the local institution whatever was contained in the note.

(2) Until any system had become widely known and appreciated, warehouses would certainly require licensing and supervision by Government. The documents should also be prescribed by Government.

(3) It would depend on the locality. In this district "Yes."

(4) For this district for dry crops, other than millet, which is not extensively stored.

47. I received no suggestions and have none to offer.

*Administrator of Government Estates, Burma.\**

40. (1) All sent to a distance.  
(2) No.  
(3) (a) Agents of distant buyers.  
(f) 1,000 baskets.  
(g) On delivery.

41. (1) No. The crop grown is paddy. The cultivators are tenants of their co-operative societies. They borrow about Rs. 20 per acre worked.

(2) They are often compelled to sell early through lack of money. They are unable to get loans. They sell about two-thirds in this way.

42. Yes. There is an understanding that the produce will be sent to the money-lenders if the loan is not paid up.

43. (2) Very few.

50. Co-operative Joint Sale Societies have been tried, but were not a success because the paddy could not be properly classified and no proper store-houses were available. Even if proper store-houses had been available, the societies would have broken down through want of a trustworthy and reliable classifier. It is not possible for a Government Officer to be present when each cultivator brings his paddy to the Joint Sale Store-house. Those who deposit good paddy suffer when the paddy is sold if others have brought doctored or poor paddy, to the same godown.

*Deputy Director of Agriculture, Arakan Circle.*

40. (1) The principal crop consumed in this district is rice. Paddy is also shipped to India and rice to Europe, India, etc.

(2) Cultivators themselves never sell paddy retail; only garden produce is sold in this manner. The crops generally pass through the hands of middlemen, millers, etc., before reaching the consumers. Cash is paid to the cultivator as soon as he sells his paddy. About two-thirds of the outturn is generally sold by the average cultivator.

(3) (a) For crops which are sent to India brokers and agents do the buying and shipping and European millers run both their own mills and their own agencies.

(b) Most of the dealers trade on their own money, although some raise loans or get money by discounting hundis, but the latter course is rare.

(c) If the dealers do take loans, they generally obtain them from the banks. The security is usually immovable property though personal security may be accepted in some cases.

(f) Depends entirely on the size of his holding.

(g) Cash is paid to the cultivator as soon as he parts with his crops.

41. (1) Cultivators do not borrow money in connection with the marketing of their crops. They cultivate paddy and a little sesamum, tobacco and cotton. The majority are tenants. Paddy is usually sold early owing to the mills closing down about May. They prefer to sell early owing to want of storage accommodation and the difficulty of finding a market later in the season.

(2) Yes, through lack of money and pressure by their creditors cultivators have to sell their produce as early as possible. Sometimes

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\* Answers relate to Government estates in Hanthawaddy and Pegu Districts.

they have to sell early to enable them to pay land revenues. Mostly tenants. Depends entirely on whether they imagine the market to be going up or down. Some sell all and others who have large quantities dispose of a half or a third. In an ordinary year they may lose about Rs. 5 per 100 baskets. Some prefer to sell early rather than take loans. They prefer to sell paddy early rather than take loans at a high rate of interest.

(3) Formation of Co-operative Societies which would be in a position to store the crop until a favourable price could be obtained. Arrangements such as the Egyptian Government have for the storage and sale of cotton. The establishment of land banks willing to take the crop as security for loans paying only a low rate of interest. Possibly a later date for the collection of land revenue in paddy tracts.

42. Sometimes they exercise the right to purchase the crop, but not often.

43. (1) Paddy is stored by the local dealers only to a small extent. Millers usually attempt to sell as early as possible provided that the price is fairly good.

(2) No. Only a few landowners who have sufficient money ever do so.

(3) No the produce is never accepted by lenders as security.

44. (1) No documents.

45. The Egyptian Government is at present trying a system of storage by banks. Whether it will be satisfactory or not is as yet not known.

46. (3) Yes.

(4) For paddy in the Akyab District.

48. (1) No, I do not think so provided a sufficient margin be allowed for a considerable drop in price.

49. Without standardized grading it will be difficult for Burma to compete with other rice exporting countries.

50. (1) No scheme has been proposed.

*Deputy Director of Agriculture, Irrawaddy Circle.*

40. (1) Paddy. Both exported and consumed locally. Other crops unimportant.

(2) Paddy consumed locally. No. Local brokers and traders who either sell to millers or have the paddy milled and then sell to retailers. Part of the crop is obtained by local traders in payment of rents and advances made by them to the growers. Money to pay for the crop is in other cases obtained by borrowing. Cash is paid to the cultivator on delivery. Usually from 200 to 300 baskets.

(3) Ninety per cent. of the crop passes from the hands of the growers to the landlords or other creditors on account of rents, loans, etc. These landlords and creditors are usually the local dealers.

(a) All three.

(b) Generally raise loans.

(c) Local dealers borrow from Chettiers who usually demand land as security. About 90 per cent do this.

(d) and (e) The use of Hundis is not understood by the people.

(f) 200 to 300 baskets, i.e. the whole of his surplus.

(g) On delivery.

41. (1) Rarely. Paddy chiefly. Both tenants and smallholders. Loans if taken at all are usually taken from Chettiars, land being mortgaged generally. Tenants are rarely able to raise loans on account of having no security to offer. Interest is usually slightly higher (one or two annas per cent per mensem) than in the rains because of the shortage of money at this time.

(2) Yes. Both owners and tenants. Would wait for highest price obtained about June ; but lack of facilities for storing after March, difficulty of transport after the middle of May, and even with facilities for storing risk of theft. They sell all surplus early and lose about Rs. 20 on 100 baskets. They would prefer to take loans, but generally are compelled to sell because loans cannot be got.

(3) Properly organised markets and local granaries in which the crop can be deposited as security against loans taken. Joint sale by Co-operative Societies or similar associations.

42. Creditors, generally landlords, usually insist on paddy being sold to themselves and sometimes stipulate as to the size of the measuring basket to be used and the price to be paid. Cases have been found near Wakema where the landlords, who are creditors, insist on the tenant growing a particular kind of paddy which gives the landlord the best profit in trade.

43. (1) Paddy. Yes. Land, mills, jewellery.

(2) No.

(3) No. Produce is not accepted as security except by Dawson's Bank.

44. (1) None known.

(2) Does not arise.

(3) No suggestions.

45. Yes. The wider adoption of the system followed by Dawson's Bank should be encouraged. To be of real use there should be one godown in every three or four village tracts at points where paddy is or can be shipped or transhipped. The only disadvantage that can be seen in this system is that it entails extra handling of the produce in depositing it in, and removing it from, the granary.

At present paddy is shipped at the nearest point to the threshing floor and is not handled again until it arrives at the mill.

46. (1) Warehouse keeper's certificate, or wharfinger's certificate which should be negotiable.

(2) Yes.

(3) Yes.

(4) With regard to Myaungmya District, paddy and dried fish. The plan would be suitable for the whole district.

47. No.

48. (1) No reasons, provided that millers are subject to the same conditions as warehouse keepers.

(2) Likely to help greatly.

(3) Yes, to cotton, groundnuts, dried fish, oil-seed and jaggery in other parts of Burma.

(5) The Committee are unable to make any suggestions.

49. (a) The restrictions of the kind of paddy grown to a small number of types would help the trade as the presence of numerous types each with its peculiarities is responsible for the present poor quality and low value of Burma rice.

(b) Standardised grading in each type would enable those who finance the marketing of paddy to estimate with some degree of accuracy the value of the produce. They could thus make advances on the produce with greater assurance.

(c) Provision for storage in bulk of standard grades is desirable because buyers can afford to pay better prices for large quantities of one grade than they can if the quantities are small, and scattered. The experience of Canada with regard to wheat may be cited.

50. (1) Yes. Joint sales societies have been encouraged by the Agricultural Department for several years without success.

(2) The members of the societies find difficulty in raising money for their immediate needs after harvest while waiting for their crop to be disposed of. They have no reserve to fall back on. Failure of Co-operative Societies in general and the poor progress of the movement in this district is not encouraging.

*Deputy Director of Agriculture, Myingyan Circle.\**

40. (1) The following crops are consumed near by :—*pyaung*, *sessamum*, *lu*, certain pulses and maize. The following crops are sent to a distance :—Cotton, groundnut, *pegya*, *pebyngale*, gram and pesingnon.

(2) The cultivators sell partly retail but mostly to brokers. The buyers are traders and brokers usually in a sound financial position, owning land, and lending money.

Cash on delivery.

The amount sold at any one time will vary with the season—perhaps anything from Rs. 5 to Rs. 20.

(3) (a) They are bought by local dealers as well as by brokers of distant buyers, the later usually buying from the local dealer.

(b) In the case of cotton and groundnut the brokers are financed by the big ginneries. For other produce they probably have to use their own money.

(c) The dealers take loans from Chettiars at the usual rate of interest. For small loans to be soon repaid no security is required from well known established dealers. For larger amounts, or when the dealer is considered to be less reliable, produce has to be lodged as security in the Chettiars godown as security against the amount borrowed.

(d) and (e) I have no information.

(f) Anything up to Rs. 250.

(g) It is paid on delivery of the produce.

41. (1) No.

(2) Yes.

Cotton, *sessamum*, groundnut, jowar, and beans.

Mostly owners.

A few months.

They sell only a part. In the case of cotton alone the individual loss may be as much as Rs. 50. They would prefer to take loans at a reasonable rate of interest if they could offer gold as security. They are reluctant to mortgage land for the purpose while they have crops they can sell in advance.

(3) Making loans available at a reasonable rate of interest (a practical farmer I consider cannot make a success of his business on

\* Reply has particular application to the "ya" lands of the dry zone.



borrowed capital carrying more than 10 per cent. interest) and accepting gold as security.

42. Yes. When money is borrowed from a trader the borrower is under an obligation to sell his crop to the creditor.

43. (1) Most of the local produce is stored for some time.

Yes. Produce is tendered as security and lodged in the Chettiar's godown. Sometimes advances are made by the Chettians to well-known dealers without security.

(2) No.

(3) The usual pay on demand document is signed (a specimen is attached). The Chettiar gives a receipt for the produce received as security.

44. No information available.

45. I see no reason why such a system should not be satisfactory. At the Mahlaing Farm ginnery we accept cultivators' kapas for ginning and advance two-thirds the current market value.

Loans taken by dealers are for short period redemption and the only risk is a fall in the price of the commodity. If half to two-thirds the current value were advanced and the produce insured there would be little risk attached to such loans.

50. (1) With the encouragement and guidance of the Co-operative Department a Co-operative Ginnery was started in Mahlaing in 1921 with an initial capital of about Rs. 65,000. Shares of the value of Rs. 50 were taken by Co-operative members but the money was found by the Mandalay Co-operative Bank and shown as loans against the different societies.

(2) In this particular instance the bulk of the money was found by the Mandalay Co-operative Bank. It would now I imagine be almost impossible to raise money for similar concerns anywhere in the dry zone.

(3) I am not prepared to say.

*Deputy Registrar, Co-operative Department, Mandalay Charge and Myothk (Co-operative Branch), Myinmu Range\*.*

40. (1) Principal crops in the Sagaing District are paddy, cotton, tobacco and different kinds of beans, of these paddy is consumed locally, the others being exported.

In the Mandalay District, paddy and different kinds of beans are the chief crops, paddy is partly consumed locally, the greater portion being exported together with the different kinds of beans.

(2) No. The crops pass through the hands of millers and traders who get the money to pay for the crop. Largely by borrowing. Cash paid to the cultivator on delivery of crops. The average cultivator sells at one time two to three hundred baskets of paddy and twenty five to fifty baskets of beans.

(3) (a) By all agencies mentioned in the question.

(b) Partly with their own money and partly by raising loans.

(c) The dealers commonly take loans from Chettians on pronotes at the rate of interest varying from Rs. 1-4 to 2 per mensem. The usual security given for these loans is landed property and stock in trade.

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\* Joint reply; relates to Sagaing, Mandalay and Kyaukse Districts.

(e) Due to ignorance of the system and for want of discounting banks.

(f) See answer to sub-question (2) above.

(g) do. do.

41. (1) No. Paddy, different kinds of beans, cotton and tobacco are the crops cultivated. The cultivators are mostly tenants.

(2) Yes. Paddy, different kinds of beans, cotton and tobacco are the crops cultivated. Cultivators are mostly tenants. If not compelled to sell, they would keep their produce till they can get a reasonable price. They have to sell all. By selling earlier, cultivators lose from 25 to 40 per cent. If loans are available, they prefer to sell only when a good price is obtained, but they cannot get loans.

(2) No.

(3) The produce should be sold jointly by Co-operative method.

42. No.

43. (1) Paddy, beans and tobacco. To carry on this business, they have to borrow, security given for the loans being real property, and crops in store.

(2) No.

(3) The amount of loan generally given by Chettiars on the security of the crop in store is from 50 to 75 per cent of the market value of the crop. Crops are only to be sold with the knowledge of the lender and loans are repayable immediately on the sale of the crops. Documents except pronotes are very seldom drawn up as this nature of business is generally done by clients whose standing and honesty are not questionable.

45. Yes.

46. (1) Proper receipts or documents which must be negotiable must be granted. Such receipts or documents must furnish information as to the quantity of produce stored, and any charges to be made by the warehouse for storage, etc.

(2) Yes

(3) No, if warehouses are not prepared to grant advances for crops stored.

(4) For all main crops at towns and large villages easily accessible by rail or steamer.

48. (1) The mills are not properly constituted under the laws of the country and as such they cannot incur debts in the same way as joint stock companies and co-operative banks and societies which are registered by Government.

49. We agree that no marked improvement in the finance of the marketing of paddy can be achieved unless the conditions laid down in (a) (b) and (c) of this question are complied with, inasmuch as (1) the yield would be greater, (2) the paddy or rice would be of better quality (3) the outturn in mills would be greater (4) the price would be better (5) the demand by foreign markets would be greater.

50. (1) Yes.

(2) Difficulties that have been met in getting the required money are due to the refusal on the part of money lenders and Chettiars to deal with such societies which require loans at a low rate of interest.

(3) The difficulties can be surmounted if connections can be made with Joint Stock Banks through Co-operative Banks.

*Range Officer, Co-operative Department, Insein.*

50. (1) Yes. Paddy Sale Society.  
(2) No difficulty was met in getting the money required.  
(3) This question does not arise.

*Superintendent of Land Records, Myitkyina.*

40. (1) None consumed locally. Rice and potato are sent to Rangoon.

(2) None.

(3) (a) By local dealers.

(b) and (c) Yes. In addition to their own money they commonly raise loans from people in Mandalay and Rangoon with whom they have dealings usually. Pro-notes are documents. Hundi not in use. Rate of interest one per cent. per mensem. No security.

(d) No.

41. (1) Not many but few trading cultivators who have some means do. Rice. Owners. Usual amount of loan not known from persons with whom they usually deal with, viz., Burmese and Indian merchants and Chettiars.

(2) No. Rice. Owners. Never compelled.

(3) None.

42. No.

43. (1) Rice is stored by local dealers. Millers do not store any. Not contented with investing in the business what money they have. The dealers commonly borrow money to make the business as bid as his position permits. No security necessary as transactions are made with persons who know them well. In pro-notes.

(2) Not every cultivator; only a few trading cultivators with some means do. Please see answer to (1) above.

(3) Produce is not given as security.

44. (1) Some dealers have arrangements made with certain brokers in Rangoon and Mandalay who get commission from the buyers. The goods are sent to these brokers and money received after the sale has been effected at current rate about a month or so after despatch of goods. There are also some cases in which the Railway receipt is forwarded as a claim. In these cases nearly 75 per cent. of the value is got as soon as the Railways receipt is received by the agent in Rangoon. The complete settlement is made on arrival of goods.

(2) None.

(3) Omitted.

*Burma Indian Chamber of Commerce.*

46. My Committee are in favour of the establishment of licensed warehouses to be opened and operated by respectable agencies under State supervision. The warrants issued by the owners of these warehouses in respect of goods stored therein will constitute an eligible security for the grant of accommodation by banks. One important safeguard is, however, necessary to prevent fraud, viz., that the warehouse owner should not be allowed to buy, sell or advance money on goods of the kind he undertakes to warehouse.

In the alternative, my Committee suggest that the State should open and operate warehouses at the different railway stations. Arrangements should be made to give warrants or railway receipts for all commodities which are brought to these warehouses by agriculturists or merchants and these documents should be classed as negotiable instruments.

*U Po Thin, K.S.M., A.T.M. (Indaw, Katha District).\**

43. (1) To a small extent, agricultural produce are stored by local dealers, but not by millers, for sale after some time. They offer the paddy which they have stored as security for any loans which they may have taken.

(2) In a few cases, cultivators store their own produce for sale some time after harvest. Some people borrow the money they require while the produce is thus stored.

(3) In either of the cases mentioned in items (1) and (2), the produce given as security for loans can be sold for the price approved, only when it is permitted by money-lenders. An agreement is usually made to deduct from the sale proceeds the amount of principal and interest due. In some cases, documents are executed and in some oral agreements are made. No copy of such documents can be given.

45, 46, 47, 48. No answers can be given to these questions as such practices do not exist.

*Nattukkollai Chettiars' Association.*

45 to 48. Agricultural operations in the country are carried on with the credit facilities readily afforded to the cultivators by the Chettiar money-lenders all over Burma. For storing and marketing of crops, agriculturists have all along been assisted mainly by the Chettiar bankers. But owing to the unduly low level to which the price of paddy has fallen there is no incentive on the part of cultivators and local dealers to store paddy and hold out for a better price as the experience in holding out have been cultivators in failing to realize better prices by recent years of the very unfortunate. The causes and remedies are of course engaging the attention of The Burma Rice and Paddy Trade Enquiry Committee. Unless immediate and effective steps are taken by the Government to get back to Burma rice the lost markets of the world the economic outlook for the cultivator is very gloomy indeed.

With these remarks, we shall make a few suggestion for improving the credit facilities to the cultivators in storing and marketing of the produce. The documents in common use representing claims on agricultural produce used for borrowing money during the process of marketing are documents of hypothecation of stored produce in godowns, bills of lading, mate receipts granted by common carriers like the Irrawaddy Flotilla Company and railway receipts. Changes should be effected in law making these documents readily negotiable as in the case of negotiable instruments by endorsements. As has been pointed out in the original memorandum the Government should put pressure on the Imperial Bank to freely grant loans on the security of documents of hypothecation which Chettiars take on the security of produce stored in the districts.

We suggest in this connection that the Government should construct public warehouses in Rangoon and other important centres in Burma providing warehousing facilities.

*Mr. P. L. L. N. Narayanan Chelliar (Pyawbun).*

40. (1) The chief crop is paddy ; consumed nearby as well as sent to a great distance.

(2) Cultivators do not sell retail ; they pass through merchants ; half the paddy are milled here. Cultivators get money from December-March. A cultivator who has a plough and a pair of oxen sell on an average 400—500 baskets.

(3) Crops are not sent but only milled rice are sent to a great distance.

(a) Dealers from other places ; through the agents and brokers.

(b) Usually they raise loans.

(c) From banks on interest from six to nine per cent. per annum. House and goods are given as security.

(d) Rarely.

(f) and (g) same as in part 2 of this question.

41. (1) No.

(2) No.

42. No.

43. (1) Paddy ; yes ; House, Land, Mill and paddy.

(2) No. Those who own land keep paddy for sale.

(3) Usually produce is not given as security.

44. No.

45. This will be satisfactory ; the produce should be sold in the presence of cultivators and bank people and the latter should receive the proceeds till the loan is satisfied.

46. (1) There must be a suitable document between such a person of good reputation and the public who bring their produce to be stored.

(2) Yes.

(3) Yes.

(4) So far as this District is concerned this plan will be suitable.

47. Agricultural produce will be a sufficient security to indigenous and other bankers if they are given possession of such produce in their own godowns ; to safeguard the interest of the other party, however, a document should be made.

48. (1) The introduction of such a warrant will lead to many deceptions on the bank inasmuch as the bankers will not be able to detect genuine one from the bogus.

(2) No.

(3)—(5) Do not arise.

49. Cannot comment.

50. No.

## Section 10.—Organization of Agricultural Loans.

*Akyab District.*

51. (1) (a) A very small part.

(2) Imperial Bank ought to lend more money freely to Local Arakanese money-lenders.

*Sandoway District.*

51. Not practised here.

*Pegu District.*

51. (1) *Nil.*  
(2) This question does not arise.

*Hanthawaddy District.*

51. No loans save from Chettiars.

*Insein District.*

51. (i) Not known.  
(ii) Not known.

*Prome District.*

51. (1) The Local Co-operative Bank obtains loans from the Imperial Bank, and it is believed that the local Chettiars obtain loans from the Imperial Bank and other banks, but it is not known what part each plays.

*Myaungmya District.*

51. (1) The Imperial Bank lends money to the large Chettiar firms in Rangoon, who in turn finance the smaller firms in the districts. The Exchange Banks do not as a rule finance indigenous money lenders but it is said that in recent years they have done so in certain cases. Of the joint stock banks Dawson's Bank lends considerable sums to local money-lenders, chiefly Burmese and Karens and some Chettiars. As the Chettiars are responsible for the largest proportion of the loans in the District the Imperial Bank must play a part in the marketing of the crop in the district. The Committee regrets that it does not feel competent to reply to second part of the question.

*Maubin District.*

51. (1) (a) Not known. (b) Not known. (c) Small fraction by Dawson's Bank, Limited. (d) *Nil.*  
(2) No improvements can be suggested.

*Thatôn District.*

51. (1) Chettiars usually supply loans required for agricultural purposes and on a small scale the local and private money-lenders also supply the loans. How the Chettiars are connected with the Imperial Banks of India or any other banks as far as the supply of money for agricultural purposes is concerned is not exactly known. Cultivators usually apply for loans at the beginning of the agricultural season, *i.e.*, About July when they have to pay for daily labour for transplanting and occasionally in August to replace lost cattle or nursery plants destroyed by floods, etc.

(2) There used to be no difficulty in raising loans but during the year a slight difficulty is noticed in getting money from the Chettiars. Government should lend out money to the borrowers.

*Thalón District (Pa-an Sub-committee).*

51. (1) (a) (b) (c) (d) No known instance is existed in which either of these banks provided the money by local money-lenders for agricultural loans.

(2) The banks to extend their helping hands to rural responsible money-lenders on the same principle as those of urban.

*Thayetmyo District.*

51. (a) By advancing loans to big Chettiar firms in Rangoon, who in turn advance money to local money-lenders.

(b) and (c) Nil.

(d) The same answer as in (a).

Regarding various seasons of the year in this question—omitted.

*Deputy Commissioner, Kyaukse.*

51. (a) Not known.

(b) Not known.

(c) and (d) I believe that these banks advance money to the local Chettiars, presumably on the security of pro-notes in the possession of the latter.

(2) I should like to see branches of the Imperial Bank or a Joint Stock bank opened at Myittha, Kyaukse, and Singaing but doubt whether the profits would pay the salary of a competent manager.

*Myingyan District.*

51. (1) There is only one Imperial Bank and no others which are run on European lines. To some extent local money-lenders get loans from the Imperial Bank on the pledge of gold. These loans are not only to meet the actual requirements of the agriculturists.

(2) The District Central Co-operative Bank should play an important part in financing the Agricultural Co-operations. It is therefore suggested that the Imperial Bank should lend out money to the Central Co-operative Bank, taking "A" Loan Documents as security.

*Sagaing District.*

51. (1) Practices mentioned are unknown here.

(2) No suggestion can be made.

*Katha District.*

51. None.

*Katha District (Kawlin and Wuntho Sub-committee).*

51. (1) There is no bank of any kind in the subdivision and the local money-lenders do not have any dealings with any bank.

*Deputy Director of Agriculture, Irrawaddy Circle.*

51. (1) The Imperial Bank lends money to the large Chettiar firms in Rangoon, who in turn finance the smaller firms in the districts. The Exchange Banks do not as a rule finance indigenous money lenders but it is said that in recent years they have done so in certain cases. Of the Joint Stock Banks Dawson's Bank lends considerable sums to local money lenders, chiefly, Burmese and Karens and some Chettiars. As the Chettiars are responsible for the largest proportion of the loans in the district the Imperial Bank must play a part in the marketing of the crop in the district. The Committee regrets that it does not feel competent to reply to the second part of the questions.

*Superintendent of Land Records, Myiikhyina.*

51. (1) None.

*Mr. P.L.L.N. Narayanan Chettiar (Pyawon).*

51. Except Dawson's Bank, no part is played by banks mentioned to any appreciable extent in this locality.

**Section 11.—Agricultural Charge.**

*Sandoway District.*

52. Not practised here.

*Pegu District.*

52. (1) Yes, provided that the revenue and rent due have already been paid. No. No. The next question does not arise. Competing claims of this kind should be met by rateable distribution. The landlord should have the preferential claim for rent; but the Committee think that there should be no distinction between landlord and other people as regards advances. No.

(2) No. Such legislation would interfere with the free flow of trade and commerce. The remaining questions do not arise.

*Hanthawaddy District.*

52. (1) No.  
(2) It does not arise.

*Prome District.*

52. (1) It has been suggested that a preferential claim upon the crops or cattle of a cultivator should be given to a person who gave the first loan with which the cultivator brings his land under cultivation. It is recognised, however, that such a loan might not be repayable in one season and this would lead to difficulty. It has also been suggested that a person advancing money to a cultivator for expenses of cultivation in any season should have a preferential claim upon his crops and



cattle. It would be very difficult, however, to ensure honesty in such cases. If Land Mortgage Banks or other banks managed by Government agency were established, it might be possible to arrange by legislation that loans issued by them after publication of notice and in the absence of objections, should obtain priority ; but this could hardly be done if such banks were run as ordinary commercial concerns by private individuals. It would be unnecessary to register such loans. The landlords claim for rent should have priority over other claims, but not his claim for advances.

(2) This appears to be a matter for legal advice.

*Myaungmya District.*

52. (1) The Committee had no opinion on the subject. Individual members suggest that landlords should have a preferential claim on the crops of tenants (less an amount fixed for ' *munsá* ') to recover rent and crop-loans. A cultivator's cattle should be protected.

(2) No answer.

*Maubin District.*

52. (1) No. Landlord should have first claim on produce to the extent of rent. This will improve cultivators' borrowing powers.

(2) The law as it stands now protects the innocent purchaser without knowledge which is quite sound.

*Thaton District.*

52. (1) We do not think so. The claim of the landlord for rent and advances should come before the claim of the money-lenders.

(2) Legislation is necessary, making it incumbent on the purchaser to find out the circumstances existing against him, for the purpose of acquiring a good title, reasons. Such legislation as is indicated in (2) of the question, will encourage tenants to evade payment of rents and labourers' wages and there will be no honest tenants to cultivate lands. The next question does not arise for discussion, in view of answers given above.

*Thaton District (Pa-an Sub-committee).*

52. (1) Yes.

When the loan was made solely for or towards the progress of cultivation such for improvement of land, for the purchase of ploughing cattle, seed grains and for expenditure incurred for cultivation and for no other purposes of loans.

The sample given above are the restrictions and precautions needed.

No.

No.

Not necessary.

Competing claims of the same kind be treated on the bases of pro-rata in case produce is inadequate.

(a) Rent.

(b) Advances made to further the progress of cultivation be given priority over all others.

No.

(2) No.

Reasons for—"Caveat emptor" against—Nil.

Yes.

Subject to fertilisers and feeding staffs as mentioned in clause (1) above.

*Amherst District.*

52. (1) We are of the opinion that no preferential claim upon the crops or cattle of a cultivator should be given under any instances to any person who has lent that cultivator money. In the one instance of a landlord's claim for rent we consider he should have the first charge on the crops. We are not of the opinion that cultivators would be likely to find their borrowing powers reduced if our proposal be given effect to.

(2) We do not consider that there should be any legislation to provide that an innocent purchaser of the produce with knowledge of the claim should have a good title to the produce free from all claims of the landlord. We consider that the existing law is capable of dealing with such cases.

*Thayetmyo District.*

52. (1) No. Preferential claim should be given only when the cultivator could not carry on his work but for the loan advanced by the person, provided also that if he is a tenant he must have obtained the consent of the landlord to his raising the loan.

The claim should be restricted to loans registered in some way.

They should be registered in the usual way.

The claim upon the tenant by other persons should rank next to the claim of his landlord in his rent and advances.

Cultivators would very likely find their borrowing power reduced by such legislation.

(2) Yes. It could if the purchase was done without the knowledge of the claim.

The reasons for the legislation are that (1) it protects the *bona fide* purchaser and (2) it will help the cultivator to get better price.

The reasons against such legislation are that bogus claims may be made by persons in collusion with the cultivators.

We do not think such legislation necessary.

*Mandalay District.*

52. (1) Any rule should be in accordance with law ;

Such law should be legislated for when people cannot do without it.

As the country grows so does liberty.

When laws in favour of cultivators are legislated very few will deal with them.

In all places the guiding principle should be co-operation.

(2) Already answered above.

*Deputy Commissioner, Kyaukse.*

52. (1) Preferential claim should be confined to co-operative societies under the present rules, and to Government Agricultural loans. I see no reason why the money-lender should have preference over the claims of a landlord in respect of tenants' loans. As any legislation passed would be largely inoperative, I do not think cultivators' borrowing power would be affected by it.

(2) I do not recommend such legislation, which would do little or nothing to help the *bona fide* cultivator.

*Myingyan District.*

52. (1) There would be some advantages if the Agricultural Loans are made a first charge upon the crop or cattle of the cultivator, if it can be properly arranged. For various reasons, however, it may not be practicable. In the first place, it would be difficult to distinguish one loan from the other. There is a chance of this scheme leading to confusion resulting in the reduction in the borrowing power of the cultivator.

(2) In view of the answer to clause (1) above, an answer for this is not necessary.

*Commissioner, Sagaing Division.*

52. I am not in favour of giving preferential claim upon crops or cattle to money-lenders further than is given by any document which may have been executed by the borrower. I think that with the primitive conditions which prevail in the greater part of the Division, with the low sense of commercial morality and the low standard of education the legislation in the line suggested will do more harm than good.

*Sagaing District.*

52. (1) No prior claim should be given under any circumstances.

(2) From our answer to the above, this does not arise.

*Katha District.*

52. (1) The existing law appears to deal with this question.

*Katha District (Kawlin and Wuntho Sub-committee).*

52. (1) No preferential claim upon the crops or cattle of cultivator should be given to a person who has lent the cultivator money. The Land Revenue due to Government is the first charge. As stated the majority of loan is *sabafe* and before the paddy is removed elsewhere from the threshing floor, the money-lender is there to cart away his dues.

*Deputy Director of Agriculture, Irrawaddy Circle.*

52. (1) The Committee had no opinion on the subject. Individual members suggest that landlords should have a preferential claim on the crops of tenants (less an amount fixed for "H'ansa") to recover rent and crop-loans. A cultivator's cattle should be protected.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myobk  
(Co-operative Branch) Myintm Range.\**

52. (1) Yes, if the money lent is for purposes of cultivation, household expenses and for purchase of cattle. Prior claim should be restricted up to the amount actually expended for the purposes. At present this special privilege is vested, under special law, to Co-operative Societies only. Restriction to the lenders or banks should be made and this privilege should not be enjoyed by them. Only those organizations in which the borrowers has an equal right to the profits of the organization should have a preferential claim. Claims on a tenant by his landlord in respect of rent should take precedence over loans of the nature referred above and advances mentioned in (b) should be considered last. The borrowing power would certainly be reduced by such legislation.

(2) No.

*Burma Indian Chamber of Commerce.*

52. My Committee are not in favour of giving a preferential charge on crops to any class of creditors. Under conditions likely to prevail even in the near future it is improbable that the entire financial needs of a cultivator will be met by a single agency and a preferential charge, under these circumstances, is likely to curtail the credit of the agriculturists. My Committee would have no objection, however, to give co-operative societies a restricted preference to the extent of 25 per cent of the value of the crop.

*Mr. P.L.L.N. Narayanan Chettiar (Pyawḍn).*

52. (1) Yes ; when the promise is to repay at the harvest, preference should be given to lenders of loans registered in some way. The claim of the landlord for rent and advances should rank above the other claims upon the tenants. Yes ; their borrowing powers will be reduced and they will be taught economy.

(2) Innocent purchasers of the produce should have a good title if they buy the same without knowledge of the claim.

## Section 12.—Agricultural Insurance.

*Sandoway District.*

53. Not practised here.

*Pegu District.*

53. The Committee do not see that insurance can be of any help to the agriculturists in obtaining loans, and cannot think of any practicable scheme of such insurance.

*Hanthawaddy District.*

53. In no way, as Chettiers would not lend more money or on better terms.

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\* Joint reply ; relates to Sagaing, Mandalay and Kyankse districts.

*Insein District.*

53. Lower Burma is not ripe for this. Cattle theft is rampant, public health is precarious and in Lower Burma floods and the weather are more or less known quantities. The principal difficulty about insurance is that it is a direct incentive in Burma to wholesale sharp practices. Unless a man endeavours to *recover* money from the insurance company by making a claim, he feels he is paying something for nothing.

*Prome District.*

53. Life insurance is practicable, and insurance of cattle has been instituted through co-operative societies in Upper Burma. The other forms of insurance have not been practised, so far as we know, and no practical scheme is known to us. The obvious difficulty is that any such scheme would have to be very widespread in order to avoid excessive premia.

*Myaungmya District.*

53. It seems doubtful if insurance in any form would be of much use to cultivators. With regard to insurance of their own lives they will not be able to pay the necessary premia to keep the policy alive and they are likely to be tempted to surrender their policies to satisfy a passing whim. Except as a pledge for a short-term loan repayable before the next premium falls due, an Insurance Policy unless it is fully paid up or has acquired a substantial surrender value would not be of much value as the borrower may fail to pay the necessary premia.

(1) Premia are bound to be high on account of the large risk as regards insurance of cattle and crops.

(2) There is large scope for dishonesty as it will be extremely difficult to verify reported deaths of cattle or destruction or failure of crops, especially as witnesses can be bought cheaply in this country. The only exception to the above, where insurance may be useful, is with regard to produce stored in recognised warehouses.

*Thaton District.*

53. Insurance of lives of cattle and of crops against destruction by pests, flood, drought, etc., might help the cultivator in obtaining loans. But the difficulty would be in getting a cultivator to insure his crop or cattle. He knows nothing of insurance and it will take years to educate a cultivator on the advantages of insurance. Moreover, a cultivator will not take precaution against destruction of his crop from flood, pests, etc., knowing that he will recover the value of his crops from the insurance company. It is therefore impracticable to form any scheme of agricultural insurance.

*Thaton District (Pa-an Sub-committee).*

53. May help as best security and easiest method to raise loans in respect of standing crops in case they are insured against flood and pests.

The establishment of insurance though not feasible is much easier than to patronize it.

Difficulties are—lack of knowledge and want of appreciation. To remove these defects may require at least a generation to educate.

*Thayetmyó District.*

53. Agriculturists could be helped by insurance in obtaining loans by pledging the Insurance Policy. However, the insurance of any of the kinds mentioned in this question is unknown among the agriculturists of this district. Owing to the great poverty of the majority of agriculturists here it is not considered practicable to introduce life insurance system. Nor do we consider that an Insurance Company would be willing to accept the insurance of crops except tobacco and onions, in view of the fact that the other crops are very precarious, due to ordinarily insufficient rainfall.

Most of the villages breed cattle and so it would seem feasible to introduce cattle insurance system throughout the district. Once this system is established it would be easy for agriculturists to obtain loans by pledging their policies.

It seems to us very desirable to open Co-operative Societies for selling their produce and their cattle in selected centres in order that fair prices may be obtained for them.

*Mandalay District.*

53. It is expedient to organize Cattle Insurance Societies. As the present system is not successful—Government's help is needed. A further answer will be given under Co-operative law.

*Myingyan District.*

53. Insurance of crops against flood or pests or rain at harvest or against any destruction will be welcomed. But in Upper Burma the difficulties will be to find an Insurance Company to accept insurances at moderate rates.

*Commissioner, Sagaing Division.*

53. Agricultural insurances seem to me impossible under present conditions. In the dry zone where hardly a cultivator does not lose one or two of his crops in a year the cost would be prohibitive. Conditions under which cattle are kept in the province are so primitive and epidemics of cattle-disease occur so persistently that no insurance firm could offer anything like reasonable rates.

*Sagaing District.*

53. Omitted as we think this scheme will not be practicable.

*Katha District.*

53. Rates of insurance would be prohibitive in areas where needed and in areas that reasonable rates could be quoted there is no need for insurance.

*Katha District (Kawlin and Wuntho Sub-committee).*

53. None. The agriculturists are petty owners of land and they do not believe in insurance, besides they do not want to pay any premium for such insurance.

*Deputy Director of Agriculture, Arakan Circle.*

53. Loans on life policies are given by most companies at about 6 per cent. interest per annum.

Rates of premia on cattle or crop insurance would tend to be too high to be readily taken up by the average cultivator.

*Deputy Director of Agriculture, Irrawaddy Circle.*

53. It seems doubtful if insurance in any form would be of much use to cultivators. With regard to insurance of their own lives they will not be able to pay the necessary premia to keep the policy alive, and they are likely to be tempted to surrender their policies to satisfy a passing whim. Except as a pledge for a short-term loan repayable before the next premium falls due an insurance policy, unless it is fully paid up or has acquired a substantial surrender value, would not be of much value as the borrower may fail to pay the necessary premia. As regards insurance of cattle and crops (1) premia are bound to be high on account of the large risk, (2) there is large scope of dishonesty as it will be extremely difficult to verify reported deaths of cattle or destruction or failure of crops, especially as witnesses can be bought cheaply in this country. The only exception to the above, where insurance may be useful, is with regard to produce stored in recognized warehouses.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myoðk (Co-operative Branch) Myinmu Range.\**

53. Insurance scheme of any or all kinds mentioned in the question would no doubt help the agriculturists in obtaining loans, but it requires a good amount of education on the part of the agriculturists to be able to appreciate the advantages of the insurance system.

*Mr. P.L.L.N. Narayanan Cheltiar (Pyapðn).*

53. Yes. Insurance will help agriculturists a great deal in obtaining loans.

### Section 13.—Value of Agricultural Land.

*Commissioner, Arakan Division.*

54—61. The Deputy Commissioner, Akyab's answer to these questions appear to me as good as can be given without elaborate detailed enquiries in every village.†

\* Reply has particular application to the "ya" lands of the dry zone.

† See also paragraph 2 of reply by Commissioner of Arakan in Chapter XIV of the replies.

*Akyab District.\**

54. (1) Pasture land, Flooded land, Ordinary unirrigated land Betelnut garden, Orchard gardens of different kinds and Dani lands.

(2) Pasture lands near forests and hills of little value, but surrounded by paddy fields are about Rs. 30 to Rs. 50 per acre. Flooded lands valueless. Ordinary unirrigated lands Rs. 40 to Rs. 150 per acre depending on the locality. Betelnut gardens, no statistics available. Orchard gardens Rs. 100 to Rs. 200 per acre depending on the locality and crop. Dani lands Rs. 40 to Rs. 50 per acre.

(3) About ten per cent.

55. Density of population and fertility of soil.

56 (1). Following the fall in the price of paddy, value of agricultural land has decreased by about 25 to 30 per cent.

57. In cases of sale by Government Auction for recovery of land revenue, the price realized is as a rule just the Government Revenue and cost. In execution of decree of Civil Court the realized amount generally falls below the decretal amount.

*Deputy Commissioner, Akyab.\**

54. (1) I would classify the land as (a) pasture land, (b) Unirrigated paddy land, (c) Mixed Orchard gardens, (d) Betelnut gardens, (e) Dhani belts.

(2) I accept the valuation as regards pasture land.

As regards unirrigated lands (there is no artificial irrigation in this district) I would divide them into two classes, ordinary and high.

Ordinary paddy land value varies from about Rs. 125 to Rs. 200 per acre in Maungdaw, Buthidaung and Rathedaung Townships, from Rs. 50 to Rs. 150 in Myohaung, Ponnagyun and Minbya, and from Rs. 50 to Rs. 100 in Pauktaw, and from Rs. 100 to Rs. 200 in Akyab Township. It is difficult to say what the most usual value is, it depends on the position and fertility of the land and its liability to salt water inundation.

High paddy land varies between Rs. 50 to Rs. 125 in Maungdaw and Buthedaung, and from Rs. 40 to Rs. 100 in the other townships.

Mixed orchard gardens and betelnut gardens vary in value from Rs. 100 to Rs. 150 per acre except in Myohaung Township where the value of betelnut gardens varies from Rs. 200 to Rs. 300 per acre and mixed orchard gardens, Rs. 150 to Rs. 250 per acre.

Dhani lands vary in value from Rs. 40 to Rs. 50 per acre.

(3) Ten per cent. of the sale value is, I think, a reasonable estimate of the rents.

55. Location, fertility of the soil, and density of the population are the principal causes of variation. In the case of high paddy lands its suitability for pasture is also a factor in some localities. In some areas high paddy land fetches a better rental for pasture than it would if cropped.

56. (1) Value and rent of paddy lands in the last two or three years has fallen, causes being fall in the price of paddy and extensive loss of cattle through rinderpest.

Fall is about 25 per cent. to 30 per cent.

(2) Paddy is practically the only crop in this district. If the price of paddy falls, value of land will probably decline still further.

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\* See also reply by Commissioner of Arakan in Chapter XIV of the replies.



57. It is generally only in the case of land of little value, new extensions, inundated land, etc., that default in revenue occurs. In such cases as a rule only the amount due is realised.

*Kyaukpyu District.*

54. (1) There are the following kinds of agricultural lands in Kyaukpyu District for valuation.

- (a) Paddy land.
- (b) Tobacco land.
- (c) Dani belts.
- (d) Cocoanut garden.
- (e) Betel nut garden.
- (f) Vegetable garden (include onion, chilly, brinjal and other eatable vegetables).

(g) Pasture land.

(2) (a) Most usual value of paddy land per acre at present is Rs. 150 the value of the best paddy land per acre is Rs. 250 and the worst is Rs. 50 per acre.

(b) Most usual value of tobacco land per acre at present is Rs. 300 the best land per acre is Rs. 400 and the worst Rs. 200.

(c) Most usual value of Dani belt per acre is Rs. 150 and the best land is Rs. 200 and the worst Rs. 100 per acre.

(d) Most usual value of cocoanut garden per acre is Rs. 400 the best garden is Rs. 500 and the worst Rs. 200 per acre.

(e) Most usual value of betel nut garden per acre Rs. 200 the best garden is Rs. 250 and the worst Rs. 150 per acre.

(f) Most usual value of vegetable or market garden per acre is Rs. 200 the best garden is Rs. 300 and the worst is Rs. 150 per acre.

(g) Most usual value of pasture land per acre is Rs. 50.

(3) The rents remained unchanged although the sale price rises. Usually the rent in paddy land is charged about one-third of the produce.

55. The principal causes of differences in value or rents of the lands distinguished in question 54 are—

1. Difference of soil.
2. Locality of the land.

56. (1) In the last two or three years the rent of all sorts of land remains stationery. There is an increase in value of paddy land about 20 per cent.

(2) The value in paddy land may rise largely in near future owing to immigration of Chittagonians specially in Myebon Township.

57. About half of the actual value as defined in Question No. 54 is obtained in the sales by Government auctions for recovery of land revenue of in execution of a decree of Civil Court.

*Deputy Commissioner, Kyaukpyu.*

54. (1) Ordinary unirrigated paddy land :—Half of the area would be free from flood and half would be liable to flood. There are also *kaing* lands by small streams and creeks.

(2) From the little that I have seen of the conditions of the district the values of such land given by the District Committee appear to me to be correct.

(3) Sale values are not reckoned on in the fixing rents here. Rents are generally fixed according to ancient methods which is about one-third of the annual produce. The owner should pay the Government Revenue.

55. The value and rent of each class of land appear to be the same at every place in the whole district.

56. (1) I am unable to make a report as to whether the rent or value of land has risen or fallen, as I have not been long in the district. The District Committee in its report have reported that the value of the land has risen owing to the immigration of the Chittagonians, who have shifted into the district from the Maungdaw Township, Akyab District, after the great flood there in 1926. The Chittagonians are gradually extending their occupation.

(2) So long as the Chittagonian population increases, the price of land is bound to rise, notwithstanding the dearth of finance.

57. Very poor or useless lands are only sold for default of Revenue and they generally fetch the amount of money that is needed for the revenue and the cost for the recovery sale. A land owner clings to his land and he knows that will lose his land if defaults Government revenue. His primary desire is to pay Government revenue. He collects money for this purpose before he collects money for his creditors.

*Sandoway District.*

54. (1) Agricultural land with respect to valuation is classified according to *paddy land*.

- (1) Low land free from salt water inundation and of good soil.
- (2) High land free from salt water inundation.
- (3) Land liable to floods but protected with bunds.

*Garden land*.—(1) Coconut or betelnut land.

- (2) Miscellaneous fruit bearing land.

*Kaing land*.—(1) Tobacco, chillies and sugar-cane growing land on the low bank of chaungs (streams).

- (2) Peas, sessamum, cotton, vegetable areas away from chaungs (streams).

(2) The usual value per acre of the different agricultural land is :—

		Rs.		Rs.
<i>Paddy land</i>	...	(1) 500	to	600
		(2) 300	..	500
		(3) 50	..	300
<i>Garden land</i>	...	(1) 200	..	400
		(2) 50	..	200
<i>Kaing land</i>	...	(1) 200	..	450
		(2) 50	..	200

The value of the best and worst land per acre is :—

		Best.		Worst.
		Rs.		Rs.
<i>Paddy land</i>	...	(1) 600	to	300
		(2) 500	..	200
		(3) 300	..	50
<i>Garden land</i>	...	(1) 400	..	200
		(2) 200	..	50
<i>Kaing land</i>	...	(1) 450	..	200
		(2) 200	..	50

(3) The corresponding rent to sale values is :—

		Rent per acre.	Sale value per acre.	Soil class.	Outturn per acre.
<i>Paddy land</i>	...	1	Rs. 20 or paddy 15 baskets.	Rs. 500 to 600	I 40 baskets.
		2	Rs. 10 or paddy 10 baskets.	Rs. 300 to 500	II 30
		3	Rs. 5 or paddy 5 baskets.	Rs. 50 to 300	III 20

55. The principal causes of differences in value or rent from place to place generally, are the rent rises or falls according to the rise or fall of the value of the land. The value or rent depends upon the outturn and soil. There are other minor causes affecting the value or rent, they are proximity to the market communication facilities.

56. (1) The value or rent of every sort of land has risen within the last two or three years. The percentage of rise is about 42 per cent. (i.e., 350 to 500, 500 to 350=150). Values for the last ten years have been as follows :—

	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	Remarks.
Average price of paddy land per acre.	300	320	325	340	340	360	380	400	600	500	
Average price of Kaing land per acre.	125	130	145	145	155	160	170	200	30	200	

(2) The highest obtainable paddy price in this district was said to have been reached in the year 1928, but during 1929, there has been a fall in the paddy market and if this tendency continues the value or rent of paddy land will likely fall in the near future, affecting it by about 20 per cent. in the next ten years.

57. About 30 per cent. less than the prices quoted in question 54.

#### *Pegu District.*

54. (1) Pasture land, ordinary unirrigated paddy land, high paddy land, flooded land, kaing land by small streams, dhani belts, pineapple gardens.

(2) Rupees 15 to Rs. 20 per acre, Rs. 50 to Rs. 150 per acre, Rs. 25 to Rs. 100 per acre, practically of no value, Rs. 50 per acre, Rs. 50 to Rs. 70 per acre, Rs. 100 to Rs. 200 per acre.

(3) Nil, 5 to 12 baskets per acre, 5 baskets, Nil, Rs. 15 to Rs. 20 per acre, (not known to the Committee), (not known to the Committee).

55. The principal causes of difference are the varying fertility of land, and the nearness to the market.

56. (1) In the last two or three years, both the value and rent of land have fallen by about a third in this district.

(2) The Committee think there is likely to be a large fall in value and rent of land in the near future because of the lower price of paddy and rice that is likely to result from well-known world-forces.

57. From one-fourth to one-half.

*Tharrawaddy District.*

54. (1) and (2) Unirrigated paddy lands can be roughly classified into three classes.

First class valued at Rs. 300 to Rs. 400 per acre.

Second class valued at Rs. 250 to Rs. 300 per acre.

Third class valued at Rs. 100 to Rs. 200 per acre.

Kaing land valued at Rs. 20 to Rs. 50 per acre.

(3) First class paddy land 18 to 20 baskets per acre.

Second class paddy land 15 baskets per acre.

Third class paddy land 8 to 10 baskets per acre.

55. Not much difference.

56. (1) The value for paddy land has fallen in the last two or three years from Rs. 50 to 70 per acre.

(2) As prices depend on paddy market, no answer possible.

57. Seventy-five per cent. of the ordinary market value.

*Deputy Commissioner, Tharrawaddy.*

54. (1) and 2. Unirrigated paddy lands can be classified roughly into three classes :—

First class, second class and third class. Then there is kaing land.

Values range from Rs. 340 per acre for first class land, Rs. 270 for second class land, to about Rs. 130 for third class land.

Kaing land is worth very little and an owner would be lucky to find a purchaser at Rs. 35 per acre.

I cannot give very much more information than is found in the Settlement Reports.

(3) The rent values vary in accordance with the quality of the land.

It is said that good land is in such demand that rent values are rising. So far as my information goes, the rent of first class land is about 20 baskets per acre on nearly 45 per cent. of the outturn. For second class land the rent drops and comes to about 15 baskets or about 35 per cent. For third class land the average rents are about 10 baskets or 30 per cent. Kaing land is not rented.

55. I have made every endeavour to work out an answer to this question but I am unable to do so.

56. (1) The value of all land has fallen by about 25 per cent. The fall in value is due to tightness of money due to the drop in the price of rice.

(2) I think the rice market fixes the value of money in Burma. With the price of rice down, trade suffers, and money becomes tighter. Practically all the cultivators both small owners and tenants live on credit for a certain period of the year. With trade bad and

money tight, credit will be dearer and this may land small owners in difficulties and cause the value of land still further to fall. But I do not think the fall will be large.

57. For kaing land practically nothing. For other land 60 per cent. to 70 per cent. varying with the soil class.

*Hanthawaddy District.*

54. (1) The different kinds of Agricultural lands distinguished in this district are—

- (i) Paddy land.
- (ii) Miscellaneous garden land.
- (iii) Dani land.

(2) The most usual value per acre at present is as follows :—

- (i) Paddy, Rs. 200 per acre.
- (ii) Garden, Rs. 150 per acre.
- (iii) Dani, Rs. 400 per acre.

The value of best paddy land is Rs. 300 per acre. These lands are in the Kayan and Thongwa Townships. The value of best miscellaneous gardens is Rs. 200 per acre. These gardens are situated in the Twante Township. The best Dani land which is along the Panhlaing Creek in the Twante Township is sold at the rate of Rs. 500 per acre.

The value of worst paddy land is Rs. 25 per acre. These are inundated lands situated in the Twante Township and Syriam Township.

The value of worst Dani land is Rs. 100. These lands are in the Kyauktan, Thongwa and Kayan Townships.

(3) The corresponding rents to the above sales values are—

- (i) *Ordinary* paddy land 13 baskets or Rs. 26 per acre.  
Cash rent.
- (ii) *Ordinary* garden land No rent.
- (iii) *Ordinary* dani land Rs. 80
- (i) Best paddy land 20 baskets or Rs. 40 per acre.
- (ii) Best garden land No rent.
- (iii) Best dani land Rs. 100 per acre.
- (i) Worst paddy land 8 baskets per acre or Rs. 16  
cash rent.
- (ii) Worst garden land Nil.
- (iii) Worst dani land Rs. 60 per acre.

55. The differences in the value and rent of the abovementioned lands are due to the conditions of the soil and the locality where they are situated. The best paddy lands are in the Kayan Township. High value and rent are obtainable here because the soil is more fertile than the other parts of the District and the lands, with the exception of one or two localities, are not subject to floods. The best gardens are in the Twante Township. They are situated on a ridge. The soil here is good and water easily obtainable with the result that more valuable fruit trees can be grown.

The best dani land is along the Panhlaing Creek. The soil is good on account of the deposit of good silt. The plants also receive the right amount of salt water.

The worst paddy lands are in the Twante Township where the out-turn of crop is uncertain on account of the annual flooding of the Panhlaing Creek. The worst gardens are situated on the ridges in the

Syriam and Twante Township. Here the soil contains gravel and water is scarce.

The worst dani lands are in the Kayan, Thongwa and Kyauktan Townships. In these places, the plants do not receive sufficient salt water which is necessary if the plants are to thrive well.

56. (1) The value of paddy land has fallen 25 per cent.

(2) No rise or fall in value or rent of land is expected.

57. About 80 per cent. of the value of land is generally obtained in sales by Government auction.

*Insein District.*

54. (i) (a) Ordinary unirrigated paddy land.

(b) garden land (i) mangoes (ii) flower and market gardens.

(c) Dhani belts.

A statement of values is given below (A).

A

*Valuation of Agricultural lands.*

Township.	Paddy.		Garden.		Dhani.	
	From	To	From	To	From	To.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Taikkyi ... ..	78	214	65	240	Nil	Nil
Tantabin ... ..	60	189	33	425	33	174
Insein ... ..	63	225	61	769	100	767
Hlegu ... ..	92	169	57	312	225	...
Suburban area including Insein Town.	318	2,611	3,241	7,390	only 1 sale 251	...
					only 1 sale	

Area A may be called exceptional, as this land has a building value.

54. (ii) A statement is given below (B) fixed money rents are scarce, fixed produce rents being commonest though rents are high, there is plenty of competition for land.

B.

Township.	Rents per acre.	
	From Baskets.	To Baskets.
Taikkyi ... ..	9	17
Tantabin ... ..	9	16
Insein ... ..	9	14
Hlegu ... ..	...	9
Suburban Area ... ..	14	18

55. The principal causes of difference are easiness of access, proximity to road or railway, liability to flooding, nearness to Rangoon, and the possibility of land being used later for residential or industrial purposes, e.g., mills or brickfields.

56. (1) I attach a statement (C), but too much reliance must not be placed on these figures. In my opinion building (i.e., garden land in and outside the notified areas has shown a recent tendency to fall at least 10 per cent. to 25 per cent. and there have been some very inflated previous values partly due to forced acquisitions and partly to a boom. Thus the land in Mingaladon Cantonment fetched Rs. 3,000 per acre at acquisition, but similar land near by has nothing like a similar value for any purpose. Huge prices have been paid for garden and waste land for building purposes along the Prome Road and near Insein in the last ten years but in my opinion many of the present owners would be glad to recover half their money. In my opinion garden land off main roads between Mingaladon and Rangoon is bound to slump heavily in price before long. (In garden land I have included land on the Yoma ridge near Rangoon which is covered with scrub jungle).

## C.

*Values during the past three years.*

Township.	Year.	Paddy.	Garden.	Dhani.
		Rs.	Rs.	Rs.
Taikkyi ...	1926-27	154	111	Nil.
	1928-29	155	121	Nil.
Tantabin ...	1926-27	118	180	120
	1928-29	139	207	174
Insein ...	1926-27	139	787	381
	1928-29	137	287	586
Hlegu ...	1926-27	112	105	Nil.
	1928-29	141	126	225*
Suburban Area ...	1926-27	594	4,622	Nil.
	1928-29	741	4,353	251

\* Only one sale in 1927-28.

57. All.

*Prome District.*

54. (1) (a) Ordinary unirrigated paddy land, (b) high paddy land, (c) kaing land, (d) custard garden land.

(2) The values are (a) best Rs. 500, worst Rs. 150, usual value Rs. 200 in the north of the district and Rs. 400 in the south of the district. (b) Best Rs. 250, worst Rs. 75, usual value Rs. 200 in the south of the district and Rs. 100 in the north of the district. (c) Best Rs. 125, worst Rs. 75, usual value Rs. 100. (d) Best Rs. 150, worst Rs. 75, usual value Rs. 125.

(3) The usual rents are —

(a) 20 baskets paddy.

(b) 50 baskets paddy.

(c) Kaing land is rarely let, and no usual rent is known.

(d) Ditto.

55. For (a) and (b) the causes of difference, etc., are (i) fertility, (ii) nearness to towns and villages, (iii) nearness to roads, railway stations, mills (in the case of paddy land), markets or steamer landing places, (iv) liability to flood.

56. (1) Values have fallen by 25 per cent. to 30 per cent. in the north of the district during the last two or three years, but have not fallen so much in the south of the district. Rents have remained unchanged.

(2) If the price of paddy continues to be low, a further fall may be expected. Without knowledge of the final price of paddy in this year and in the coming years, it is impossible to say whether the fall will be large or not.

57. Maximum 75 per cent., minimum 50 per cent.

*Bassein District.*

54. (1) In this District we would distinguish the following different kinds of lands :—Irrigated paddy land, ordinary unirrigated paddy land, high paddy land, flooded land, *kaing* land, *dhani* garden, mango garden, betelnut gardens, market gardens, flower garden and *thetke* fields, etc., grazing grounds.

(3) Roughly 5 to 15 baskets per acre from Ngaputaw to Kyônyaw.

55. Ordinarily it is due to the fertility of the land.

56. (1) On account of fall in price of Burma rice rent has also fallen but not proportionately to the value of the land.

(2) No, except those on the river banks suitable for mill sites.

57. At Government auction for recovery of land revenue, price fetched is far below the market price and in the execution of decree of civil courts the value realised is 50 to 75 per cent. of the ordinary value. This answer applies to all classes of land, and by "market price" we mean the "most usual value" as defined in the note above. Question 54.

*Henzada District.*

54 (1)—

(i) Paddy lands, (ii), *Kaing* lands and (iii) Garden lands.

(ii) Paddy lands range between Rs. 100 and Rs. 350, the usual price being 250. *Kaing* lands range between Rs. 50 and Rs. 150, the usual price being 100. Garden lands range between Rs. 100 and Rs. 350 the usual price being Rs. 250.

(iii) Paddy Lands—10 to 20 baskets per acre. *Kaing* Lands—In kind or cash representing about a quarter of the produce. Garden Land—Ditto.

55.—

(1) Proximity to towns and villages.

(2) Proximity to Railway and Steamer stations.

(3) Facility of irrigation.

(4) Population of cultivators in the neighbourhood.

56. (1)—

(1) Value of all lands has fallen by 30 per cent.

(2) There is likely to be a further fall in value but not in rent by another 12 per cent. on account of the fall in the price of paddy, scarcity of purchasers due to present financial slump and the indebtedness of the cultivators necessitating a speedy sale of their land to repay debts.



57. Civil Court Auctions : two-thirds. Government Revenue sales : one-fourth.

*Myaungmya District.*

54 (1) There are five different sorts of agricultural land in this district.

(a) Ordinary unirrigated paddy land, (b) high paddy land, (c) flooded land, (d) orchard or garden land of different kinds, (e) *dhani* belts.

(2) (a) Rs. 200 to 300 in Wakema and Moulmeingyun Townships. Rs. 100 to 200 in Einme and Kanbe Townships, Rs. 50 to 110 in Labutta and Myaungmya Townships. The most usual value is Rs. 150 per acre.

(b) Rs. 150 to 200, Rs. 100 to 150 and Rs. 30 to 50 per acre respectively in the above Townships.

(c) Little or no value.

(d) Rs. 100 to 150 per acre.

(e) Rs. 150 to 200 per acre depending on the age of the trees.

(3) Usual rent corresponding to sale values of paddy land is 20 per cent. There is no fixed rate of rents for garden and *dhani* lands.

55. The principal causes of differences in value of land are variation in fertility and situation in relation to markets.

56. (1) We cannot estimate in the absence of statistics. Some members suggest that the value has fallen by Rs. 30 to 40 per cent. Others think that this is an excessive estimate.

(2) The value and rent are expected to remain fairly steady in the near future. Land values, both sale and rent, fluctuate with the price of paddy.

57. The general proportion of the value obtained in sales by Government auction for recovery of land revenue is 40 per cent. and in execution of a decree of a civil court is 60 to 70 per cent.

*Maubin District.*

54. (1) The following are the different sorts of agricultural land which may be distinguished in this locality with respect to valuation:—

(a) Garden Land,

(b) Paddy Land protected by Government Embankments,

(c) Paddy land not so protected,

(d) Low-lying paddy land, and

(e) *Kaing* land.

(2) The most usual value for each sort of land in this locality distinguished as above per acre is as under:—

			<i>Value per acre.</i>
			Rs.
(a) Garden land	...	...	227
(b) Paddy land protected by Government embankments.	...	...	201
(c) Paddy land not so protected	...	...	150
(d) Low-lying paddy land	...	...	55
(e) <i>Kaing</i> land	...	...	51

The value of the best and worst lands of each sort distinguished as above are as follows :—

	Garden land.	Paddy land protected by govt. embankments.	Paddy land not so protected.	Low-lying paddy land.	Kaing land.
	Rs.	Rs.	Rs.	Rs.	Rs.
Best ...	400	261	200	81	88
Worst ...	54	104	76	50	38

(3) The rents corresponding to those sale-values are as shown below:—

Kind of land.	Rent per acre.
Garden land ... ..	Baskets 16
Paddy land protected by government-embankments.	24
Paddy land not so protected ...	20
Low-lying paddy land ...	10
Kaing land ... ..	13

55. The principal causes of differences in value of each sort of land from place to place are:—

- (1) Immunity from floods.
- (2) Accessibility by steamer or barge, *i.e.*, its situation in relation to main communications.
- (3) Proximity to Rangoon or township and district headquarters.
- (4) Fertility of the soil.
- (5) In the case of garden land, age of fruit trees standing thereon contributes to the differences in the value of the land. For example, mango gardens with the trees past their prime have deteriorated greatly in value as compared with gardens with trees in their prime.

In the same way the aforesaid factors influence the rent from place to place.

56. (1) There has been no fluctuation in the values of (a) garden and (b) *kaing* lands in the last two or three years. The value of (d) lowlying paddy land shows a rise by about 15 per cent due to the favourable agricultural season and to the introduction of flood resisting strains of paddy. The value of (b) paddy land protected by government embankment has fallen by about 30 per cent. on account of the unfavourable paddy market. The rents for garden and *kaing* lands have remained almost stationary in the last two or three years. The rent for low-lying paddy lands also does not indicate any rise or fall in the last two or three years. The rent for paddy land protected by government embankment shows a slight drop in sympathy with the fall in the value of the land and the money market and the unfavourable season.

(2) The value of paddy land is likely to fall further by not less than 10 per cent. in the near future on account of the low prices obtained for the crop last year. The rents, however, are not likely to be reduced to any appreciable extent.

57. (a) About 5 per cent. of the value of the land, usually less, is obtained in sales by Government auction for recovery of land revenue and (b) in execution of decrees of a Civil Court, the percentage reaches 40 approximately.

*Deputy Commissioner, Pyawbñ.*

54. (1) (a) *High unirrigated paddy land*—the word "high" is here used to denote land not subject to floods.

(b) *Low unirrigated paddy land*—the word "low" indicates that the land might be subject to floods.

(c) *Dhani gardens* fringing main river and creeks.

(2) (a) *High paddy land*—Average Rs. 200 per acre.

Highest Rs. 250 per acre.

Lowest Rs. 175 per acre.

(b) *Low paddy land*—Average Rs. 150 per acre.

Highest Rs. 200 per acre.

Lowest Rs. 75 per acre.

(c) *Dhani land*—Average Rs. 400 per acre.

Highest Rs. 500 per acre.

Lowest Rs. 250 per acre.

(3) Rents in this district are usually one third of the outturn and the following are rents corresponding to the above sale values.

(a) *High paddy land* worth—

Rs. 200 per acre would command a rent of 15 baskets per acre.

Rs. 250 per acre would command a rent of 18 baskets per acre.

Rs. 175 per acre would command a rent of 12 baskets per acre.

(b) *Low paddy land* worth—

Rs. 150 per acre would command a rent of 10 baskets per acre.

Rs. 175 per acre would command a rent of 12 baskets per acre.

Low-lying paddy land worth Rs. 75 per acre would ordinarily be worked by an owner cultivator as it would be hard to find tenants to work such lands. If, however, tenants could be found the rent would be about five baskets per acre.

(c) *Dhani gardens* would command the following rents :—

Land worth Rs. 400 per acre ... Rs. 50 per acre.

Land worth Rs. 500 per acre ... " 60 "

Land worth Rs. 250 per acre ... " 20 "

55. Differences in values and in rents are accounted for as follows :—

(a) accessibility of land,

(b) distance from a main stream or navigable creek,

(c) distance from market centres,

(d) liability to floods,

(e) liability to pests,

(f) competition in tenancies.

56. (1) There has been an all-round fall in the value of paddy lands due to the slump in paddy prices. Rents have not so far been affected. The fall in land values over the last two years is between 12½ per cent. and 15 per cent.

(2) The rise and fall of land values largely depends on the state of the paddy market which shows a tendency to stabilise at about Rs. 150 per 100 baskets. If this happen there will probably be a further fall in land values of about 5 per cent.

57. There have been no sales by Government auction for recovery of land revenue in this district for the last 10 years. Land sold by Government auction in execution of a civil decree usually fetches about 75 per cent. of its true value.

#### Thatón District.

54. (1) Agricultural lands might be classed as follows :—

- (a) Paddy-land—Ordinary garden land.
- (b) Paddy-land—Flooded land.
- (c) *Mayin* paddy land.
- (d) *Kaing* land.
- (e) Orchard gardens.
- (f) Sugarcane.
- (g) Rubber gardens.

(2) The usual value per acre at present is as follows :—

(a) Ordinary paddy land—Highest rate, Rs. 250 in Thatón Township and Rs. 300 in Paung Township. Lowest rate Rs. 50 in Thatón Township and Rs. 100 in Paung Township.

(b) Flooded land	...	Rs. 40	
(c) <i>Mayin</i> paddy land	...	80	} in three Townships.
(d) <i>Kaing</i> land	....	80	
(e) Orchard gardens—		100	
	...	50	in Pa-an Township in Thatón and Paung Townships.
(f) Sugar cane	...	100	
(g) Rubber	...	500	

(3) The rents are the following—

*Ordinary paddy land.*—From 5 to 13 baskets per acre in Thatón Township.

From 10 to 15 baskets per acre in Paung Township.

The rents are irrespective of the sale price. The other classes of lands are generally worked by the owners themselves.

55. The value of the lands and its rents are greater in Paung Township because the crops are less liable to destruction by floods and give a better outturn. The product could easily be transported to Moulmein.

56. (1) There has been a slight decrease of value of the land owing to the slump in the paddy market. The average decrease is about Rs. 50 per acre during the last two years.

(2) There is a likelihood of a fall of value of land owing to rice combination and in consequence bad trade.

There is no change in the rent.

57. When land is sold in execution of a decree in a Civil Court about 50 per cent of the value of the land is usually obtained owing to the stringency of the money market.

And in the case of land sold in auction for recovery of land revenue only 25 per cent of the actual value is obtained.

*Thalon District (Pa-an Sub-committee).*

*Value of Agricultural land—*

54. (1) (a) Ordinary unirrigated paddy land.  
 (b) High paddy land.  
 (c) Flooded and irrigated paddy land.  
 (d) Flooded or *Mayin* land.  
 (e) *Kaing* land.  
 (f) Mango gardens.  
 (g) Betelnut gardens.  
 (h) Palm gardens.  
 (i) Miscellaneous gardens.
- (2) (a) Rs. 150—best land, Rs. 200 ; worst land Rs. 80.  
 (b) Rs. 80—best land, Rs. 120 ; worst land Rs. 20.  
 (c) Rs. 120—best land, Rs. 180 ; worst land Rs. 60.  
 (d) Rs. 250—best land, Rs. 300 ; worst land Rs. 150.  
 (e) Rs. 250—best land, Rs. 300 ; worst land Rs. 100.  
 (f) Rs. 30—best land, Rs. 50 ; worst land Rs. 15.  
 (g) Rs. 50—best land, Rs. 80 ; worst land Rs. 30.  
 (h) Rs. 300—best land, Rs. 400 ; worst land Rs. 150.  
 (i) Rs. 25—best land, Rs. 40 ; worst land Rs. 15.
- (3) (a) 8 per cent.  
 (b) 3 per cent.  
 (c) 5 per cent.  
 (d) 10 per cent.  
 (e) 10 per cent.  
 (f) 2 per cent.  
 (g) 3 per cent.  
 (h) 5 per cent.  
 (i) 2 per cent.
55. Labour, sure outturn, proximity to the village and easy communication are the distinguishing factors to vary the value and rent.
56. (1) Fallen by about 30 per cent.  
 (2) To fall both in value and rent so long as the paddy market remains low.
57. Government auction fetches value considerably low. Execution of a civil decree not so much low as Government auction.

*Deputy Commissioner, Thalon.*

54. (1) Unirrigated paddy land, unirrigated paddy land (high-lying) unirrigated paddy land, (low-lying) subject to floods.  
 Sugar-cane land superior and inferior.  
 Garden lands *durium* and mangosteen.  
 Garden lands miscellaneous—*kaing* lands *mye-an* and *mye-yin*,  
 Dhani belts superior and inferior.  
 Rubber land.
- (2) The value of the irrigated paddy land of the first kind ranges from Rs. 200 to Rs. 350 per acre and the usual value may be placed at Rs. 250.

The value of the unirrigated paddy class as high-lying ranges from Rs. 75 to Rs. 150 per acre and the usual price is about Rs. 100.

The price per acre of unirrigated paddy land of the last kind ranges between Rs. 50 and Rs. 100 per acre and the usual price is about Rs. 75 per acre.

The price of superior sugar-cane land ranges between Rs. 30 and Rs. 50 per acre and the usual price is about Rs. 40.

Inferior sugar-cane land sells at price between Rs. 15 and Rs. 25 per acre and the usual price is Rs. 25.

The price of garden lands suitable for *durian* and mangosteen growing ranges from Rs. 200 to Rs. 300 per acre. The usual price being about Rs. 230.

The price of other garden lands ranges between Rs. 50 and Rs. 100 per acre and Rs. 75 may be taken as the usual selling price per acre.

The selling value of *kaing* lands varies between Rs. 100 to Rs. 250, the price occurring most frequently being about Rs. 150. The value of *dhani* lands ranges between Rs. 100 and Rs. 250 per acre, and the usual price is about Rs. 150.

The value of rubber land ranges between Rs. 400 and Rs. 600 per acre. The usual price may be taken at Rs. 500.

(3) The rental value of paddy land of the first kind ranges from Rs. 30 to Rs. 40 per acre and the 2nd and 3rd kind from Rs. 15 to Rs. 25 per acre.

The only other land that is frequently rented out is *kaing* land where rentals vary from Rs. 15 to Rs. 30 per acre accordingly as the land is indifferent or good.

55. The principal causes for the differences in value and rent are (i) fertility of soil, (ii) facilities of communication and markets or otherwise (iii) availability or otherwise of suitable nursery areas.

56. (1) The selling and rental value of land has not altered appreciably with the last few years.

(2) There is no likelihood of any appreciable rise or fall in value of land in the near future.

57. The proportion generally obtained at Government auctions or sales by Government as a result of a decree of Civil Court is about two-third the actual value.

#### Amherst District.

54 (1) The different sorts of Agricultural land I would distinguish in the Amherst District with respect to valuation are as noted below :—

(1) Ordinary unirrigated paddy land, (2) Irrigated paddy land, (3) High paddy land, (4) Flooded land, (5) *Dhani* land, (6) Mango garden, land, (7) Betelnut garden land, (8) Orchard garden land of different kinds, (9) Land used for manufacture of salt, (10) Rubber land containing mature rubber trees, (11) Rubber land containing immature rubber trees and (12) *Pa-ta* paddy land. I may explain that *Pa-ta* paddy land is a sort of a half-way house between *kaukgyi* and *mayin* paddy land and that *Pa-ta* paddy crops can only be grown on this land between the *kaukgyi* and *mayin* cultivating seasons. The kind of paddy grown on this land is called "Gwa" paddy, having been derived from the Burmese word which means "betwixt and between." *Pa-ta* paddy land is to be found only in the Kyaikmaraw Township of this district.

From the statements which are attached it will be noticed that the following kinds of lands are common to all the eight townships of this district :—

- (a) ordinary unirrigated paddy land,
- (b) orchard gardens of different kinds, and
- (c) lands under cultivation with rubber.

Also that although high paddy land is to be found almost everywhere, it is conspicuous by its absence in the Chaungzon and Mudon Townships. The same applies in the case of flooded land which is reported to be entirely absent in the Amherst township. Irrigated paddy lands are to be found only in the Kyain, Kyaikmaraw, Kawkareik and Ye Townships, while *dhani* lands are absent in the first named three Townships. Mango gardens exist only in the Ye township, and betelnut gardens only in the Kyaikmaraw, Moulmein and Ye Townships. Again, lands used for the manufacture of salt exist only in the Ye and Amherst Townships, while *Pa-la* lands are to be found only in the Kyaikmaraw Township.

(2) For each sort of land distinguished for purposes of valuation as noted in the answer to Question No. 54(1) the most usual value per acre at present is as shown in Statement No. I attached. As regards the values of the best and worst lands of the different kinds enumerated, they are as shown in Statement No. II attached. From these statements it will be seen that land values as well as rental values are highest in the areas nearest Moulmein Town, and that they are lowest in the areas situated more interior. There are exceptions of course depending upon the fertility and productivity of the soil. The variations in value from place to place are as detailed in the answer to question No. 55.

(3) The rents corresponding to the sale values furnished in Statement No. I for each kind of land are as shown in Statement No. III. From this statement it will be noticed that except for paddy lands, other kinds of land are not usually rented out. The fractions shown against each variety of paddy land in each township have been deduced with reference to the usual prices of each kind of land and to the proportion of the rents paid. The figures vary considerably (except for lands in the Kyaikmaraw and Mudon townships) as the factors which determine the resultant values vary so much for different kinds of lands even in the same locality. In the exceptional townships referred to above, namely Kyaikmaraw and Mudon, the rents paid, and the outturns per acre as well as the sale value of lands are the same in each township. In the Kyaikmaraw Township the rent usually agreed upon is one-fifth of the outturn which is 30 baskets an acre and the usual price per acre of land is Rs. 75. In the Mudon township the usual rent is half of the outturn which is also 30 baskets an acre, and the usual price per acre is Rs. 300.

STATEMENT I.—Values per acre of different kinds of lands in Amherst District.

Different kinds of lands.	Townships.							
	Kyaikmaraw.	Kyain.	Ye.	Moulmein.	Kawkareik.	Choungzon.	Mudon.	Amherst.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ordinary unirrigated paddy land ...	75—150	50—400	100—250	150—400	50—150	250—400	200—500	100—200
Irrigated paddy land . ...	75—150	50—100	75—200	Nil.	30—100	Nil.	Nil.	Nil.
High paddy land ...	50—100	50—100	50—100	100—150	50—200	Nil.	Nil.	75—150
Flooded land ...	25—50	10—20	30—75	100—150	10—75	200—250	200—300	Nil.
Dhani ...	Nil.	Nil.	100—300	200—300	Nil.	250—350	200—300	100—200
Mango gardens ...	Nil.	Nil.	50—100	Nil.	Nil.	Nil.	Nil.	Nil.
Betelnut gardens ...	100—200	Nil.	100—300	200—350	Nil.	Nil.	Nil.	Nil.
Orchard gardens of different kinds ...	100—300	150—200	100—300	250—500	100—300	200—600	200—400	250—350
Salt lands ...	Nil.	Nil.	400—500	Nil.	Nil.	Nil.	Nil.	400—500
Rubber lands, mature ...	300—400	200—300	Nil.	500—750	50—100	600—800	400—600	500—700
Rubber lands, immature ...	100—125	50—75	150—200	200—300	50—75	75—200	100—200	200—300
Pa-ta paddy land ...	50—75	Nil.	...	Nil.	Nil.	Nil.	Nil.	Nil.



STATEMENT II.—Usual price per acre of different kinds of lands in Amherst District.

Different kinds of lands.	Townships.							
	Kyaikmaraw.	Kyain.	Ye.	Moulmein.	Kawkareik.	Choungzon.	Mudon.	Amherst.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ordinary unirrigated paddy land ...	125	75	200	275	125	300	300	180
Irrigated paddy land ...	125	75	180	Nil.	75	Nil.	Nil.	Nil.
High paddy land ...	75	75	75	120	150	Nil.	Nil.	120
Flooded land ...	40	15	60	120	50	200	300	Nil.
Dhani ...	Nil.	Nil.	200	250	Nil.	300	250	150
Mango gardens ...	Nil.	Nil.	70	Nil.	Nil.	Nil.	Nil.	Nil.
Betelnut gardens ...	150	Nil.	60	225	Nil.	Nil.	Nil.	Nil.
Orchard gardens of different kinds ...	150	150	200	320	150	300	300	300
Salt lands ...	Nil.	Nil.	400	Nil.	Nil.	Nil.	Nil.	400
Rubber lands, mature ...	350	250	Nil.	600	75	600	500	600
Rubber lands, immature...	100	60	200	220	60	150	150	250
Pa-la paddy land ...	60	...	...	...	...	...	...	...

STATEMENT III.—Rents per acre corresponding to usual price per acre shown in Statement I.

Different kinds of lands.	Townships.							
	Kyalkmaraw.	Kyain.	Kawkareik.	Moulmein.	Choungzon.	Mudon.	Amherst.	Ye.
Ordinary unirrigated paddy land ...	†	၂၀	၂၀	‡	‡	၂၀	‡	‡
Irrigated paddy land ...	၂၀	၂၀	၂၀	...	...	...	...	‡
High paddy land ...	‡	၂၀	‡	‡	...	...	၂၀	‡
Flooded land ...	‡	...	...	‡	၂၀	၂၀	...	...
Dhani ...	...	...	...	...	...	...	...	‡
Mango gardens ...	...	...	...	...	...	...	...	...
Betelnut gardens ...	...	...	...	‡	...	...	...	...
Orchard gardens of different kinds ...	...	...	...	...	...	...	...	...
Salt lands ...	...	...	...	...	...	...	...	...
Rubber lands, mature ...	...	...	...	...	...	...	...	...
Rubber lands, immature...	...	...	...	...	...	...	...	...
Pa-ta paddy lands ...	...	...	...	...	...	...	...	...

55. For each sort of land distinguished in question No. 54 (1), the principal causes of differences in the sale values and rents are—

- (a) Fertility and productivity of the soil.
- (b) Proximity and easier transport to Moulmein Town.
- (c) Liability to floods, and
- (d) Improved methods of cultivation.

For purposes of comparison of sale values in different localities—lands situated in the Kyain, Kyaikmaraw and Kawkareik Townships—where climatic and other conditions are more or less similar should be dealt with together. Similarly those in the Chaungzon, Moulmein and Mudon Townships and those in the Amherst and Ye Townships should also be dealt with separately.

(a) Examining those in the Kyain, Kyaikmaraw and Kawkareik townships it will be noticed that only in the case of orchard gardens of different kinds, the values of the best and worst sorts are the same and range between Rs. 130 and Rs. 300, the most usual price per-acre being Rs. 150. Also that although the usual price per acre of ordinary unirrigated paddy land is the same in both the Kyaikmaraw and Kawkareik Townships, namely Rs. 125, the price in the Kyain Township is only Rs. 75. This is because the soil is very poor and the lands are situated in the remotest interior of the district where communications and means of transport are also very backward. In the case of irrigated paddy land, although the usual price per acre is the same in both the Kyain and Kawkareik Townships namely Rs. 75 it will be seen that the price in the Kyaikmaraw Township is nearly double being as high as Rs. 125. This is due to better outturns obtained than on the ordinary unirrigated lands and to improved methods of irrigation. In the case of high paddy lands, although the price per acre is the same in the Kyain and Kyaikmaraw Townships namely Rs. 75, the price in the Kawkareik Township is double being Rs. 150. In this township the high paddy lands are valuable because paddy can be grown on them while the low-lying lands are still inundated, and because the crops so obtained are unusually secure and good in outturn. Flooded land in the Kyain Township is practically worthless because they are so low-lying that they cannot be planted in time and are liable to be flooded when they are most needed. As regards rubber lands, they have no value in the Kawkareik Township due partly to remoteness of area and partly to poverty of the soil. The difference in sale value of rubber lands in the Kyain and Kyaikmaraw Townships is also due to the same reasons.

(b) Examining the sale values of lands situated in the Moulmein, Chaungzon and Mudon Townships, it will be noticed that there is practically no difference in the values for ordinary irrigated paddy lands and for orchard gardens of different kinds. The slight decrease in the value in the case of the former is due to the smaller outturns obtained from paddy lands in the town, while on the other hand the slight increase in the value in the case of orchard gardens is due to proximity to the markets in Moulmein Town. As regards *Dhoni* lands the usual price per acre in the Moulmein and Mudon Townships is Rs. 250, whereas in the Chaungzon Township the usual price is Rs. 300. The value is lower in the former townships as the lands are more liable to erosion than in the Chaungzon Township. Furthermore the so called *Dhoni* lands are unsuitable for the growth of *Dhoni* and after a few years are usually converted into paddy growing lands. Flooded land fetches Rs. 120 per acre in the Moulmein Township, and Rs. 200 and

Rs. 300 respectively in the Chaungzon and Mudon Townships. In the Mudon Township the flooded areas also are very fertile and produce as good a crop as in the ordinary unirrigated areas. The practice in this Township is that cultivators wait for the water to subside before sowing and the silt deposit acts as a fertilizer. In the Chaungzon Township the value is lower than the ordinary irrigated areas because expensive embankments have to be constructed to keep out the inroads of salt water and they have to be constantly repaired. In the Moulmein Township, however, flooded areas have little or no value being only Rs. 120 per acre. This is because the soil in this township, especially paddy soil, is very poor and unproductive. As regards the value for rubber lands the price in the Mudon Township is only Rs. 500 per acre as against Rs. 600 per acre in the other 2 townships as well as in the Amherst Township. It is reported that the lower price prevails in the Mudon Township as the soil on which rubber has been grown is not virgin soil and the methods adopted are not very modern or scientific. In the Moulmein Township, immature rubber lands, however, fetch a higher price than in the chaungzon and Mudon Townships due probably to proximity to Moulmein Town.

(c) Examining those in the Amherst and Ye Townships it will be noticed that the value of ordinary irrigated paddy lands ranges from Rs. 100 to Rs. 200 in the former township and from Rs. 100 to Rs. 250 in the latter township and that the usual price per acre is Rs. 180 in the former and Rs. 200 in the latter. The increase in the price of paddy land in the Ye Township has been due to the opening of the railways from Moulmein to Ye. As regards the value of irrigated paddy land it is the highest value obtained in the whole of the district, the usual price per acre being Rs. 180 which is almost as much as the price paid for ordinary unirrigated paddy lands. In this township as well as in the Kyain, Kyaikmaraw and Kawkareik Townships, the value of irrigated paddy land is steadily increasing as it is now realised that the paddy crops grown on such areas are more secure than in ordinary unirrigated or flooded areas and that better outturns are also obtained. In the case of high paddy lands the usual price in the Ye Township is only Rs. 75 per acre as against the price of Rs. 120 per acre in the Amherst Township. This is due to lands in the Ye Township being situated in the outlying areas of the district where communications are very poor and means of transport are also very backward. The values of *Dhani* lands in the Ye Township, however, are higher than those in the Amherst Township, as in the former township, the lands receive a greater deposit of silt and more salt water from the sea. As in the case of high paddy land, the values of orchard gardens and immature rubber gardens in the Ye Township are lower than those in this Amherst Township, because of remoteness from the markets in Moulmein Town. There is no value at present for mature Rubber gardens in this township as this crop is only of recent origin in the Ye Township, but even hereafter it is unlikely that the value will be the same as that obtaining in the rest of the district because partly of remoteness and partly to decline in the rubber market. As regards salt lands the values are the same in both the townships and no comment is necessary.

56. (1) Speaking generally there has been a decline in the values of all sorts of land in this district during the past two or three years. In the case of paddy the decline by about two-fifths is in consonance with the decline in world-wide prices and to the poor quality of paddy produced

from this district due to adulteration. In the case of Rubber lands the decline has been much greater as the price has dropped from Rs. 2-8 per lb. to As. 5 per lb. during the past few years. Before the war the price per lb. was about Re. 1 to Rs. 1-4, and the present decline is due to the slump in the Rubber market. The value of Salt lands in the Ye and Amherst Townships also have declined by about 25 per cent. owing to the increase in the salt duty and to the decrease in the market value of salt. It appears that salt manufacturers are working this industry at a loss. The values of all other kinds of lands also have declined due chiefly to the general depression in trade. But in the case of *Pa-ta* paddy lands in the Kyaikmaraw Township, the value is contrary to expectations reported to be steadily increasing. During the past few years the value has increased by about 100 per cent. Formerly there was practically no value for these *Pa-ta* lands.

56. (2) As noted above in the answer to Question No. 56(1), the rise and fall in value of all sorts of lands especially paddy and rubber will depend very largely upon the rise and fall of the market values for paddy and rubber respectively. The out-look at present is not very rosy and if the prices remain as at present there is a tendency for the values to drop still further. The fall, however, will be gradual and small. The same remarks apply to almost all other kinds of lands in this district except to *Pa-ta* paddy lands in the Kyaikmaraw Township as already explained above. The value for this variety of land is on the increase as cultivators find that they can get better and more secure crops than on lands of other varieties in this township. The present market value is about Rs. 50 per acre and it may increase to about Rs. 100 per acre during the next few years provided that proper irrigation continues to be maintained.

#### *Tavoy District.*

54. (1) (a) Unirrigated paddy land.  
 (b) Flooded paddy land.  
 (c) Betel-nut garden.  
 (d) *Dhani* belt.  
 (e) Miscellaneous garden.  
 (f) Doerian garden.
- (2) (a) The price of unirrigated paddy land varies from Rs. 100 to Rs. 350 per acre. Most usual value Rs. 200.  
 (b) Flooded land Rs. 50 per acre.  
 (c) Rs. 50 to Rs. 100 according to the yield of fruit.  
 (d) Rs. 100 to Rs. 200 per acre.  
 (e) Miscellaneous garden, from Rs. 50 to Rs. 100 per acre.  
 (f) From Rs. 50 to Rs. 200 per acre.
- (3) The rent of paddy land is from one-fifth to one-fourth of the yield.

The rent of *dhani* belt varies from Rs. 25 to Rs. 250 according to yield of *dhani*-leaf roofing material; for instance Rs. 25 for a yield of 10,000 leaves.

Betel-nut gardens and miscellaneous garden lands are almost invariably worked by the owners themselves.

55. In all cases the difference in price depends on the situation, fertility and nature of communications.

56. (1) The value of paddy land has risen considerably within the last three years. In some cases it has risen 50 per cent. Generally

speaking it may have risen 20 or 25 per cent. The rise in the rent has been only about half that percentage. The value of other kinds of land remains stationary.

(2) The value of paddy land is unlikely to rise further unless the general price level of paddy rises. The value of other kinds of land is not likely to rise.

57. Roughly 80 per cent.

*Note on Questions 54 to 61 by the Deputy Commissioner, Mergui.*

Bokpyin and Maliwun Townships are quite undeveloped and the conditions there are not normal—The same applies to large parts of the Tenasserim Township. Except where otherwise stated the following figures, etc., apply to Mergui and Palaw Townships:—

54. (1) (a) Rubber land.

(b) Unirrigated paddy land.

(c) *Dhani* belts.

(d) *Durian* and *Mangosteen* gardens.

(e) Mixed gardens.

(f) Coconut gardens.

(g) Betel nut gardens.

(2) (a) Rs. 300—Rs. 800. The usual price for ordinary native-owned gardens is between Rs. 400 and Rs. 600. Prices are highest near Mergui and lowest in the Tenasserim Township.

(b) Mergui } Rs. 30 to Rs. 250. Usual Rs. 180.  
Palaw }

Tenasserim Rs. 30 to Rs. 150. Usual Rs. 100.

Bokpyin } Usual price Rs. 25 to Rs. 30.  
Maliwun }

There is also a little flooded paddy land (a sort of *taze*) on the banks of the Tenasserim and a little *mayin* in the Tenasserim Township. The value of the *taze* is about Rs. 30 and of the *Mayin* about Rs. 120.

(c) Mergui Rs. 30 to Rs. 300. Usual Rs. 150.

Palaw Rs. 50 to Rs. 200 usual Rs. 100.

Bokpyin Rs. 40 to Rs. 120 usual Rs. 80.

Maliwun usual Rs. 30.

(d) Mergui.—From Rs. 100 to Rs. 300. The best being in King Island which contains some of the finest *durian* gardens in Burma. Usual price about Rs. 150.

Palaw } Rs. 50 to Rs. 150. Usual price from Rs. 75 to Rs. 100.  
Tenasserim }

(e) Mergui.—Rs. 30 to Rs. 300. Usual about Rs. 150.

Palaw.—Rs. 30 to Rs. 200. Usual about Rs. 100.

Tenasserim.—Rs. 20 to Rs. 150. Usual about Rs. 50.

Bokpyin.—Usual about Rs. 40.

(f) Usual about Rs. 200 in bearing less in Bokpyin and Maliwun, more in Mergui where the highest price is Rs. 700.

(g) Rs. 40 to Rs. 200. Usual Rs. 100.

(3) (a) Practically no tenancies. The few recorded show rents of Rs. 60 to Rs. 80 per acre.

(b) Generally one-third of the outturn averaging about Rs. 10 per acre in Palaw and Mergui. Owner pays Land Revenue. In Tenasserim generally the tenant only pays the Land Revenue and no rent. In Bokpyin and Maliwun practically no tenancies.

(c) Palaw and Mergui—generally a paddy rent averaging out to about Rs. 10 per acre.

Other townships practically no tenancies.

(d) Mergui Rs. 20 }  
Palaw Rs. 10 } Owner paying Land Revenue.  
Others. Nil }

(e) Same as (d).

(f) Practically very few tenancies.

(g) Rs. 10 per acre.

55. (a) Maturity of trees, condition of estate, locality and facility for shipping, and the price of rubber.

(b) Locality (*i.e.*, nearness to Mergui) and communications; amount of waste available and density—or thinness of population. Thus in Bokpyin, Maliwun and parts of Tenasserim where communications are bad and population scanty land has very little value—people preferring to clear a bit of waste for themselves.

For all others the distance from the market in Mergui and bad communications are the main facts.

56. (1). (a) The value of rubber land rise owing to the good price by about 30 to 50 per cent. There is now a tendency to fall.

(b) The value of paddy land is rising with the increase of population and the occupation of the waste. The average rise in the last few years is about 40 per cent. Rents are rising in Palaw—they have doubled in recent years but are stationary or falling in Mergui.

Others show little fluctuation.

(2) Whether the value of rubber land will rise or fall depends mainly on the rubber market which will doubtless improve again before long. Whether there is a rise or fall in the value and rent of paddy land also depends on what happens in the paddy trade. There does not seem likely to be any rise in the near future and there may be a fall.

57. (a) Sales in execution of a decree generally realize two-thirds to three-quarters of the value.

(b) Sales by Government auction for recovery of revenue realize very low prices. Frequently there are no bidders. In other cases only arrears and costs are obtained. Such auctions are almost always only for inferior land for which the occupier does not think it worth while to pay revenue.

*Deputy Commissioner, Toungoo.*

54 (1) The most usual value per acre, (2) the value of best land, and (3) the value of worst land are shown in the columns marked (1) (2) and (3) respectively in this statement :—

	Eye Township.			Tantabin Town- ship.			Toungoo, Yeda- she and Oktwin Townships.		
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
1. Ordinary unirrigated paddy land.									
(a) Value ... .. Rs.	250	300	150	250	200	100	125	250	100
(b) Annual rent baskets of 44 lbs.	25	30	15	15	20	10	12	15	10
2. Flooded paddy land Value Rs.	125	150	75	75	100	50	60	75	50

Annual rent of flooded paddy land in the above townships—Average of about 10—12 baskets of 44 lbs. if good harvest is reaped.

	Shwegyin Subdivision.			Toungoo Subdivision.		
	(1)	(2)	(3)	(1)	(2)	(3)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3. Kaing land along Sittang and Shwegyin for growing tobacco, peas, chillies, etc. Rs.	250	300	150	150	200	100
Rent per acre in Rs. ...	25	30	15	15	20	10
4. Kaing lands along streams such as Kun, Pyu, Thaukyegat, Swa, Kabaung, etc. Rs.	75	100	50	75	100	50
Rent per acre in Rs. ...	7/8	10	5	7/8	10	5

5. High paddy-land up Karen hills. These are temporary Taungya land and they have no commercial value.

6. Betelnut gardens ... These are grown by Karens on the East hills. It is not their customs to sell to outsiders, but they are let out for different terms of years. The prices vary according to the locality, irrigation facilities, number of trees and size of trees etc. The average value of the garden is about Rs. 1,000 per acre.

7. Thetke fields ... The Thetke fields are the abandoned Taungya lands. They are more or less waste lands. They have no commercial value, Rs. 10 per acre is about the limit.

55. The principal causes of differences in the value of paddy-lands in flooded and unflooded areas are . —

(1) Fertility of the soil, suitability of the area for the particular crop, proximity to railway station and Sittang and big villages—Good locality where tenants and labourers usually come from other places, such as Pyu, Kanyutkwin, the size of the measuring basket and the facility in disposing of the rent paddy.

56. (1) (2) In answering question 54 and 55—we take into consideration the value as prevailing before the harvest about the 1st of December 1929—when the price of the new paddy is not known.

The price of paddy now prevailing is at least 25 per cent, less than in previous years and the price expected by the people. The price of land depends a good deal on the price of paddy. The value of land would also fall by 10 to 25 per cent. since December last. The value of land has also fallen during the last 2 or 3 years by 10—15 per cent. owing to the unstable rice market and the tightness of money markets the desire of the owner to dispose it to pay debts. The rents also fall by 5—10 per cent. due to the decrease in fertility of the soil and the continual loss incurred by tenants.

We think the price of land will still fall for reasons mentioned above by another 10—25 per cent.

57. In Civil Prosecution cases about 50—60 per cent. of the value; in land-revenue proceedings 25—50 per cent.



*Thayetmyo District.*

54. (1) In this District the following are the kinds of agricultural land :—

Ground nut land, irrigated paddy land ; ordinary unirrigated paddy land ; *kaing* land by the Irrawaddy ; *kaing* land by small streams ; custard-apple gardens and mango gardens.

(2) Values of the class of land mentioned above :—

(i) Groundnut land in Sinbaungwe Township runs from Rs. 100 to Rs. 150 per acre ; the most usual value is about Rs. 125.

Groundnut land in Allanmyo Township runs from Rs. 75 to Rs. 125 per acre ; the most usual value is about Rs. -100.

No groundnut land in other Townships.

(ii) Irrigated paddy land in Mindon, Thayetmyo, Minhla and Allanmyo Townships only. The price in the above Townships runs from Rs. 200 to 250 per acre ; the most usual value is about Rs. 225.

(iii) *Ordinary unirrigated paddy land.*—In Kama Township the price is from Rs. 200 to Rs. 300 per acre, the most usual price being Rs. 250.

In Thayetmyo Township the price is from Rs. 150 to Rs. 200 per acre, the most usual price being about Rs. 170.

In Mindon Township the price is Rs. 200 to Rs. 250 per acre the usual price being about Rs. 230.

In Minhla Township the price is Rs. 100 to 150 per acre, usual price being about 120.

In Allanmyo Township the price is Rs. 200 to 250 per acre, the usual price being about 230.

In Sinbaungwe Township the price runs from Rs. 150 to 200, the usual price being about Rs. 170.

(iv) *High paddy land*—for the whole district from Rs. 30 to Rs. 50 per acre; the usual price being about Rs. 40.

(v) *Kaing land by the Irrawaddy*—for the whole district from Rs. 100 to 150 per acre, the usual price being about Rs. 125.

(vi) *Kaing land by small streams*—*kaing* land along the Mindon Creek Mindon and Kama Townships and *kaing* land along the Pani Creek in Thayetmyo Township Rs. 200 to Rs. 250 per acre, the usual price being about Rs. 225.

(vii) Custard-apple gardens for the whole district Rs. 100 to Rs. 250 per acre, the usual value being about Rs. 150 near big towns and near the Irrawaddy river and about Rs. 100 in other places.

(viii) Mango gardens the same answer as given in 54 (2) (vii) above.

(3) Rents—

*Groundnut land*—in both Sinbaungwe and Allanmyo Townships only :—the rent is Rs. 10 per acre.

*Irrigated paddy land*—generally on a rental of half the produce on condition that the landlord is to pay land revenue while the tenant is to supply labour and seed grain. In some cases land is let out at a rental of 4 baskets of paddy per *lusuk*, i.e., about 15 baskets of paddy per acre,—the revenue being paid by the landlord.

*Ordinary unirrigated paddy land*—Land is rented on a rental of one-third of the produce.

*High paddy land*—Renting of high paddy land is rare in this district. When rented, rent is one-third of the produce.

*Kaing land by the Irrawaddy.*—It is mostly cultivated with tobacco. The rent prevailing in this district is 30 per cent. of the produce.

*Kaing land by small streams*—Half the produce.

*Custard-apple gardens and mango gardens* are not let out in this district.

55. *Groundnut land*—the difference in the price of the land is due the difference in fertility of the soil.

*Irrigated paddy land*—There is no difference in price.

*Ordinary unirrigated paddy land*—The difference is due to fertility of the soil as well as to the facility in transporting paddy; for example land along the Mindon creek is more fertile than the land in the rest of the district and the facilities of transport to the nearest trade centre, *i.e.*, Prome, are greater than in any other place, so the paddy land there fetches better price than other land in the district.

There is no difference in respect of all other kinds of land.

56. (1) For the last two or three years the value of all kinds of land has fallen slightly owing to the depression in the market of the produce but the rent has remained the same. The fall in the price of land is about 20 per cent.

(2) It is considered that in the near future the price of all kinds of land mentioned above will continue to fall slightly as the market of the produce is not expected to be bright in the near future.

57. From 60 to 75 per cent.

*Deputy Commissioner, Minbu.*

54. (1). (a) Irrigated paddy land.  
 (b) Unirrigated paddy land.  
 (c) Flooded or Taze paddy land.  
 (d) Groundnut land.  
 (e) *Ya* land.  
 (f) Irrawaddy *kaing* land.  
 (g) Chung *kaing* land.  
 (h) Betel vine garden.  
 (i) Plantain garden.

(2).

	Best.	Worst.		Best.	Worst.
	Rs.	Rs.		Rs.	Rs.
(a)	350	250	(f)	100	50
(b)	50	15	(g)	100	50
(c)	200	50	(h)	100	50
(d)	50	15	(i)	100	50
(e)	25				

(3).

- (a) Half the produce  
 (b) Quarter Do.  
 (c) Half Do.  
 (d) One-third Do.  
 (e) One-fifth Do.  
 (f) One-third Do.  
 (g) One-third Do.  
 (h) No renting.  
 (i) One-third the produce.

55. Not much difference throughout the district.

56. No variation except *ya* lands in the new Salin Canal tract where their prices are rising to Rs. 50 to Rs. 100 as they will be converted into paddy lands when the canal is completed.

57. Revenue sale realizes one-third of the value and Civil sale realizes two-thirds.

Revenue sale is uncertain of confirmation and is not popular for sentimental reasons.

*Magwe District.*

54. (1) (a) Weir Irrigated paddy, Symbol S.  
 (b) Tank Irrigation paddy " T.  
 (c) Unirrigated paddy " R.  
 (d) *Ya* ... .. *Ya*.

(2) Value of land per acre :—

Township.	Class Symbol.	Value per acre.		
		Most usual.	Best.	Worst.
		Rs.	Rs.	Rs.
Sale ... ..	<i>Ya</i>	60	100	15
Yenangyaung ... ..	<i>Ya</i>	60	100	15
Magwe ... ..	<i>Ya</i>	70	100	20
Natmauk ... ..	<i>Ya</i>	40	70	20
	S	150	200	100
	R	100	150	50
	T	150	200	100
Myothit ... ..	<i>Ya</i>	40	70	20
	S	150	200	100
	R	100	150	60
Taungdwingyi ... ..	<i>Ya</i>	15	25	10
	S	150	250	100
	R	100	150	60

55. Reasons for difference in value are :—

- (i) fertility of the soil.
- (ii) according to suitability of the soil for certain crop.
- (iii) nearness to the markets.
- (iv) security from floods.
- (v) demand of tenants.

56. (1) Value has fallen by 30 per cent. within the last two or three years. Rents have not been effected as nine-tenths of the area is rented by partnership and privileged tenants.

(2) Except near Railway Stations no rise in price is expected; probably land will fall further in value.

57. About half of the value of the land in auction by Civil Courts.

*Pakku District.*

54. (1) We would distinguish agricultural lands in the locality as follows :—

- (a) groundnut land.
- (b) ordinary unirrigated paddy land.

- (c) high paddy land.
- (d) flooded land.
- (e) *Kaing* land by the Irrawaddy.
- (f) *Kaing* land by *Yaw Chaung*.
- (g) custard apple garden.
- (h) plaintain trees garden.

## (2) The value for—

(a) groundnut land in Pakôkku Subdivision and Seikpyu Township runs from Rs. 50 to Rs. 120 per acre ; the most usual value is about Rs. 100 per acre ;

(b) ordinary unirrigated paddy land in Yesago and Pauk Townships runs from Rs. 75 to Rs. 150 and the most usual value is Rs. 100.

(c) high paddy land in Gangaw Subdivision, Pauk Township, runs from Rs. 75 to Rs. 150 and the most usual value is Rs. 100 ;

(d) flooded land in Pakôkku and Pauk Subdivisions is usually Rs. 100 per acre.

(e) *Kaing* land by the Irrawaddy in Seikpyu, Pakôkku and Yesago Townships runs from Rs. 200 to Rs. 300 per acre and the most usual value is Rs. 250.

(f) *Kaing* land by the *Yaw* stream in Pauk, Pakôkku and Seikpyu Townships is usually Rs. 100 per acre ;

(g) custard apple garden in Myaing Township is usually Rs. 50 per acre.

(h) plantain trees garden in Yesago Township is usually at Rs. 100 per acre.

(3) The rent for (1) groundnut lands is Rs. 6 per acre.

(2) Ordinary unirrigated paddy land is one-third of produce.

(3) High paddy land is one-third of produce.

(4) *Kaing* by the Irrawaddy is between Rs. 25 to Rs. 75 per acre.

The rest are not rented generally.

55. The principal causes of differences in value are fertility of soil and its kind.

56. (1) The value in groundnut has fallen by about 40 per cent. due to the fall of the price of groundnuts, but the rent is as before ; because the rent is taken in kind and not in cash ; no rise or fall in the rest.

(2) Neither rise nor fall is expected.

57. Only about 75 per cent. of the value is obtained in sales by Government auction.

*Mandalay District.*

54. (1) Irrigated *bobabaing* land valued at Rs. 200 to Rs 300 per acre.

Irrigated state land valued at	Rs. 125 to Rs. 200	"
Upland <i>bobabaing</i> land valued at	Rs. 50 to Rs. 100	"
Upland state land valued at	Rs. 30 to Rs. 60	"
Upland <i>bobabaing ya</i> land valued at	Rs. 20 to Rs. 40	"
Upland state <i>ya</i> land valued at	Rs. 10 to Rs. 20	"
<i>Kaing</i> land <i>bobabaing</i> at	Rs. 200 to 300	"
<i>Kaing</i> land state land at	Rs. 125 to Rs. 200	"

(2) \_\_\_\_\_

(3) The outturn is from 12 to 20 baskets in irrigated land, but no answer can be given relating to upland lands.

55. It all depends upon the locality and the character of the people.

56. (1) To improve the tax tickets. Owing to fall of paddy and bean market, the value of land has been reduced by one-fourth and one-fifth. The fall of rental is not much.

(2) The value of land depends upon the rise and fall of its market of its crops. The rental cannot be raised as good tenants will suffer.

*Deputy Commissioner, Mandalay District.*

54. (1) The nearest approach possible to a classification of the different kinds of agricultural land in this district is to be found in the Settlement Officer's classification of land according to its suitability for different kinds of cultivation. These are :—

- (a) Government irrigated *kaukkyi* paddy land.
- (b) Privately irrigated and unirrigated *kaukkyi* paddy land.
- (c) Government irrigated *mayin* paddy land.
- (d) Privately irrigated *mayin* paddy land.
- (e) Island land.
- (f) Unirrigated uplands.
- (g) Garden land.

(2) The only statistics available, on this classification, are given in Statement 17 (a) and (b) of the Initial Report on the Second Revision Settlement, 1922-23.

(3) See Statement 16 (a) and (b) of the same Report.

55. Please see the Tract descriptions in the Initial Report.

56. (1) Statistics are not available by sorts of land.

(2) No information.

57. The figures in the statements referred to above include sales by Government auction.

*The Superintendent of Land Records, Kyaukse District.*

54 (1) In Kyaukse District, for purposes of valuation I would distinguish agricultural lands broadly under the following categories :—

- (a) Betel garden (over 30,000 acres in this district).
- (b) Paddy lands irrigated by Government canals.
- (c) Mango gardens and orchard gardens.

(d) Other lands including *ya* lands, and paddy lands either unirrigated or irrigated from private sources.

(2) For each category so distinguished, the present value may be estimated as follows :—

Category as set out in paragraph (1) above under question 54.	Value of best land per acre.	Value of worst land.	Most usual value.
	Rs.	Rs.	Rs.
(a) Betel vine ... ..	600	200	300
(b) Paddy lands irrigated by Government canals.	200	50	60
(c) Mango gardens and orchard gardens.	300	50	60
(d) Other lands ... ..	100	20	40

It will be noticed that even under each of the above differentiating categories there is a wide range of variation in the valuation set. This is hardly avoidable in this district where the conditions of agriculture are so diversified within a village-tract as well as from tract to tract.

Another important factor for differentiating land value in this district is the tenure of the land, *i.e.*, whether state or non-state. Generally speaking, non-state lands get as high as double or  $1\frac{1}{2}$  times the value of state lands of similar conditions. The popular recognition of this distinction is much pronounced in the case of item (1) (b), less pronounced in the case of items (1) (c) and (1) (d), and almost non-existent in the case of item (1) (a).

The valuation given in paragraph (2) above refers to lands with state tenure.

(3) The rents represent (one-tenth) of the sale values.

55. In case of betel gardens, the principal causes are (i) soil-fertility, (ii) irrigation facilities and (iii) marketing facilities for produce.

In case of paddy land irrigated by Government canals are (i) quality of irrigation, (ii) flood security, (iii) healthiness of the tract and (iv) transport facilities to trade centres.

In case of gardens, the principal cause is the number and age of standing mature trees.

In case of other lands, the principal causes are (i) soil fertility, (ii) flood security and (iii) marketing facilities for produce.

56. (1) The value and rent have remained more or less stationary.

(2) The value may fall slightly owing to the prevailing set-back in the prices obtained for paddy, the predominant crop of the district. But the fall cannot be large, as in irrigated paddy lands which form a high percentage of the district acreage) the certainty of the crops is more or less a pronounced feature in the agriculture of the district.

*Remarks by the Deputy Commissioner, Kyauksè.*

54. I agree with the estimates of the Superintendent of Land Records above.

56. Kyauksè paddy is assured of a constant market in the non-irrigated dry zone area surrounding the district.

57. For irrigated land about 25 to 30 per cent. Non-irrigated or precarious lands are sometimes unsaleable, or at most realize 20 per cent. The amount realized falls rapidly if a large number of proceedings are opened in any one area.

*Deputy Commissioner, Meiktila.*

54. (1) With respect to valuation, agricultural land in Meiktila District may be divided into four main kinds, each kind being subdivided into four classes:—

A. Government Irrigated Paddy Land, 1st, 2nd, 3rd and 4th class.

B. Privately do. do.

C. Unirrigated do. do.

D. *Ya* Land (dry crops) do. do.

(2) Government Irrigated Paddy Land—

1st class.	Usual value	Rs. 175	0	0	per acre.
2nd do.	Do.	130	0	0	do.
3rd do.	Do.	80	0	0	do.
4th do.	Do.	50	0	0	do.

Privately—			
1st class.	Usual value Rs.	125 0 0	per acre.
2nd do.	Do.	100 0 0	do.
3rd do.	Do.	60 0 0	do.
4th do.	Do.	30 0 0	do.
Unirrigated—			
1st class.	Usual value Rs.	100 0 0	per acre.
2nd do.	Do.	75 0 0	do.
3rd do.	Do.	50 0 0	do.
4th do.	Do.	25 0 0	do.
Ya Land—			
1st class.	Usual value Rs.	125 0 0	per acre.
2nd do.	Do.	100 0 0	do.
3rd do.	Do.	60 0 0	do.
4th do.	Do.	30 0 0	do.

(3) The rents corresponding to the sale values are not fixed as in Lower Burma. In Meiktila District the usual rent paid by a tenant is half the produce, the tenant paying half the revenue, and the owner supplying the seeds and paying half the expense of hiring necessary labour. The average rents per acre worked out for the above classes of land at average outturns are as follows :—

Government Irrigated Paddy Land—			
1st class.	Usual value Rs.	7 4 0	per acre.
2nd do.	Do.	5 8 0	do.
3rd do.	Do.	4 0 0	do.
4th do.	Do.	3 4 0	do.
Privately Irrigated Paddy Land—			
1st class.	Usual value Rs.	5 9 0	per acre.
2nd do.	Do.	3 7 0	do.
3rd do.	Do.	3 0 0	do.
4th do.	Do.	2 4 0	do.
Unirrigated Paddy Land—			
1st class.	Usual value Rs.	5 4 0	per acre.
2nd do.	Do.	3 4 0	do.
3rd do.	Do.	2 12 0	do.
4th do.	Do.	2 0 0	do.
Ya Land—			
1st class.	Usual value Rs.	6 0 0	per acre.
2nd do.	Do.	4 5 0	do.
3rd do.	Do.	3 0 0	do.
4th do.	Do.	2 11 0	do.

55. The different sorts of land mentioned in Question 54 vary slightly in value from place to place for the following reasons :—

(1) Nearness to towns and large villages, wherein also reside well-to-do people, who can invest money in land.

(3) Reliability of irrigation from Government or private irrigation works.

(4) Fertility and quality of soil.

(5) Capability of double and treble cropping, e.g., dried up beds of tanks, streams, etc.

(6) Capability of growing special crops, e.g., chillies, onions, betel vine, tobacco, sugarcane, etc.

(7) High market value and popularity of crops that can be grown in the land, e.g., paddy and *pebyugale* some years ago, though their prices have now dropped.

(8) Proximity to railway station, railway line, metalled road, etc.

Rent also varies according to market value of the land and the crops grown on it, although the half partnership tenancy is still in vogue throughout generally.

56. (1) Practically all classes of land except those capable of growing special crops, have fallen in value from 15 to 20 per cent. in the last two or three years.

Even in the price of lands capable of growing special crops, there is a slight tendency downwards, although the fall in price is not appreciable yet.

(2) Almost all classes of lands are likely to fall in value about 15 to 25 per cent. in the near future, owing to the decrease in prices of paddy, cotton, etc., and the tightness of the money market. Another contributory cause is the deterioration of old irrigation works and the precarious rainfall.

Rents of course will fall according to the market values of the crops grown chiefly.

57. Generally about half the value is obtained in sales by Government auction for recovery of land revenue or in execution of a decree of a civil court, if the land is free from encumbrances.

Where there is a mortgage on the land, it depends on the amount of the mortgage.

Generally about one-tenth of the value is obtained at Government auction for such land.

#### *Myingyan District.*

54. (1) In this district four different sorts of agricultural land are distinguished with respect to valuation, namely (i) Island land, (ii) Irrigated paddy land, (iii) Unirrigated paddy land, and (iv) Low *ya* land and (v) upland *ya* land.

(2) The most usual value at present, and the best and worst for the above classes of land are as follows :—

	Most usual. Ra.	Best. Rs.	Worst. Rs. per acre.
(i) Island land ...	250	400	150
(ii) Irrigated paddy land (a) ...	250	400	150
Irrigated paddy land (b) ...	175	250	100
(iii) Unirrigated paddy land ...	100	200	75
(iv) Low <i>ya</i> land ...	200	250	100
(v) High <i>ya</i> land ...	75	100	25

(3) The rents corresponding to these rates are as follows :—

(i) Island land—from Rs. 10 to Rs. 15 per acre.

	Rs. per acre.
(ii) Irrigated paddy land (a) ...	12
Irrigated paddy land (b) ...	8
(iii) Unirrigated paddy land ...	6
(iv) Low <i>ya</i> land ...	6
(v) High <i>ya</i> land ...	3



55. Facilities for marketing the outturns determine the value of the land.

56. (1) The value of the land has fallen to the extent of 20 to 25 per cent. The rent also has fallen but not to any appreciable extent.

(2) The value and the rent are likely to fall further on account of scarcity of money and bad market.

57. Such sales are likely to fetch about 70 per cent. of the value.

*Yamèthin District.*

54. (1) Different classes of agricultural land—

(a) *Ya* land.

(b) Mogaung paddy land.

(c) Irrigated paddy land.

(2) Value of land—

*Yamèthin Subdivision—*

(a) *Ya* land—from Rs. 50 to Rs. 125.

The most usual value is about Rs. 75 per acre.

(b) Mogaung paddy land from Rs. 75 to Rs. 150.

The most usual value is about Rs. 100.

(c) Irrigated paddy land from Rs. 100 to Rs. 200.

The most usual value is about Rs. 150.

*Pyinmana Subdivision—*

(a) *Ya*—from Rs. 75 to Rs. 150.

The most usual value is about Rs. 100.

(b) Mogaung—from Rs. 100 to Rs. 200.

The most usual value is Rs. 150.

(c) Irrigated—from Rs. 150 to Rs. 300.

The most usual value is Rs. 200.

(3) *Rents—*

(a) *Ya*—about 7 per cent. of sale values.

(b) Mogaung } about 12 per cent. of sale values.

(c) Irrigated }

In Yamèthin, owner contributes half cost of cultivation and half land revenue. In Pyinmana, owner generally pays land revenue in cases of fixed rents.

55. In this district, Yamèthin Subdivision falls in Dry Zone and Pyinmana Subdivision in Wet Zone. In the former subdivision, even irrigated lands are dependent on rains. When the rains are bad, tanks and canals are dry. The crops are therefore precarious and the cultivation is insecure generally. The rainfall in Pyinmana for the year 1929 was 61 inches as against 37 inches in Yamèthin, or 75 inches as against 38 inches in 1928. The cultivation in Pyinmana is therefore more secure than that in Yamèthin or it is as good as that in Lower Burma. Hence the prices of lands in Pyinmana are higher than those of Yamèthin.

56. (1) No.

(2) The value of land in Pyinmana may probably fall slightly in the near future owing to the failure of business of sugarcane factory owners, due to the rise in the cost of labour and also partly due to the fall in the price of sugarcane jaggery.

57. About 40 per cent. of the market value in *ya* and Mogaung paddy land and about 60 per cent. in irrigated paddy land in the Yamèthin Subdivision.

In Pyinmana Subdivision, where the cultivation is always secure, the proportion is higher, *i.e.*, about 60 per cent. in *ya* and Mogaung land and 75 per cent. in irrigated land.

These refer to sales by Government auction for recovery of land revenue and agricultural loans.

*Commissioner, Sagaing Division.*

54. I would accept generally the descriptions and valuations of different sorts of agricultural land given. In the frontier districts the general classification is irrigated and non-irrigated paddy land, but there are *ahkin* lands in Myitkyina and Bhamo in which potatoes and garden crops are grown, and in the Katha District there is a small area under tea.

I think rent is determined everywhere by produce rather than the value of the land and tenancies are commoner in the dry zone districts of the Division than where the communal tenure prevails.

In Shwebo according to the last settlement report the area rent amounted to 11 per cent. of the occupied Mogaung land and 20 per cent. of the occupied area, while in irrigated tracts 18 and 24 per cent. of the occupied and cultivated areas were found to be rented.

In Katha and the northern townships of Shwebo one-fifth of the average outturn is the commonest rent. While south of Kanbalu rents tend to rise to one-third or one-fourth of the produce.

55. The principal cause of difference in value is the fertility and situation and security from drought or flood.

56. The value of paddy land in the frontier districts is increasing as the communal tenure is being relaxed; in the Shwebo District the value, is increasing in the irrigated areas with improvements. Ordinarily however, the fall in the value of paddy in the last few years must affect the value of the lands though the proportion of rent to outturn remains the same.

57. The full value of land is rarely obtained in Government auctions for recovery of land revenue owing to combinations to refuse to bid and because land sold for recovery of land revenue has usually some drawback which detracts from its attractiveness.

*Bhamo District.*

In this locality no land can be distinguished with respect to valuation as all lands are communal lands.

54. (2) As there can be no sale of communal lands no value can be fixed for best and worst lands in this district.

54. (3) None known.

55. (1) None known.

56. (1) None known.

56. (2) None known.

57. None known.

*Myitkyina District.*

57. Communal tenure prevails here and no sale is allowed.

*Deputy Commissioner, Myitkyina.\**

55. Settlement operations in Myitkyina were conducted by Mr. Lindop in 1926. He notes that the total area rented was 14 per cent. of the occupied area. Number of tenants 1,023.

Average rent Rs. 7—17 per acre.

\* See also page 243.

The tenancies were—  
 Partnership 2'43.  
 Share produce 17'18.  
 Fixed produce 85'05.  
 Fixed money rent '20.

(Paragraph 78—79, Settlement Report.)

56. (1) The only land likely to fluctuate is paddy land  
 (2) and that will rise and fall with the wholesale price of paddy.

*Shwebo District.*

54. (1) Irrigated paddy land, unirrigated paddy land, *kaing, kon, gardens.*

*Irrigated paddy land* is valued according to outturn. I—50 baskets, II—35 baskets, III—25 baskets.

		Average.	Range.
Sale values ...	I	150	400—150
	II	85	100—70
	III	50	70—30
Rental values 100 baskets Rs. 100	I	10	10—6
	II	5	6—4
	III	3	4—2

*Unirrigated paddy land.*—Soil is criterion.

Class.	Soil.	Sale value.	Rental value.
I	Hnon	35 (50—25)	Nil.
II	Tane	25 (35—15)	Nil.
III (needs manure)	The-mye	15 (20—10)	Nil.

*Kaing, kon, gardens,* valued according to soil. No distinctions made in regard to these three main kinds. No sale value and no rental value—not accepted as security by money-lenders.

55. *Irrigated paddy.*—Differences in fertility and convenience of position. The nearer a canal or village the better. Difference in value does not vary with distance from a railway station, as area is not large; roads (of sorts) are numerous; country is level and mills are found all through the area.

*Unirrigated paddy.*—No variations, on account of low inherent value.

*Other land.*—Ditto.

56. (1) Paddy land irrigated and unirrigated; price has fallen in last two years by 25 per cent. on account of fall in market price of paddy. (Chettiar's estimate is 33 per cent).

(2) Anticipate further fall because the demand for paddy from Rangoon is falling off and so is the local price (now only 75 for paddy from irrigated tracts and 50 for paddy from Mogaung tracts); anticipate fall will be 50 per cent.

57. Fifty per cent. only, because spot cash has to be paid.

*Sagaing District.*

	Rs.
54. (1) and (2).	
(a) Groundnut (w) land	... 25 to 75 per acre.
(b) Irrigated paddy land	... 100 to 200 per acre.
(c) Ordinary unirrigated land	... 50 to 100 per acre.

(d) Flooded land	...	...	100 to 250 per acre.
(e) Kaing, by the Irrawaddy	...	...	150 to 300 per acre.
(f) Kaing, by small streams	...	...	100 to 200 per acre.
(g) Other ya land for wheat, sesamum, etc.			100 to 200 per acre.

(3) Generally 10 per cent. of the sale value of the land or a quarter of the outturn.

55. Difference in value rests entirely with the fertility and situation of the lands concerned.

56. Value has fallen by about 25 per cent. and the rent remains at the same proportion.

(2) We cannot predict for the future as the value rests entirely with the world market, but the rent more or less remains at the same proportion to the market value or to the outturn.

*Sagaing District (Mogaung Sub-committee).*

Questions Nos. 54 and 55.

Serial No.	Kind of land.	Value per acre.	Rent per acre.	Remarks.
		Rs.	Rs.	
1	Irrigated paddy land	70 to 100	14 to 20	Value and rent differ according to fertility of land, distance from railway line, cart-roads and villages, and situation above flood level, near lakes and near hill-streams.
2	Ordinary unirrigated paddy land.	15 to 20	5 to 10	
3	High paddy land ...	No sales	Not rented out	
4	Flooded land ...	10 to 15	2 to 5	
5	Kaing land by small streams.	No sales	Not rented out	
6	Pineapple gardens	15 to 25	2 to 5	
7	Plantain gardens	15 to 25	2 to 5	
8	Market gardens ...	15 to 25	2 to 5	
9	Thetke fields ...	No sales	Not rented out	
10	Sugarcane gardens	15 to 25	2 to 5	

NOTE.—There are no other kinds of land.

56. (1) Not risen or fallen.

(2) I do not think so.

57. Seventy-five per cent.

*Katha District.*

54. (1) Irrigated and unirrigated paddy land are the only two lands recognized. Subdivided into state and non-state.

(2) There are no true values as Communal Tenure restricts sales to within very narrow limits and sales are too few to permit any estimate.

(3) Rents are fixed on outturn and not on sale value. The usual rent is 20 baskets per 100 baskets outturn.

56. (1) and (2) Communal Tenure has been relaxed and land now has a small value. If Communal Tenure is abolished there will be a rise in value.

*Katha District (Kawlin and Wuntho Sub-committee).*

54. (1) and (2) There are only unirrigated paddy land in this locality and the value is Rs. 50 to Rs. 60 per acre on the average. The place is covered with thick forest and the only low land between the hills are used for cultivation.

(3) The rent per acre is 10 baskets.

55. No answer.

56. (1) The value or rent of the land has not risen in the last two or three years.

(2) No change is expected in the near future.

57. About 75 per cent. of the value of the land is obtained in sales by Government for recovery of land revenue, but in case of a sale in execution of a decree, about 50 per cent. is obtained as on account of the Communal Tenure Rules, the purchasers become less and there is not much competition.

*Deputy Commissioner, Katha.*

54. (1) (a) Irrigated paddy land.  
(b) Unirrigated paddy land.  
(c) *Kaing* land.

(2) There are no true values for any land outside towns in the district owing to almost the whole land in the district being held under Communal Tenure which restricts sales to very narrow limits. (See Upper Burma Land Revenue Manual Direction 291.) The sales of paddy land are too few to permit any useful estimate being made, e.g., a holding of 4.80 acres unirrigated paddy land was recently sold for a female buffalo—probable value Rs. 35 to Rs. 40. I consider that paddy land in Kawlin and Wuntho Townships near the railway line might be put at from Rs. 40 to Rs. 80 per acre.

(3) Rents have no relation to sale values. Rents are normally a fraction of gross outturn—usually 20 baskets per 100 baskets outturn. Fixed rents also are usually found to approximate very closely to this standard.

55. The cause of difference in rents is the fertility of the soil as rent is fixed by gross outturn.

56. (1) Rents have been stationary from time immemorial. Land value has appeared in the last two years, owing to the relaxation of Communal Tenure Rules, where previously land had no value. Owing to conditions the district cannot be taken into account or it could be said that there had been a Rs. 50 per acre increase, namely, from nil to Rs. 50.

(2) I do not expect any alteration in rent. When, and if, Communal Tenure is finally abolished land will rise in value as sales will be permitted but land will never have any great value in this district.

57. The few sales of this nature there have been have realized approximate Rs. 25 per acre.

*Deputy Commissioner, Upper Chindwin.*

54. (1) High paddy land ; low paddy land ; flooded land ; *Kaing* land by the Chindwin *Kaing* land by small streams ; Bobabaing (non-state) land and state land.

*Upper Chindwin.]*

(2) Bobabaing (non-state) high paddy land Rs. 80 to Rs. 100 per annum. Bobabaing (non-state) low paddy land Rs. 100 to Rs. 150 per annum. State high paddy land Rs. 50 to Rs. 75 per acre. State low paddy land Rs. 75 to Rs. 100 per acre. Flooded land Rs. 30 to Rs. 50 per acre.

*Kaing* land by the Chindwin Rs. 50 to Rs. 100 per acre.

*Kaing* land by steams Rs. 25 to Rs. 50 per acre.

(3) Rents are fixed and do not depend upon the sale-values.

55. The principal causes of differences in its value are—

Ownership for Bobabaing land is more secure than that of ordinary state land; fertility of soil, facility of communication, less liability to damage by flood of Chindwin river.

56. (1) Steady, neither rise nor fall.

(2) The rent and value of paddy land are likely to fall to a certain extent in the near future, if the Burma rice cannot recover and recapture the world market.

57. Half.

*Lower Chindwin District.*

54. (1) The land can roughly be divided into—

three kinds of paddy land,  
four kinds of *Ya* land;  
two kinds of *Kaing* land.

The paddy land is divided into—

<i>Pyun-san</i>	...	Pipe irrigated.
<i>Se Le</i>	...	Stream irrigated.
<i>Mogaung.</i>	...	Dependent on rain.

The *ya* and *kaing* lands depend on the quality of the soil and the type of crop that can be grown.

(2) There is not much variation in values of land throughout the district except one or two exceptional areas, the figures for which are apparently not required.

Paddy land can be said generally to run from Rs. 150 to Rs. 300 per acre.

<i>Ya</i> 1 land	from Rs. 180	to	Rs. 300
<i>Ya</i> 2	" " 150	" "	200
<i>Ya</i> 3	" " 70	" "	100
<i>Ya</i> 4	" " 30	" "	50
<i>Kaing</i> I	from " 200	" "	300
<i>Kaing</i> II	" " 150	" "	180

(3) Rents are based on outturn. There are few, if any, cases of fixed money rents in the district. If the owner provides the seed, he usually obtains half of the outturn; if the tenant provides the seed, the landlord obtains from two-fifth to one-third of the outturn.

The land revenue tax is divided in the same proportion.

Rough figures of profits to an owner of land who leases it out, where the capital value of land is as given above, work out to somewhere about  $7\frac{1}{2}$  to  $8\frac{1}{2}$  per cent. Ten per cent. is a high profit. These were rough and ready calculations of people with whom I discussed the question.

55. The value of land is affected to some slight extent by its nearness to the market and competition of the vicinity. For the rest the value depends on the quality of the soil and the nature of the crop which it can produce.

56. (1) I was informed when visiting township headquarters that prices of land had dropped anything up to 20 per cent. in the last two or three years. This view, however, is not generally supported by the officials of the district. The normal increase of population does not seem to have had any effect on increasing land values owing to further competition for land. The Superintendent of Land Records considers that the most inferior kinds of *ya* lands are likely to increase in value with a further introduction of the groundnut crop.

57. In the ordinary course about 60 per cent. of the value of land is realized in auction sales by Government. In civil execution cases as much as 75 per cent. may be realized. In recent sales that have taken place at the instigation of the Co-operative Department, the sum realized has been only about 20 per cent.

This is due partly to a poor quality of the land which had been very much over-priced for the purpose of obtaining Co-operative loans and partly due to a certain amount of sympathy with the co-operators in their present hard time.

*Deputy Director of Agriculture, Arakan Circle.*

54. (1) There are the usual classes of paddy lands in this district, *viz.*, 1st class, 2nd class, and 3rd class. Apart from paddy land only small areas are classed as fruit gardens or tobacco land :—

	Per acre.
	Rs.
(2) 1st class paddy land ...	200
2nd " " ...	100
3rd " " ...	45

Garden land average Rs. 150 to 200 per acre.

(3) All rents are paid in paddy measured by the local basket and on a *doon* (6·4 acres) of land.

Taking the present year's price on the threshing floors the rentals would be approximately as noted below :—

	Per acre.
	Rs.
1st class paddy land ...	22
2nd " " ...	14
3rd " " ...	9

55. For paddy land the principal causes of variation in rent from place to place are :—

(a) Distance from the milling centres.

(b) Liability to salt water inundation.

(c) Where Chittagonians are the owners as is the case in most parts of Maungdaw and Buthedaung Townships, the value and rent are both higher than for similar land owned by Arakanese in adjacent townships.

(d) Healthiness or otherwise.

56. (1) There has been no appreciable rise or fall in the value or rent of paddy land in the last two or three years.  
 (2) Not likely to rise or fall.
57. Cannot state.

*Deputy Director of Agriculture, Irrawaddy Circle.*

54. (1) There are five different sorts of agricultural land in this district:—

- (a) Ordinary unirrigated paddy land.  
 (b) High paddy land.  
 (c) Flooded land.  
 (d) Orchard or garden land of different kinds.  
 (e) Dhani belts.
- (2) (a) Rs. 200 to 300 in Wakema and Moulmeingyun Townships, Rs. 100 to 200 in Einme and Kanbe Townships, Rs. 50 to 150 in Labutta and Myaungmya Townships. The most usual value is Rs. 150 per acre.  
 (b) Rs. 150 to 200, Rs. 100 to 150 and Rs. 30 to 50 per acre respectively in the above townships.  
 (c) Little or no value.  
 (d) Rs. 100 to 150 per acre.  
 (e) Rs. 150 to 200 per acre depending on the age of the trees.
- (3) Usual rent corresponding to sale values of paddy land is 20. There is no fixed rate of rents for garden dhani lands.

55. The principal causes of differences in value of land are variation in fertility and situation.

56. (1) We cannot estimate in the absence of statistics. Some members suggest that the value has fallen by Rs. 30 to 40 per cent. Other think that this is an excessive estimate.

(2) The value and rent are expected to remain fairly steady in the near future. Land values, both sale and rent, fluctuate with the price of paddy.

57. The general proportion of the value obtained in sales by Government auction for recovery of land revenue is 40 per cent. and in execution of a decree of a civil court is 60 to 70 per cent.

*Deputy Director of Agriculture, Myingyan Circle.*

54. In the Meiktila District:—

Class of land.	Value per acre.		Rent.	
	Rs.		Rs.	A. P.
(1) Irrigated paddy	...	300	12	8 0
(2) Small tank irrigated	...	100	7	8 0
(3) Mogaung paddy	...	75	} One half the produce the landlord pro- viding seed.	
(4) Y-1	...	100		
(5) Y-2	...	80		
(6) Y-3	...	50 to 60		
(7) Y-4	...	25		

55. Does not arise.

56. There has been little or no change.

57. A little less perhaps.

2 Reply has particular application to the "ya" lands of the dry zone.



*Mr. P.L.L.N. Narayanan Chettiar (Payapōn).*

54. Mostly there are three distinct kinds of agricultural land, *viz.*, high paddy land, flooded land, and *dhani* belts.

	(2) Most usual value. Best land. Worst land.		
	Rs.	Rs.	Rs.
High paddy land	150	230	110
Flooded land	60	80	30
<i>Dhani</i> belt	300	500	120

(3) Rent 12 baskets for high paddy land

Rent 8 baskets for flooded land.

Rent Rs. 100 for 10,000 *dhani* leaves.

55. Depends on the necessity and position of the sellers and buyers. Nearness of land to one's own land also increases the value of that land.

56. (1) Value and rent have fallen by 20 per cent.

(2) Likely to fall for lack of money in the hands of buyers.

57. Four-fifth, of the value is obtained.

*Superintendent of Land Records, Myithyina.*

54. (1) The agricultural lands in this district may be distinguished as irrigated and unirrigated paddy lands and market gardens.

(2) & (3)	Price per acre.			Rent. per acre. Rs.
	Lowest.	Highest.	Common.	
Irrigated paddy	30	70	40	7
Unirrigated paddy	15	30	20	3
Market gardens	20	100	50	Not tenancy.

55. The irrigated paddy land fetches a better price as the crop is more secure and yields a better crop than unirrigated paddy lands.

The market gardens in this district are mostly grown with English vegetables and potatoes. With the annual heavy manuring the cost of cultivation is very high. Constant attention is required throughout the season. The crops are easily susceptible to adverse climatic conditions. This class of land has therefore less demand than the paddy land.

56. (1) In the last two or three years the price of paddy land has not shown any appreciable fluctuation.

(2) The price of paddy land has a very close bearing on the condition of rice trade. If the gloom at present overhanging the rice trade continues to be so for a few years the value of paddy lands will decline considerably.

## Section 14—Statistics A.

*Deputy Commissioner, Akyab.*

I estimate the total amount of crop loan required yearly in this district at Rs. 60,00,000 judged by present borrowings. I have made this estimate in consultation with leading indigenous bankers who do most of the financing of agriculture in this district.

I think this estimate is not very wide of the mark for the following reasons:—

I think it is safe to assume at least half the cultivation in this district is carried out on borrowed money. The cultivated area is about 600,000

acres and costs of cultivation were estimated at Rs. 20 per acre at the last settlement in 1917 (they must be more now). Taking half the cost of cultivation at Rs. 10 per acre and multiplying the cultivated area by this figure, the total is Rs. 60,00,000.

Total value of mortgages of immoveable property in the last three years has averaged about Rs. 15,00,000, and most of this is for purposes of cultivation. At least an equal amount will be represented by loans renewed on existing mortgages (which for all intents and purposes are new loans required for cultivation) and I am informed by indigenous bankers that the amount lent out or renewed on gold or personal security is at least equal to the amount lent on landed security.

This again gives a total of Rs. 60,00,000.

#### *Kyaukp̄yu District.*

58. } These questions cannot be answered without proper inquiry  
 59. } being made in the different Townships. The official members  
 60. } of this Committee may be directed to go out into the Town-  
 61. } ships and make inquiries with the help of the Township Officers.

#### *Deputy Commissioner, Kyaukp̄yu.*

58. One of the methods of obtaining a good estimate of the total amount of crops loan required every year here is by getting report from the headmen and verifying some of them. The Township Officer, who takes interest and who is familiar with his township, can easily check exaggeration.

The best method, however, to make an estimate of the crop loan would be to get statistics of figures from the money-lender half a lakh to one lakh of rupees as reported by me of being needed in this district is based on a calculation after consulting old residents of the district.

#### *Sadoway District.*

58. The following estimates are the total crop loans required every year in the—

(1) Sadoway Township	...	Rs. 4,19,790
(2) Sadoway District	...	Rs. 9,93,730

The figures are obtained by enquiring of all cultivators in five village-tracts of the Sadoway Township. The figures for the Township and the District are deduced from these figures by comparing the total number of cultivators in these five village-tracts with those in the township and in the district.

#### *Pegu District.*

58. First we must get (a) total area under tenancy let at full fixed rents, (b) average acreage worked per plough and (c) average advance required by a plough. In the Pegu District the average acreage worked per plough is 12 acres and the average advance made is Rs. 75. There fore to get a good estimate of the total amount of crop-loans required every year, we shall have to multiply total area under tenancy let at full fixed rents by the average advance per plough and divide the result by average acreage worked per plough.

Thus for Waw Township—

(a) Area under tenancy let at full fixed rents is 103,406 acres.

(b) Average acreage worked per plough is 12 acres.

(c) Average advance per plough is Rs. 75.

Therefore total estimated loans =  $\frac{103,406 \times 75}{12}$ , i.e., Rs. 6,46,287-8-0.

For the district the same principles apply, i.e.,  $\frac{(a) \times (c)}{(b)} = \frac{962,017 \times 75}{12} =$   
Rs. 60,12,606-4-0.

*Deputy Commissioner, Tharrawaddy.*

It may be said that during the rains 100 per cent. of the cultivators are in debt. Land owners who work their lands themselves are in debt, and labourers whose families have long since lost their lands are in debt. It is in fact the custom for the Burman cultivator to spend his money before he earns it. The residents of the towns also borrow, even clerks in the Deputy Commissioner's office live above their means and borrow from the office peons.

A crop loan is defined as being a loan taken by a cultivator for any purpose (in connection with either cultivation or household expenses) and expected to be repaid at the next harvest.

I would work out the example as follows :—

The acreage cultivated is about 600,000 acres and assuming that 14 acres suffice to a family, we would get about 40,000 families.

Assume (1) that each family works about 14 acres of land ;

(2) that the cost of cultivation which must be borrowed is Rs. 8 an acre or Rs. 112 per 14 acres ;

(3) that the family has no money at all by the end of October and that they will want Rs. 20 a month till after the harvest, this would bring the indebtedness of a family to about Rs. 60 *plus* Rs. 112 or, say Rs. 170.

On the assumption that there are 40,000 families I would estimate the crop loans at Rs. 40,000 × 170 or 68 lakhs.

I cannot give an estimate for an Upper Burma district because in the only Upper Burma district I have been a Deputy Commissioner, the communal tenure system was still in force.

*Insein District.*

58. My Committee are unable to answer this question. The total amount of crop loans "required" in the Insein District every year, i.e., which would be accepted with thankfulness and for which applications would always be forthcoming is really almost any sum one likes to mention. The amount issued in agricultural loans in the flooded area of Tantabin Township until recently was only limited by the gullibility of the Township Officer and the funds at his disposal. There are known to be 28,855 cultivators working 356,804 acres in this district, i.e., an average of 12 acres each. If half these men borrowed Rs. 100 each per annum the crop loans would total nearly 14½ lakhs. In practice it has proved impossible to recover some 1½ lakhs issued in Tantabin in the last three years. Against this, one has the amazing economic fact that at the slackest agricultural period of the year, after seven year of floods and so-called poverty it was impossible to get able-bodied Burmese cultivators at Rs. 1-8 per day for a month to carry out a work which was designed to improve agriculture.

*Prome District.*

58. An estimate of a sort can be made by considering the amount of crop loans required by members of co-operative societies. In this district about Rs. 4,00,000 is required annually for co-operative societies with total membership of some 6,000.

\* Average number per household is 5.  
 † This is an entirely independent estimate by the committee and is confirmed by the following figures from the Settlement Report —

Cultivated area ... 420,381 acres  
 Average area worked ... 7 acres.

The district population is nearly 400,000. Assuming that this represents \*80,000 families of whom † 60,000 are cultivating families, the district requirement would be 10 times 400,000, i.e., 4,000,000. So far as this is correct, it may be taken

as a minimum since loans by societies are kept as low as possible and are almost always less than the amounts applied for. A more careful estimate on these lines might possibly be a fairly accurate guide.

*Deputy Commissioner, Bassein.*

58. The amount of crop-loans required in each year in any area depends entirely on the prosperity or failure of crops in that area. When crops are damaged on account of drought floods, blight or ravages or insects in the previous season, the cultivators are hard up for money to start work for next season and more loans are accordingly required by them. In normal years the amount of loans required will not be much. So it is rather hard to fix a good estimate for a year. The best way to make a fair estimate of the crop-loans required in each year in any area is, therefore, as I have stated above, to base on the previous year's amount of loan actually taken and to take into consideration the condition of the crops of the previous season.

I give below the estimate for a Township and District. It is based on the last year's actual amount and the crop condition of the last season.

	Rs.
Thabaung Township ...	1,500
Bassein District ...	17,000

The amount of allotment of Agricultural advances for 1929-30 on Rs. 24,000 :—

Name of Township.	Amount sanctioned.	Amount disbursed.	Balance.
	Rs.	Rs.	Rs.
Bassein East ...	4,000	3,950	50
Bassein West ...	2,000	2,000	...
Thabaung ...	2,000	1,350	650
Ngaputaw ...	2,000	1,950	50
Kyonpyaw ...	2,000	660	1,340
Kyaunggon ...	5,000	5,000	...
Yegyi ...	2,000	2,000	...
Total ...	19,000 (Rs. 6,750 surrendered.)	16,910	2,090

*Henzada District.*

58. The assets of the cultivators of the area should form the basis of the estimate. Such valuations are usually made by co-operative officers and banks. I have no experience of numerical statistics on this point.

*Myaungmya District.\**

58. A Burman lives up to the limit of his cash and credit and will take as much as money in loans as people are willing to lend him. A Burman does not differentiate between monies essentially needed for production of his crops and monies he requires for non-essentials and luxuries. When he borrows for the first he often borrows up to his borrowing limit so as to include the second. Enquiry from the borrowers themselves therefore is not likely to be of any of great value in estimating requirements unless it is very detailed and very carefully sifted.

(2) Actual requirements would be considerably less than absolute requirements as they are limited by the security required and the rates of interest demanded. A very rough estimate of absolute requirements might possibly be made as follows. We may take 5 per cent. of the cultivators as solvent and the remainder as requiring some assistance in crop loans. Some would want the whole cost of cultivation, some less than the whole. We may assume for argument's sake that on the average the assistance required by the whole cultivating population would be 75 per cent. of the cost of cultivation. We believe that Rs. 20 to 25 has been accepted in recent Settlement Reports as a fair figure for cost of cultivation per acre. Something like Rs. 15 per acre on the total area under paddy 871,688 acres would represent the total crop loan required annually. It may be assumed that (i) 10 per cent. of the cultivators own the land they work and (ii) 90 per cent. are tenants.

(i) As stated in the reply to question 60 the majority of this class fall under heads C and D and therefore have no capital to finance the next crop. All these would want big loans therefore and most of them would have sufficient security to take up the loans if offered.

(ii) No tenants would be able to offer any security for their loans if taken from any one but their landlords. Landlords can and do supply a proportion of the demand for loans out of their own resources. They have to borrow the remainder. We cannot estimate this proportion supplied by them out of their own resources. If it is one-third then this figure may be deducted from the District figure suggested in paragraph 1 as follows :—

$$(871688 \times \text{Rs. } 15) \text{ less } (871688 \times \text{Rs. } 15 \times \frac{10}{100} \times \frac{1}{3}).$$

This figure should represent the whole actual requirements of the district.

*Maubin District.*

58. A good estimate of the total amount of crop-loans required every year in any area may be deduced from the total occupied area of the previous year divided by 20 to give the number of cultivating households, half of whom will require crop-loans at Rs. 150 each.\* Thus in this district where the occupied area approximates 640,000 acres the crop-loan required would be 24 lakhs.

\* The Myaungmya District Committee appears to have adopted ~~erratum~~ the reply of the Deputy Director of Agriculture, Irrawaddy Circle, given at page 254.

*Deputy Commissioner, Pyawbôn District.*

58. An owner cultivator working 100 acres of land would not ordinarily require more than Rs. 1,000 per annum as crop-loans, assuming his land to be average land. I regret I cannot possibly give an estimate either for a township, district or for Upper and Lower Burma.

*Thatôn District.*

58. Crop-loans are usually raised by tenants. In Thatôn District the total area let to tenants at full rate was 135,728 acres in 1928. From general enquiries it might be estimated that a 75 per cent. of the rented area requires crop-loans at Rs. 10 per acre. The usual expenditure of a tenant for working his land is about Rs. 10 per acre and the loan required by him is usually half of the total expenditure. Applying this average to the area required would be Rs. 10,17,960 or a round sum of Rs. 10,20,000 a year.

*Thatôn District (Pa-an Sub-committee).*

58. By Village Headman or Revenue Surveyor when preparing assessment rolls.

Roughly a lakh for our Township.

On the basis of allotting on the average of Rs. 200 to each of the depressed land-owners and responsible tenants.

*Deputy Commissioner, Thatôn District.*

58 to 61. I have been quite unable to get any reliable information on these questions. The Land Records does not record simple mortgages and even if it did its figures are not always reliable. The Settlement Reports show figures dealing with the indebtedness of the people but they are based on a very limited enquiry and are not meant to do more than give a very rough estimate. I have approached the Settlement Officers at present at work in the District but they too are unable to help me. To obtain trustworthy figures it would be necessary to hold an enquiry in a large number of villages in different parts of the District and there is no time for such a proceeding. The Committee's answer to the questions is from their own experience and may be trusted as far as it goes but it is not based on figures and is rather of the nature of guess-work.

*Amherst District.*

58. It is very difficult to answer this question satisfactorily. An attempt, however, is being made. I would estimate that the total amount of crop loans required every year in any particular area should be about one-fourth of the area that is cultivated by tenants. In arriving at this estimate it is assumed that landlords will not take any crop-loans. The several factors which I took into consideration to help me arrive at this figure of one-fourth cannot be set out in detail, but the consensus of opinion of the meeting of officers of the district was that this figure represented more or less the amount of crop loans required.

*Tavoy District.*

58. It is impossible to make a good estimate. I should say that the best plan would be to make enquiries from the leading cultivators in one typical village-tract or set of tracts as to the amount of crop-loans likely to be taken if available at a certain rate and then work out an average figure per acre of cultivated land.

An enormous amount depends not only on the interest charged on the loan and the nature of security demanded but also on whether the loans are easily available even to distant villagers. Assuming that 50 per cent. of cultivators are in debt and borrow Rs. 80 per annum and that 50 per cent. of these would take crop loans rather than borrow from friends or local people I should say that in an average village-tract in this district containing 70 cultivators the amount required would be Rs. 1,400 per village-tract. Allowing 20 paddy-growing tracts for each township, Rs. 28,000 would be required per township and Rs. 1,12,000 for the whole district. But if loans were easily available a cultivator would borrow more than just enough to cover bare necessity and I would therefore raise my figure to Rs. 1,50,000 per annum. This is not the correct way of making an estimate, which should be done by special enquiries in typical parts of the district, and this I have not time to do.

*Deputy Commissioner, Mergui.*

58. In the short time available it has been quite impossible to collect any material on which to base answers to this question. The Committee could offer no help beyond suggesting a village by village estimate based on figures supplied by the headmen, but they cannot give even an approximate figure. Some sort of enquiry on the lines of the enquiries made at Settlement is certainly necessary for a first estimate. This District was unfortunately settled before the present Settlement procedure was introduced and not being a mathematician I have found some difficulty in getting any help from the figures in the Report or devising a new way of getting an estimate. The Settlement was in 1920-21, but I do not think agricultural conditions have changed much in the meantime and I offer the following estimate for what it is worth without placing very much reliance on it :—

I. Estimated Agricultural Population	...	77,000
Average number in household	...	7
Estimated number of cultivators	...	11,000
Percentage in debt	...	40 per cent.
Number in debt	...	4,400
Average debt	... Rs.	100
Total indebtedness	... Rs.	4,40,000
—		
II. Average area cultivated by persons, examined at Settlement.		12 acres.
Average debt per person	... Rs.	100
Average debt per acre	... Rs.	8
Occupied area	...	130,000 acres.
Percentage under debt	...	40
Total area under debt	...	52,000 acres.
Amount of debt (52,000 × 8)	... Rs.	4,16,000

Taking Rs. 4,00,000 therefore as the total agricultural indebtedness. I would deduct Rs. 1,00,000 on account of petty and temporary debts and of the remaining Rs. 3,00,000 would estimate the annual requirements at 20 per cent. or Rs. 60,000. I have no doubt that more could easily be absorbed, but I would place the maximum at about Rs. 1,00,000.

*Deputy Commissioner, Toungoo.*

58. It is well nigh impossible to make a good estimate of the total amount of crop-loan required every year in any area unless elaborate arrangement involving heavy expenses are made.

The percentage of cultivators working their own land cannot exceed 10 and thus 90 per cent. of the cultivators are tenants. Almost every one of them have to borrow money for crop-loans. The average size of paddy land worked by a family with a Yoke is about 10—12 acres and the working expenses is about Rs. 100 Rs. 120 ; this money is raised by loan in 90 cases out of 100.

*Thayetmyo District.*

58. An enquiry should be made in three selected village-tracts of varying sizes (one of the largest, one of the middle size and the other of the smallest type) as to the amount of crop loans required by each of these tracts. Then take the average requirements of each village-tract. This amount multiplied by the number of village-tracts in a Township will form the estimate of crop loans required in that Township. The above average multiplied by the number of village-tracts in a district will be the estimate for the District. Similarly for Upper and Lower Burma. The average requirement in a village-tract is after enquiry found to be about Rs. 300. Thus for Thayetmyo Township which has 67 village-tracts the amount of crop loans required would be Rs. 20,100. For the whole district of Thayetmyo which has 515 village-tracts the amount required would be Rs. 1,54,500.

*Minbu District.*

58. The total occupied area in the district is 429,121 acres and experienced cultivators estimate a crop loan of Rs. 5 per acre, and the total loan required for the district every year may be put down roughly at Rs. 20,00,000.

*Pakókkhu District.*

58. It is very difficult to make a good estimate, but generally crop loans are taken by owner cultivators and they generally possess an ordinary sized holding. On the average about Rs. 50 per cent. of these areas require crop loans and by taking the figures of the area possessed by the owner cultivators a rough estimate can be obtained. Again, groundnuts land require about Rs. 10 per acre and paddy about Rs. 5 per acre and *Kaing* about Rs. 5 to Rs. 10 per acre according to crop. The rest do not require any crop loans.



*Deputy Commissioner, Mandalay.*

58. No good estimate can be made for an area as large as a township. Intensive enquiries might give material for an estimate for a small village or hamlet.

*Deputy Commissioner, Kyaukse.*

By multiplying the average of the cultivated area by the average cost of planting, reaping, etc., plus the subsistence of the owner and his family : the crop expenses needed in the Kyaukse District would be about twenty lakhs. Actually we give out Rs. 20,000 (twenty thousand).

The equation would be  $\frac{\text{expenses}}{\text{upkeep}} \times \frac{\text{acreage under cultivation}}{\text{acreage}} \times \text{Rs. 10}$   
 $\frac{\text{expenses}}{\text{upkeep}} \times \frac{\text{acreage under cultivation}}{\text{average holding}} \times \text{Rs. 20}$

*Deputy Commissioner, Meiktila.*

58. The only practicable way to get a good estimate of the total amount of crop loans required every year in any area, is to make enquiries through headmen and *ywigaungs*.

Enquiries from money-lenders will not be reliable through fear of the Income-Tax Department, while on the other hand cultivators themselves will not speak the truth for fear of damaging their credit.

An estimate for a township or a district is not possible unless a considerable period of time is allowed to Township Officers not only to compile but to check their headmen's figures too.

*Myingyan District.*

58. The estimate should take into account island land and upland land. As the islanders are much more in a flourishing state, they are likely to require less loans than the uplanders.

Looking at the conditions, cultivators working on 25 per cent. of the total island land and those working on 80 per cent. of the highland are likely to require loans. Islanders require more money for their seeds than the uplanders. The estimate would be Rs. 15 per acre of upland and Rs. 20 per acre of island land.

Basing on this data, the estimated total amount of crop-loans for the whole District would be about Rs. 70,24,100.

*Yamèthin District.*

58. I do not know exactly what is meant by "Crop loans," but anyhow no reliable estimate could be made without extensive local inquiry.

Personally I am inclined to think that Government should abstain from granting loans except for land improvement.

*Commissioner, Sagaing Division.*

58. The cost of cultivation as discovered at settlement multiplied by the area under cultivation will probably give the best estimate.

*Bhamo District.*

58. An estimate should be obtained from the Headmen through Township Officers annually.

*Deputy Commissioner, Myitkyina. \**

58. Can add nothing to the Superintendent of Land Records' reply.

*Shwebo District.*

58. In the *Irrigated* tracts, the average area worked by one man is 2 yokes—15 acres. The average man borrows in *Kason* or *Nayon* <sup>250</sup>/<sub>150</sub> according to whether <sup>he has to buy cattle</sup>/<sub>he has his own cattle</sub> which he repays in *Tabodwe* after harvest. Ninety per cent. of cultivators have to take "crop loans." So estimate can be based on acreage. (In irrigated tracts, the whole occupied area is worked.) Take average loan at Rs. 200. This gives Rs. 12 per acre. (*Note.*—The area of rice land irrigated from Government Canals, which alone is referred to when discussing irrigated land, was 270,292 acres in 1928-29.)

In the *Unirrigated* tracts—no need to distinguish between paddy and *ya* land. Land not cultivated with paddy is negligible. Figures for yokes, holdings and average crop loans are same as in case of irrigated tracts, but in the *mogaung* tracts 100 per cent. of the cultivators take crop loans. On the other hand, it is estimated that on an average only three-fifths of the occupied area is worked. These figures give Rs. 8 per acre occupied. (*Note.*—The total occupied area in 1928-29 was 1,065,993 acres. Deduct 270,292 acres of land irrigated by Government canals—balance is 1,795,701 acres.)

*Deputy Commissioner, Shwebo.*

*NOTE.*—The preliminary draft of the Questionnaire was received on 26th October 1929, and the instructions of the Commissioner, Sagaing Division, were received on 28th October 1929. On 4th November 1929, a memorandum was addressed to Subdivisional Officers asking them to collect data for replies to Questions 41 and 42 by examining some representative cultivators in each Assessment Tract, and checking replies of cultivators by reference to Village Headmen and others who have an intimate knowledge of local economic conditions.

On 23rd November 1929, the final copy of the English Questionnaire was received, so revised instructions had to be sent to Subdivisional Officers, in view of the alterations made in the Questions. They had already collected much information in answer to Question No. 42 of the Preliminary Draft of the Questionnaire.

The following replies are based on their reports, to complete which they have devoted much time.

The Subdivisional Officer, Ye-U, has based his estimate on the average amount of crop loan require per yoke, which throughout his Subdivision is reckoned as 10 acres. Figures of occupied areas were obtained from the Land Records Departments.

His estimate for the whole Subdivision is Rs. 2,238,538 for 337,540 acres, which is a little more than Rs. 6-8-0 per acre.

*Taze Township.*—Mostly unirrigated. Nine assessment tracts. Figures for crop loans vary from Rs. 1-8-0 per acre in Tract 1 to Rs. 8 per acre in Tract 19. Totals are Rs. 409,279 for 91460 acres, giving an average of Rs. 4-8-0 per acre occupied.

\* See page 255.

*Ye-U Township.*—Irrigated and unirrigated. Nine assessment tracts. Estimated crop loans vary from Rs. 3-6-0 per acre in Tract 15 to Rs. 10 per acre in Tract 32. Totals are Rs. 7,14,574 for 101,880 acres, giving a general average of Rs. 7 per acre.

*Tabayin Township.*—Mostly irrigated. Eight assessment tracts. Estimated crop loans vary from Rs. 3-6-0 per acre in Tract 25 to Rs. 10 per acre in Tract 32. Totals are Rs. 11,14,685 for 144,200 acres, giving a general average of Rs. 7-12-0 per acre.

The Subdivisional Officer, Kanbalu, has also taken the yoke equalling 10 acres, as his unit for his estimate. The two Townships, Kanbalu and Kyunhla, are divided into a total of 11 Assessment Tracts. In these tracts, the estimated average amount of crop loan required for domestic purposes varies from Rs. 75 to Rs. 100 per household, and the corresponding amount of loans for agricultural purposes from Rs. 25 to Rs. 30 per household. The mean may be taken as Rs. 80 and Rs. 25 respectively, making a total average of Rs. 105 per agriculturist household. His total estimates for the two Townships are Rs. 1,99,240 for Kyunhla and Rs. 5,74,387 for Kanbalu.

The Subdivisional Officer, Shwebo, has made an estimate of the total number of cultivators in each of his three Townships, namely, Wetlet, Shwebo and Kin-U, based on actual figures given by Village Headmen and by deduction from the *Thathameda* Assessment Rolls and has applied the figures yielded by the questioning of typical cultivators to the whole. His results are :— Wetlet, Rs. 3,44,160. Shwebo, Rs. 3,19,095 and Kin-U, Rs. 4,63,440.

Thus, the total estimate for the District is Rs. 41,38,860. This may be compared with the occupied area of 1,065,993 acres given in the Season and Crop Report for the year ended on the 30th June 1929. The estimate is undoubtedly on the low side, but it is well known that cultivators do not like being asked questions about their debts and almost invariably minimize them.

#### *Sagaing District.*

58. Best estimate will be to deduct the area usually worked without any crop loan from the total cultivated area of a township and then multiply the remaining area by the average cost of working per acre. For example, the total average cultivated area in Myinmu Township is 74,200 acres. Deduct 20 per cent. of the area representing the area usually worked without a crop loan and multiply the balance of 59,360 acres by Rs. 3 average cost of working an acre. The total amount of crop loan required will be Rs.  $59,360 \times 3$  or Rs. 1,78,080. This will be for a normal year. In other years a certain percentage will have to be added according to exigencies.

#### *Sagaing District (Mogaung Sub-committee).*

58. By taking Rs. 10 as the amount required per acre of assessed lands. For the Mogaung Township about Rs. 6,00,000. By multiplying the assessed area in acres by Rs. 10.

#### *Katha District.*

58. The cost of cultivation per acre will represent the loan required. The cost of cultivation will be found in the Settlement Report of the Katha District. This cost multiplied by the number of acres will give the estimated loan required.

*Deputy Commissioner, Katha District.*

58. The estimate can be obtained fairly easily for any area settled under the new Settlement Instructions. The crop loan required will be the average actual expenditure per acre multiplied by the number of acres cultivated in the area. By taking the District Settlement Report and the District Season and Crop Report the figures should be available for every settled district in Burma. If the Settlement figures are based on a sufficiency of enquiries the estimate for any district should be correct to within a very narrow margin.

My estimate for the Kawlin-Wuntho Plain, Settlement Tracts 9 and 41, is Rs. 2,60,511 and Rs. 2,82,408 respectively, a total of Rs. 5,42,919 annually. This figure is arrived at by using the figures for areas given at pages 55 and 59 and the incurred cost figures given at pages 143 to 145 of the Report on the Second Settlement of the Katha District by Colonel H. H. Batten, I.A.

*Deputy Commissioner, Upper Chinlwin.*

58. A good estimate can be made from the estimated number of cultivators at the rate of Rs. 50 per head on the average and the number can be obtained from the Census Report or Imperial Gazetteer.

*Lower Chinlwin District.*

I have received an estimate from the Sub-Committee, Palé Township, of the amount of crop loan required on the basis of Rs. 70 per cultivator. The estimate amounted to Rs. 4,45,270.

Before seeing these figures, in an attempt to form an estimate myself for the district, I took from the Gazetteer of 1909 the proportion of cultivating households to total households, which, allowing for the comments as to occupation in the Gazetteer, worked out roughly to  $\frac{38,000}{60,000}$  or approximately 64 per cent. On the assumption that each household would require on the average Rs. 60 as crop loan, with some 80,000 households now shown in the Land Revenue Administration Report for *thathameda* purposes, the figures for the whole district work out of  $\frac{64}{100} \times 80,000 \times 60 = \text{Rs. } 30,72,000$ .

There are seven townships in the district.

In 1927-28 the Land Revenue Administration Report for the district shows some 388,000 acres assessed. The estimate reached by me would make the amount required for each worked acre about Rs. 8 which, in my opinion, is not excessive merely as crop loan.

*Deputy Director of Agriculture, Irrawaddy Circle.*

58. A Burman lives up to the limit of his cash and credit and will take as much money in loans as people are willing to lend him. A Burman does not differentiate between monies essentially needed for production of his crops and monies he requires for non-essentials and luxuries. When he borrows for the first he often borrows up to his borrowing limit so as to include the second. Enquiry from the borrowers themselves therefore is not likely to be of any great value

in estimating requirements unless it is very detailed and very carefully sifted.

(2) Actual requirements would be considerably less than absolute requirements as they are limited by the security required and the rates of interest demanded. A very rough estimate of absolute requirements might possibly be made as follows :—

We may take 5 per cent. of the cultivators as solvent and the remainder as requiring some assistance in crop loans. Some would want the whole cost of cultivation, some less than the whole. We may assume for argument's sake that on the average the assistance required by the whole cultivation population would be 75 per cent. of the cost of cultivation. We believe that Rs. 20 to Rs. 25 has been accepted in recent Settlement Reports as a fair figure for cost of cultivation per acre. Something like Rs. 15 per acre on the total area under paddy 871,688 acres would represent the total crop loan required annually.

It may be assumed that (i) 10 per cent. of the cultivators own the land they work and (ii) 90 per cent. are tenants.

(i) As stated in the reply to question 60 the majority of this class fall under heads C and D and therefore have no capital to finance the next crop. All these would want big loans therefore and most of them would have sufficient security to take up the loans if offered.

(ii) No tenants would be able to offer any security for their loans if taken from any one but their landlords. Landlords can and do supply a proportion of the demand for loans out of their own resources. They have to borrow the remainder. We cannot estimate this proportion supplied by them out of their own resources. If it is one-third then this figure may be deducted from the District figure suggested in paragraph 1 as follows :—

$$(871,688 \times \text{Rs. } 15) \text{ less } (871,688 \times \text{Rs. } 15 \times \frac{90}{100} \times \frac{1}{3}).$$

This figure should represent the whole actual requirements of the district.

*Superintendent of Land Records, Myitkyina.*

58. This is mainly a rice growing district with some acres of potato gardens. Crop loans taken by rice growers and potato growers are therefore calculated separate. The method employed for calculation of rice growers' crop loans is on the basis of the amount necessary to be taken for a field workable with a pair of cattle which is 8.5 acres in extent. With the area under rice cultivation in the district the number of pairs of cattle engaged is worked out. From the enquiries the amount of crop loan necessary to be raised by a cultivator working with a pair of cattle varies much, viz., Rs. 50 to Rs. 100, for many reasons, the chief of them, being the size of family, number of able-bodied member, standard of living, health of cattle, sufficiency or otherwise of *wunsa*. Taking all these points into consideration Rs. 75 is assumed as a standard for the purpose of calculation. A sum of Rs.  $\frac{7,04,800}{8,00,000}$  is estimated, viz., Rs.  $\frac{(92,085 \text{ acres} \times \text{Rs. } 75)}{8.54}$

The Indian potato grower generally raises a crop loan just to cover the expenditure on the cost of seed required for the year. Knowing the potato acreage the quantity of the seed potato necessary is calculated

which is then converted to money. The sum taken as representing the crop loan of potato grower works out to about Rs. 11,000. The total amount of crop loan taken annually is estimated at Rs. 7,19,800 (*viz.*, 7,08,800 plus 11,000) Rs. or Rs. 7,20,000).

*Mr. P. L. L. N. Narayanan Chelliar (Pyaðñ).*

58. Cannot say. Government must collect statistics for a year and can get an estimate for next year.

### Section 15.—Statistics B.

*Deputy Commissioner, Akyab. \**

59. Practically all the financing of agricultural operations in this district is done by the local indigenous banks. These collect the loans due in April and again begin to lend out money in May or June for the next year's crop. It is estimated that Rs. 30,00,000 is normally outstanding after all recoveries have been made and before loans for the new crop are issued.

I think therefore this figure may be taken as the amount of debt exclusive of that which will normally be paid off at next harvest.

The occupied area of the district including waste land grants is 810,000 acres approximately.

I assume that the debt is evenly spread over the whole occupied area.

Inclusive of waste land grants the area occupied by tenants is 430,000 acres, leaving 380,000 acres occupied by owner cultivators.

The amount of debt therefore due from owner-cultivators will be about 14 lakhs.

This is, of course, a very rough estimate, as it rests first on an estimate of the amount owed to indigenous banks and other money-lending agencies throughout the district and, secondly, on the assumption that the debt is evenly spread amongst all classes of cultivators, but I do not think I can frame a more accurate estimate without having very extensive inquiries made from all the various money-lending agencies in the district.

From conversations with local bankers, I should be inclined to estimate that 75 per cent. of the debt is secured by mortgages of land or gold and the remainder not so secured.

*Deputy Commissioner, Kyaukpnyu.*

59. The total indebtedness of the cultivators on mortgage and otherwise can only be obtained by taking a general census. A large number of cultivators appear to be in greater debt than used to be in former years. It is, however, difficult to say what their total indebtedness is. I do not think is very great in this district, for the simple reason that there are not many money lenders, who have come and settled here, which presumably is due to poorer security available. Most of the cultivators do their own works and do not depend very much on hired labour.

\* See also paragraph 2 of the reply of the Commissioner Arakan Division, at the beginning of Chapter XIV below.

*Sandoway District.*

59. The following estimates are the total indebtedness of cultivators who own their lands, including all debts which will normally be paid off at next harvest.

	(a) Mortgage debts.	(b) Other debts.
	Rs.	Rs.
Sandoway Township ...	6,76,342	45,089
Sandoway District ...	15,86,410	1,05,760

The figures are obtained by enquiring of all cultivators in six village tracts of the Sandoway Township. The figures for the Township and the District are deduced from these figures by comparing the total number of cultivating owners in these six village-tracts with those in the Township and in the district.

*Pegu District.*

59. (a) There are practically no debts except those secured on mortgage. We might, for purposes of argument, assume that debts not so secured would be about 5 per cent. of the total lent on mortgage.

We may also assume that the Chettyars own the bulk of the money lent on mortgage. If we add 5 per cent. to that figure we shall be close to the total amount.

We may, in the third place, assume that 80 per cent. of the Chettyars' income is derived from mortgage. They own some land, and rice mills, and in many cases do a sort of glorified pawnbroking business as well. These activities may be put down as accounting for 20 per cent. of their income.

Therefore, if we can calculate the Chettyars' income, we may find means of arriving at the total indebtedness of cultivators owning their land.

We do not suppose that the Chettyars would give this figure. If not, perhaps the income-tax department might be prevailed upon to give it to us in bulk, for the whole district, without specifying the number of individuals, and the amount of income each is taxed on.

Having got that, we should take 80 per cent. of it as derived from mortgages, and assuming as the rate of interest 1-8 per cent. per month, we could find out the total amount given out by the Chettyars on mortgage. Add 5 per cent. for other lenders, and we should be as near the total as we are likely to get.

(b) It is not possible to give an estimate for a Township and the above is for the whole district.

*Tharrawaddy District (Zigon Sub-committee).*

59. (See answer to Question 58.)

*Deputy Commissioner, Tharrawaddy.*

59. I would estimate the total indebtedness excluding the debts to be paid off at the next harvest on the following assumptions —

(1) that there are 60,000 families,

(2) that the average indebtedness for land-owning cultivators is Rs. 150,

(3) that the proportion of land-owning cultivators to landless cultivators is 66 per cent., we would get—

$$60,000 \times \frac{2}{3} \times 150 = 60 \text{ lakhs.}$$

I would say that the total is secured by mortgage and that the bulk of debt on personal security is cleared after each harvest.

I have no idea of conditions in any ordinary district in Upper Burma.

*Hanthawaddy District.*

59. As all money required in this District comes from the Chettiers that community could probably give the required figures.

*Insein District.*

59. My Committee is unable to answer this question without two years' steady work.

*Prome District.*

59. It is impossible to form any estimate without making a census of indebtedness over the whole area or other selected portions of the area. If a census is held over selected portions of an area it might be possible to draw conclusions which would be valid for the whole area.

*Deputy Commissioner, Bassein.*

59 to 61. It is regretted that we have no ready records on which we can base our answers to question Nos. 59 to 61. These questions could only be answered after enquiries among the cultivators and in the villages which it is not possible to undertake under the present circumstances.

*Henzada District.*

59. A printed return in easy Burmese should be distributed among the cultivators of the area needing a loan with verification similar to an income-tax return form, showing the debts of each person and the nature of such debts. Each person should fill up, sign and return the form to the loan officer and a good estimate of indebtedness can be had from the same.

I am not in a position to give numerical estimates.

*Myaungmya District.*

59. We are unable to make any suggestion. Mr. Grantham has himself admitted in his Myaungmya Settlement Report the impossibility of making such estimates without an enquiry equal in extent and duration to settlement operations.

*Deputy Commissioner, Pyawón.*

59. If it is not possible to obtain a good estimate from the Land Records and Registration Departments, I regret I am unable to suggest how such an estimate can be made.



*Thalon District (Pa-an Sub-committee).*

59. See answer to Question No. 58 *supra*.

*Deputy Commissioner, Amherst.*

59. As in the case of the answer to Question 58, it is also very difficult to answer this question but an attempt is being made to do so however. I estimate that  $\frac{2}{3}$  of the lands owned by landlord cultivators is under debt and that the whole of this amount is secured by mortgages. I am of opinion that this is true for all lands in every township in both Upper and Lower Burma. The several factors which I took into consideration to arrive at this figure cannot be set out in detail, but I took the sense of the meeting of officers of this district and I am fully of the opinion that this proportion was about correct.

*Tavoy District.*

59. A good estimate is impossible. A very rough estimate could be made by enquiries in typical parts of districts both for (a) and (b).

The average for indebtedness in this district as given in the most recent Settlement Report was Rs. 121 per indebted household and it was believed that 41 per cent of households were in debt. Allowing for a steady increase in indebtedness I would make the present figure Rs. 150 and 50 per cent that is to say Rs. 75 per household. I should say that there are 3000-cultivators' households per township in this district and I would therefore call the total indebtedness Rs. 225,000 per township or Rs. 900,000 for the district.

*Deputy Commissioner, Mergui.*

59. Here again an enquiry is really required for which there is no time available. Working on the figures given in the last question and with the same reservations I would estimate the indebtedness of owner cultivators at approximately half to two-third of the total permanent indebtedness *i.e.*, somewhere between Rs. 1,50,000 and Rs. 2,00,000. It is quite impossible to say how much of this is secured on mortgage.

*Deputy Commissioner, Toungoo.*

59. The same remarks apply to this Question as to Question No. 58.

*Thayetmyo District.*

59. An enquiry should be made from all the persons actually cultivating their own land in a number of selected villages (say 3 to 10 villages) and find out the debt per head. From the Land Records Department we can obtain the number of acres cultivated by persons who own them. As only about 5 acres of land can be cultivated by one person the number of acres as supplied by the Land Records Department divided by 5 would represent the number of persons who cultivate their own land. The average amount of debt per head mentioned above multiplied by the number of cultivators for a Township (obtained by means of the above calculation) would represent the amount of debt for that Township. As each Township may appreciably differ from the

rest of the Townships in the District it is considered that an estimate should be made for each Township in this manner and that to obtain an estimate for a District the estimates for the Townships will have to be added up to get the indebtedness of the whole district. To get a good estimate each district will have to prepare its estimate in a similar way and the total of the districts in Upper Burma would represent the indebtedness under this head in Upper Burma. The same rule would apply to Lower Burma.

*Minbu District.*

59. The area occupied by agriculturists in the district is 354,242 acres and experienced cultivators estimate an indebtedness of Rs. 100 per plough or 8 acres, and the total indebtedness may be put down roughly at Rs. 44,00,000. Half of the amount is considered to be secured by mortgages and half unsecured.

*Pakókka District.*

59. This is a very difficult question to answer. If the rain is sufficient and the harvest good all kinds of debts are paid up in that year. If there is bad harvest one year it requires three successive good harvests for the cultivators to recover completely.

*Deputy Commissioner, Mandalay.*

59. Indebtedness enquiries give notoriously unreliable results.

*Deputy Commissioner, Kyaukse.*

59. I know of no means of making an accurate estimate.

*Deputy Commissioner, Meiktila.*

59. In an ordinary year the best method of estimating the total indebtedness of cultivators would be to have careful enquiries made through village headmen and ywagaungs.

In a year of settlement, the Settlement Party would be in the best position to collect such information.

The statistics kept up in the Land Record Department and Registration Department referring to mortgages are not quite up-to-date owing to the apathy of the public in reporting redemptions.

Estimates for a Township and a District are not possible unless considerable time is allowed to headmen and to officers check their figures.

*Myingyan District.*

59. (a) It is estimated that about 315,850 acres of the cultivators' land would be under mortgage. It is also estimated that advances on the security of land would be given to the extent of half the value of the property. Taking Rs. 125 as an average value per acre of land for different kinds of land, Rs. 60 should be taken as an average amount taken on the security of an acre of land. Thus the total indebtedness would be  $315,850 \times 60 = \text{Rs. } 1,89,51,000$ . This estimate is for the whole district.

(b) Those who take loans without the security of landed property are mostly expected to pay off at the next harvest. The area of unencumbered land occupied by agriculturists is estimated to be 662,000

acres. Cultivators who receive loans without mortgage not repayable within the next harvest would form a very small proportion. It is estimated that about 15 per cent. of the cultivators would fall under this class. The average debt may be taken as Rs. 100 for each. The estimated number of cultivators in the district is 69,851. Thus the total indebtedness would be Rs. 10,47,765.

*Yamethin District.*

59. Impossible to obtain accurate figures unless inquiry is made from individual cultivators from village to village.

*Commissioner, Sagaing Division.*

59. An approximate estimate only could be obtained by a house to house enquiry which would be very unpopular and probably untrustworthy owing to the dislike people have in admitting their debts.

*Bhamo District.*

59. The cultivators do not own lands as all lands are communal lands and no good estimate for the total indebtedness of cultivators who own their land can therefore be given.

*Deputy Commissioner, Myitkyina.\**

59. Only enquiry on the spot can give accurate results. Again quoting Mr. Lindop 58 per cent. of Agriculturists admitted that they were in debt (Paragraph 38, Settlement Report).

And again "Area under mortgage is negligible except in Tracts 1 and 4 where 7—12 and 9—93 per cent. of bobabaing land is mortgaged."

(Paragraph 77, Settlement Report.)

And again

"For the whole settlement area the figures for occupied State and non-State land are 86'332 acres and 5'753 acres respectively."

(Paragraph 7, Settlement Report.)

*Shwebo District.*

59. (1) By examining a suitable number of representative working owners in each village tract out of all who admit being in debt, after ascertaining number of latter. Apply average figure obtained to whole. The figure could be checked by reference to money-lenders, who can give a very good idea of the indebtedness of the residents of any village tract. In each village tract, there are one or two money-lenders, who live there, but it is usual to find one in each village tract.

(2) Committee can give no answer for want of data.

*Deputy Commissioner, Shwebo.*

59. The Sub-divisional Officer, Ye-U, found by enquiry that the average indebtedness per cultivator per yoke is Rs. 80, of which Rs. 50 is secured by mortgages and Rs. 30 unsecured. His estimate of the number of yokes in Taze—9,146. Ye-U 10,188 and Tabayin 14,420. The estimate for Ye-U Sub-division is therefore (a) Rs. 17,01,000 and (b) Rs. 9,99,000.

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\* See also Superintendent of Land Record's evidence on page 263.

The enquiries made by the Sub-divisional Officer, Kanbalu, have led him to assume that one-third of the total area under cultivation is worked by the owners and that of this area about one half is under mortgage, and that other debts, which are few, amount to one-sixth of the value of the land worked. His estimate is—

	Township.	
	Kanbalu.	Kyunhla.
Total area cultivated, acres	2,4000	2,1130
Area worked by owners, acres	8,000	7,040
(Forced sale) value, Rs.	10,40,000	7,04,000
Mortgage debts, Rs.	5,20,000	3,52,000
Other debts, Rs.	1,73,333	1,17,333
Total debts, Rs.	6,93,333	4,69,333

The Sub-divisional Officer adopted the same method as used in obtaining data for reply to Question 58. He has not been able to get data for Wetlet Township in the time available but for the other two Townships the figures are:—

	Debts secured by mortgage.	Other debts.	Total
	Rs.	Rs.	Rs.
Shwebo	4,455	61,280	65,737
Kin-U	4,42,425	6,93,153	11,35,578

The class of cultivator covered by Question. 59 would appear to be scarce in Shwebo Township.

In my opinion, the only way of getting a good estimate is by means of enquiries by a Settlement party at a time when a District is being dealt with by it. If the suggestion, made elsewhere, to register all loan transactions and money-lenders is adopted, very useful data would be available.

#### Sagaing District.

59. Take the cultivated area of a township, deduct from it the area usually worked without crop loans which will usually work out to about 20 per cent. of the total area. Again deduct from the remainder the area usually worked with very little or no loan at all. This area too will come to about 20 per cent. of the total cultivated area of the township. Then multiply the remainder by Rs. 10 the average debt on an area. In the case of Myinmu :—

The total cultivated area is	74,200 acres.
Deduct 20 per cent. which are worked without crop loans	14,840
	<hr/> 59,260
Deduct another 20 per cent. which are worked without any loan	11,872
	<hr/> 47,488
Average amount of debt on an acre	10
Total indebtedness	Rs. 4,74,880

- (a) Two-thirds of this will be secured by mortgages, and  
 (b) the rest will fall under other debts.

*Sagaing District (Mogaung Sub-committee).*

59. (a) By taking Rs. 15 as the debt due per acre of assessed lands For the Mogaung Township about Rs. 45,000. By multiplying the assessed area in acres by Rs. 15.

(b) By taking Rs. 10 as the debt due per acre of assessed lands. For the Mogaung Township about Rs. 10,000. By multiplying the assessed area in acres by Rs. 10.

*Katha District.*

59. A house to house enquiry to establish an average would be necessary.

*Deputy Commissioner, Katha.*

59. No possible estimate could be given without a house to house enquiry and even the results of such an enquiry would be so inaccurate as to be worthless. Some vague idea of the answer to this question can be obtained from the Indebtedness Report Statements of the District Settlement Report for any District settled under the new Instructions.

*Deputy Commissioner, Upper Chindwin.*

59. The information so obtained will not be reliable. The cultivators will exaggerate things to prove agricultural indebtedness, while the money-lenders will not give accurate figures for fear of the Income-tax Officers.

*Lower Chindwin District.*

59. Although Deputy Commissioners are particularly requested to give an estimate for this question, I have been unable to obtain any suggestions to form an estimate. Perhaps the Settlement Officer may be able to do so.

*Deputy Director of Agriculture, Irrawaddy Circle.*

59. We are unable to make any suggestion. Mr. Grantham has himself admitted in his Myaungmya Settlement Report the impossibility of making such estimates without an enquiry equal in extent and duration to settlement operations.

*Superintendent of Land Records, Myitkyina.*

59. An area of 14 acres is the average size of each holding owned by a cultivator. The enquiry throughout the district would give an estimate of about 80 per cent. of the cultivators in debt to the extent of about one-third of the value of the land owned by each. The usual price of irrigated paddy land is Rs. 40 per acre while it is Rs. 20 for the unirrigated land. Due to the predominating extent of the former in this district an average price of Rs. 35 per acre is assumed for the purpose of calculation. The amount of debt per cultivator therefore works out to Rs. 163 (viz.,  $14 \times 35 \times \frac{1}{3}$ ) occupied area of the district 92,085 acres.

Average size of holding 14 acres.

Proportion of cultivators in debts 80 per cent. therefore  

$$\frac{92085 \times 80 \times 163}{14 \times 100} = \text{Rs. } 8,57,706$$
 is the estimate of permanent debt.

About 20 per cent. of this is secured by mortgage.

## Section 16.—Statistics C.

*Deputy Commissioner, Akyab.\**

60. (1) I endeavoured to get statistics collected by Subdivisional Officers from some typical agricultural villages, both Arakanese and Chittagonian, but they have not been received complete to date and such as have been received are too discrepant in their results to make a safe basis on which to generalize, and, as I have remarked above, generalization in this district with its mixed population is particularly difficult.

After consultation with a leading member of the Committee, himself well acquainted with financial conditions, I give the following estimates, but I am afraid they can only be regarded as expressions of personal opinion.

A 3/10

B 2/10

C 2/10

D 2/10

E 1/10

(2) (a) Yes. (b) possibly one-third.

(3) No.

*Deputy Commissioner, Kyaukp̄yu.*

60. (1) A 50 per cent.

B 20 per cent.

C 10 per cent.

D 10 per cent.

E 10 per cent.

(2) In the present state of affairs it seems doubtful whether these cultivators, who have got into debts can get out of it. It is true that cultivators are getting very much more for their crops than they use to get in olden times but the cost of living is increasing in greater proportion. The taste for luxury has increased to a very considerable extent. People have taken to smoking cigarettes and drinking tea which were unknown in olden days. The more money the cultivator gets into his hands the more he is inclined to spend. The remedy for this appears to be in educating the people and teaching them thrift.

*Sadoway District.*

60. (1) The following are the number in each class :—

Classes.	A	B	C	D	E	Total.
Sadoway Township	21,372	540	1,080	92	92	23,176
Sadoway District	50,130	1,266	2,535	215	215	54,361

The following are the numbers of cultivators in each class compared with the number 10 :—

Classes	A	B	C	D	E
	9·2	0·2	0·5	0·05	0·05

(2) The cultivators in the Sadoway District are generally thrifty. There is no likelihood of the cultivators described therein getting into more indebtedness. There may be one person in ten who would become under class D.

(3) The classification or gradation of cultivators described in question 60 (1) is quite sufficient.

\* See also paragraph 2 of the reply of the Commissioner of Arakan Division at the beginning of Chapter XIV of this volume.

*Pegu District.*

60. (1) A  $1\frac{1}{2}$  out of 10.  
B  $3\frac{1}{2}$  out of 10.  
C 3 out of 10.  
D  $1\frac{1}{2}$  out of 10.  
E  $\frac{1}{2}$  out of 10.
- (2) Not unless paddy is at Rs. 160 or over, or the cost of production is brought down or an outturn is increased.
- (3) Nil.

*Tharrawaddy District (Zigon Sub-committee).*

60. See answer to question 58.

*Deputy Commissioner, Tharrawaddy.*

60. (1) A 0'50  
B 1'00  
C 2'00  
D 4'00  
E 2'50
- 
- 10'00
- 

(2) He can, provided he is reasonably thrifty. Similarly I would say that persons in class D can, if they give up the habit of living on credit without knowing what their financial position is.

(3) No : but the real trouble in the matter is the extravagance of the Burman. Until he acquires what may be called a money sense I would prevent the small owner borrowing on the security of his land except from a Government Bank.

*Hanthawaddy District.*

60. (1) A One in ten.  
B Very few.  
C Five in ten.  
D Four in ten.  
E One in ten.
- (2) No hope for him.
- (3) No.

*Insein District.*

60. (1) Estimates vary. One made by two or three responsible officers well acquainted with this district was—

- A Nil.  
B 3  
C 1.  
D Nil  
E 6

Another vague estimate is A2, B3, C2, D2, E1. Only an exhaustive enquiry could show.

(2) Possibly, but even a healthy man cannot compete with child mortality, cattle theft and crime. My Committee is pessimistic on the subject.

(3) No.

*Prome District.*

60. (1) Estimates in this connection vary considerably. The estimates made by two sub-committees are 5, 50, 15, 25 and 5 and 5, 20, 30, 40 and 5 per cent. respectively. Some members of the Central Committee however appear to think that half of such cultivators fall into class E and that the percentages should be about 5, 15, 15, 15 and 50 per cent.

(2) *Omitted.*

(3) No.

*Henzada District.*

60. (1) On an average the proportion in every ten villages is as follows :—

A and B Very few.

C 5

D 2

E Nil.

(2) Yes, he can reasonably hope to prevent his indebtedness increasing seriously. One-third of Class D can reasonably hope so. All the persons in class C have reasonable expectation to repay their debts within the next three years, if crops normal.

(3) No.

*Myaungmya District.*

60. (1) A Very few.

B 2.

C 4.

D 4.

E Very few.

(It may be noted that the number of cultivators owning and working holdings is very small.)

(2) This is a matter of the standard of living of the cultivator. A cultivator on the C D border line is better off than a tenant as he could sell out and have substantial capital. It is well known that Indian tenants do often rise to the status of land holders owing to their low standard of living. Burmans, on the other hand, move in the opposite direction, from A to D, and then become tenants. Neither of these standards of living is reasonable. It is extremely hard to say without detailed enquiry if a man living at a reasonable standard could prevent his indebtedness increasing seriously if his debts amounted to half the value of his land. If his loan is at 24 per cent. which is reasonable, he would be paying 12 per cent. on the value of his land. This is very near the figure paid by a tenant as rent and this should indicate that it is reasonably possible for a man to prevent his indebtedness from increasing.

*Maubin District.*

60. (1) A One in ten.

B Two in ten.

C Four in ten.

D Three in ten.

E Very few.

(2) Yes. 50 per cent. of Class D could hope to prevent indebtedness from increasing seriously.



*Deputy Commissioner, Pyawbôn.*

60. (1) A None. (There might possibly be one in one thousand.)  
B One.  
C Three.  
D Six  
E None. (Here, there might be one in 100.)

(2) Yes. All in Class D could also reduce their indebtedness if they were able to withstand the temptation to indulge in useless luxuries immediately they obtain the sale proceeds of their crop.

(3) I cannot suggest a better grading.

*Thaton District.*

60. (1) From enquires of several villages near Thatôn we consider that the following estimates are not far out :—

- A Nil.  
B Two.  
C Two.  
D Four.  
E Two.

As there are a very few of those in Class A, not even one in ten,— they have therefore been included in B.

(2) Probably he cannot hope to prevent his indebtedness from increasing seriously unless half of his permanent indebtedness is reduced. If this could be brought about one-fourth of Class C might have such hopes.

(3) No.

*Thaton District (Pa-an Sub-committee).*

- No. 60. (1) A 2  
B 3  
C 2  
D 2  
E 1

(2) About 60 per cent. of Class D hopes for this. If he cannot 75 per cent. of his permanent debts must be allowed for this hope.

About 50 per cent. of Class C.

(3) No.

*Tavoy District.*

60. (1) A. 4 (if they are to last without getting money from other occupations).

B Very few.

C 5.

D 2 (presuming that Classes A and B are in the 10).

E 1.\*

(2) Yes, if he restricts his 'luxury' expenditure in good years and if he and his family take up odd available jobs in the slack season.

About half of Class D.

(3) No.

---

\* This reply is obscure.

*Deputy Commissioner, Mergui.*

60. (1) Conditions in this respect vary very much in different parts of the district. The Committee who are concerned almost entirely with the Mergui and Palaw Townships estimate—

- A 10 per cent.
- B 40 "
- C 20 "
- D 20 "
- E 10 "

The Superintendent of Land Records estimates for the whole District—

- A 40 per cent.
- B 40 "
- C 10 "
- D 10 (or less)
- E very few.

I think these estimates are fairly sound.

(2) Yes. The Committee also think that about 50 per cent. of Class D can also entertain this hope. But the Superintendent of Land Records thinks only very few could. I think that the Committee are rather optimistic. With a high rate of interest the larger the debt the greater the burden and it seems to me to depend upon the amount by which the debt exceeds half the value of the property. Up to three-fifths or even to two-thirds there is some hope. Over that there is none.

(3) No.

*Deputy Commissioner, Toungoo.*

60. (1) A 2.  
B 2.  
C 3.  
D 2.  
E 1.

(2) Yes. A cultivator " who has debts which in an ordinary year after the harvest " etc. can reasonably hope to prevent his indebtedness from increasing seriously. Only 50 per cent. of the cultivator of Class D could reasonably hope to prevent his indebtedness from increasing seriously. For a cultivator of Class E, it is hopeless to clear himself of indebtedness owing to the large rate of interest he has to pay.

(3) No.

*Thayetmyo District.*

- 60, (1) A 1 in 10.  
B 4 do.  
C 2 do.  
D 2 do.  
E 1 do.

(2) (a) We consider that he can : but it will be difficult for a cultivator of Class D to do so.

(3) No.

*Minbu District.*

60. (1).

A  $\frac{1}{4}$  in ten or almost nil.

B 5 in ten.

C  $2\frac{1}{2}$  in ten.

D  $2\frac{1}{2}$  in ten.

E  $\frac{1}{4}$  in ten or almost nil.

(2) All in C Class may be able to prevent further debts.

Three out of ten in D Class might hope for the above, but it generally considered to be hopeless if the debt exceeds 60 per cent. the value of the land.

(3) Indebted cultivators might be broadly graded into two classes, namely, those whose debts are below and those whose debts are above the value of their lands. The latter may be generally considered as hopeless class.

*Magwe District.*

60. (1) A Very few.

B 3.

C 2.

D 3.

E 2.

(2) Yes. He has little or no hope of not increasing his debt.

No one in Class (D) can hope to decrease his debt. All in class (C) have debts amounting to half the value of the land.

(3) No.

*Pakokku District.*

60. (1) In the following proportion :—

A 1.

B 3.

C 5.

D 6.

E 8.

(2) Yes, he can hope to prevent his indebtedness from increasing seriously and about 50 per cent. of Class D people could also hope for this.

(3) No better way of grading can be suggested.

*Deputy Commissioner, Mandalay.*

60. (1) No information.

(2) It is usually supposed that he can.

(3) I do not think it possible to ascertain the facts with sufficient accuracy.

*Deputy Commissioner, Kyaukse.*

60. (1) A 1.

B 2.

C 3.

D 2.

E 2.

The above is a rough estimate only. Kyaukse is on the whole a prosperous district.

(2) Such a cultivator can hope to prevent his indebtedness from increasing seriously provided the paddy market remains stable at its present rate.

About half of Class D might hope to do the same in my opinion.

(3) No.

*Deputy Commissioner, Meiktila.*

60. (1) On an average the following are the numbers of ordinary cultivators in ten that will fall into the five different classes :—

This proportion would vary slightly in different parts of the		district, and according to fertility, irrigation, crops and thrift of the people concerned, <i>e.g.</i> people in un-irrigated tracts are inclined to be more thrifty than people in irrigated tracts.
A ...	1	
B ...	1	
C ...	5	
D ...	2	
E ...	1.	
Total ...	10	The present proportion may, however, be taken as the average for the whole district.

(2) If a cultivator of my district (*a*) has debts which in an ordinary year after selling the harvest and settling accounts, amount to just half the value of his land, (*b*) has a holding of average size, (*c*) is as industrious and efficient as the average cultivator, (*d*) has an average family according to his age, (*e*) is healthy; he cannot reasonably hope to prevent his indebtedness from increasing seriously (making allowances for ups and downs according to the season). This is due mainly to high cost of living, low market value of crops produced, unseasonable rainfall, unreliable irrigation and the high rates of interest charged.

His permanent debt should be reduced by three-fourths to allow him this hope.

Two out of five in Class C have debts as small as this.

(3) I can suggest no better way of grading the cultivators according to their indebtedness.

*Myingyan District.*

60. (1) A Very few.  
 B 2 cultivators in 10.  
 C 3 cultivators in 10.  
 D 3 cultivators in 10.  
 E 2 cultivators in 10.

(2) Yes. About one-third of Class D could hope to prevent his indebtedness.

(3) No suggestions to offer.

*Yamethin District.*

60. Rough estimates onle can be given in the absence of any reliable data.

(1) A Very few. Hardly any cultivators are free from debt.

B In my opinion not more than 1 in 10 cultivators belong to this class. Generally speaking no *bona-fide* cultivators have ever enough money in hand to pay all their debts.

C I think about 3 in 10.

D I think about 4 in 10.

E I think about 1 in 10.

(2) About 1 out of 4 of Class D.

(3) No.

*Bhamo District.*

60. Statistics not available.

*Deputy Commissioner, Myitkyina.\**

60. The answers of Mr. Gaudoin and U Thein are at variance here. 58 per cent. cultivators examined by Mr. Lindop admitted indebtedness. I prefer this division.

A 3.  
B 3.  
C 3.  
D } 1.  
E }

*Shwebo District.*

60. (1) A 5 per cent.  
B 2 per cent.  
C 20 per cent.  
D 23 per cent.  
E 50 per cent.

This is both for irrigated and unirrigated tracts.

(2) Committee considers that such a man cannot reasonably hope to prevent his indebtedness from increasing seriously, because of the high rates of compound interest, and because the cost of cultivation is steadily increasing owing to the higher standard and cost of living.

Last portion of 60 (2). There is some hope if his debts do not exceed one-third of value of land. Estimate that 10 per cent. of Class C have debts not exceeding one-third of value of land.

(3) No.

*Deputy Commissioner, Shwebo.*

60. The Subdivisional Officers' estimates, based on enquiries made by themselves in Ye-U and Kanbalu Subdivisions and by himself and the Township Officers in Shwebo Subdivision are as follows :—

	Subdivision.		Shwebo.		
	Ye-U.	Kanbalu.	Wetlet.	Shwebo.	Kin-U.
A	4	...	1	3	3
B	3	...	5	3	2
C	2	10	2	...	3
D	1	...	1	4	2
E	...	...	1	...	...
	10	10	10	10	10

(2) *Ye-U Subdivision.*—No—owing to exorbitant rates of interest. Cultivators have to pay 30 to 40 baskets of paddy on loan of Rs. 100. Average price of paddy at harvest is Rs. 100. To prevent debts increasing seriously, permanent debts must not be more than one-fourth the value of land. About 10 per cent. of C Class have debts as small as this.

\* See also Superintendent Land of Record's evidence on page 273.

*Kanbalu Subdivision.*—All in Class C have reasonable hope, but one in Class D, as rainfall is uncertain and one bad year will break them.

*Shwebo Subdivision.*—No hope in Wetlet Township. Some hope in Shwebo and Kin-U for cultivators in Class D, if rainfall is regular.

(3) No better way is suggested.

*Sagaing District.*

60. (1) A Two ; B Two ; C Very few will come under this class ; D Three ; E Three.

(2) Yes, ordinarily a cultivator incurs debts up to the age of 40 years or so, the reason being that the expenditure has up to this age all along exceeded the income on account of his increasing young family. After the age of 40 years, an average cultivator may reasonably be expected to have two or three children old enough not only to help him in his work, but also to earn something. Indebtedness must naturally fall off from this stage. About 50 per cent. of "D" Class have hopes.

(3) No suggestion.

*Sagaing District (Mogaung Sub-committee).*

60. (1) A 1.  
B 4.  
C 2.  
D 2.  
E 1.

(2) Yes—100 per cent.

(3) No.

*Katha District.*

60. (1) A 2.  
B 7.  
C 1.  
D }  
E } Very few.

(2) Yes. There is ample outside work available.

D } Interest charges would swallow more than he could  
E } earn.

(3) No.

*Deputy Commissioner, Katha.*

60. (1) A 1.  
B 7.  
C 2.  
D }  
E } A few in each.

(2) Yes. There is ample outside work available for the non-cultivating months. No one, however is in the least bit likely to try to prevent his indebtedness increasing as long as he has any credit.

C } If the interest charges cannot be met annually from  
D } harvest there is no hope of their not eventually  
E } arriving in Class E.

(3) No.

*Deputy Commissioner, Upper Chindwin.*

60. (1) A 3 in 10.  
B 4 in 10.  
C 3 in 10.  
D 1 in 10.  
E Very few.  
(2) Yes. Half.  
(3) No.

*Lower Chindwin District.*

60. (1) A 1'5.  
B 2.  
C 2.  
D 1'5.  
E 3.

These figures have been received by personal enquiries from agriculturists. The question is extremely difficult of appreciation by them, owing to the hypotheses appearing somewhat impracticable to the ordinary cultivator.

- (2) (a) Yes.  
(b) All of D Class.  
(3) No suggestions.

*Deputy Director of Agriculture, Irrawaddy Circle.*

60. (1) A Very few.  
B 2  
C 4  
D 4  
E Very few.

(It may be noted that the number of cultivators owning and working holdings is very small).

(2) This is a matter of the standard of living of the cultivator. A cultivator on the C D border line is better off than a tenant as he could sell out and have substantial capital. It is well known that Indian tenants do often rise to the status of landholders owing to their low standard of living. Burmans on the other hand move in the opposite direction, from A to D, and then become tenants. Neither of these standards of living is reasonable. It is extremely hard to say without detailed enquiry if a man living at a reasonable standard could prevent his indebtedness increasing seriously if his debts amounted to half the value of his land. If his loan is at 24 per cent, which is reasonable, he would be paying 12 per cent on the value of his land. This is very near the figure paid by a tenant as rent and this should indicate that it is reasonably possible for a man to prevent his indebtedness from increasing.

*Superintendent of Land Records, Myitkyina.*

60. (1) A D and E—Very few. B one in ten, C eight out of ten belong to this class.

(2) A cultivator owns 14 acres of land yielding about 35 baskets per acre, selling the gross outturn of 490 baskets at

Rs. 110 per 100 baskets the proceeds would be Rs. 539. Family

consists of { Husband and wife.  
 ½ boy, 1 girl.  
 1 servant during working season.

<i>Expenditure.</i>		Rs.
<i>Sayinhnga</i> ... ..	...	110
Land Revenue, cost of pulling, trans- planting and reaping.		100
Total ...		210
<i>Kason to Tabodwe</i> ; working season ...		
10 months—		
Three baskets rice at Rs. 4 each per month.		12
Bazaar money at annas 8 per day ...		15
Total $27 \times 10 = 270$		
Vacation— <i>Tabaung</i> and <i>Tagu</i> Rs. 20 per month.	$20 \times 2 = 40$	
		310
Petty <i>ahlus</i> and clothing Rs. 19 ...		19
GRAND TOTAL ...		539

The above calculation formulated on the most economical lines show the situation of a hard working cultivator who owns an average size holding with a reasonable family. If he has to raise a loan for any reason he certainly becomes a confirmed debtor. In this district most of the cultivators who happen to have raised loans once or twice have little hope of being able to extricate themselves from pecuniary encumbrances. Such is the state of affairs prevailing in this district. There is a chance for decreasing the debts from year to year for a person who has 14 acres of land yielding about 50 baskets per acre (1st class land).

*Mr. P.L.L.N. Narayanan Chettiar (Pyapon).*

60. (1) Out of 100 cultivators—

Twenty fall into A.  
 Forty " B.  
 Twenty " C.  
 Fifteen " D.  
 Five " E.

(2) Yes ; he can prevent his indebtedness from increasing seriously.

Even people falling under D can recover from their indebtedness and redeem their land although they may take a number of years.

(3) No.

### Section 17.—Statistics D.

*Deputy Commissioner, Akyab.\**

61. (1) (a) Generally tenants have cattle and enough *wunza*, about 50 per cent. would be free from debt, (b) Yes, provided he does not get a succession of bad harvests or loses his cattle. (c) None, provided harvests are good and he does not lose his cattle.

(2) Very few. It would be a very small percentage of ten.

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\* See also paragraph 2 of the reply of the Commissioner of Arakan Division at the beginning of Chapter XIV of this volume.



*Deputy Commissioner, Kyaukp̄yu.*

61. (1) 50 per cent. of the tenants in an ordinary year would, after they have sold all their produce and paid their rents, have cattle to plough their lands and have enough *Wunza* until they get anything from the next harvest and would also be free from debts. A healthy industrious tenant living an ordinary cultivator's life can expect to remain in this class. The cultivators in this District are however very badly affected by malaria and lose all their vitality and cannot do that amount of work as one would be able to do in a healthy place. The tenent-cultivators have to supplement their livelihood by sources of income such as taking to salt boiling, extracting fuel, fishing and resorting to other petty industries.

61. (2) 100 per cent. of the tenants would be able to pay all their debt if they sold everything after the harvest. It is very seldom there is drought or flood here. The soil, of course, is poor. Nevertheless nature assists cultivators.

*Sadoway District.*

61. (1) The number of tenants divided into (1) those who are free from debts and have enough *wunza* and cattle till next harvest and (2) those who not free from debts are have not enough *wunza* and cattle till the next harvest.—

	Class 1.	Class 2.	Total.
Sadoway Township ...	1,956	1,142	3,098
Sadoway District ...	4,947	2,888	7,835

The number of tenants in ten belonging to Class 1 is six. This proportion will remain constant in the Sadoway District.

The tenants are also thrifty.

(2) There would be one in ten persons of this class.

*Pegu District.*

61. (1) About 60 per cent. of the tenants have cattle to plough their land or are in a position to get them, but they are not free from debt. It is not possible to say to what extent they are indebted. A large number of tenant cultivators own land which is fully mortgaged and are working their own land as tenants of mortgagors.

About 60 per cent. of the tenants have *wunza* or are in a position to get them.

A healthy industrious tenant of ordinary skill, etc., can make a moderate competence. There are several large estates in this district where almost all the tenants are of 15 years standing and more. The main difficulty at present is an economic one that world price of paddy is falling and land is, in many cases, passed its optimum productivity.

(2) Not many. Before this stage is reached, a man gravitates into the class of hired labourer.

*Tharrawaddy District (Zigon Sub-committee.)*

61. See answer to Question 58.

*Deputy Commissioner, Tharrawaddy.*

61. (1) Nil. There is I think but a small distinction between the standard of living of the tenant and of the landless labourer. A healthy industrious tenant can reasonably hope to remain in his class because there is little difference between him and the labourer.

(2) Not very many because they cannot get themselves very far into debt, and because their creditors see that they pay.

I fear my answers above to be inadequate. Nevertheless I have spent three whole working days and a Sunday on this work and I hope this, in Tharrawaddy where a Deputy Commissioner's ordinary working day is fully twelve hours, will be taken in extenuation.

*Hanthawaddy District.*

61. (1) Two in ten and they can hope to remain in this class if harvests are good.

(2) Four in ten would be unable to pay.

*Insein District.*

61. (1) and (2) I regret very much that neither I nor my Committee can give an answer which would be even approximately accurate. The proportion probably varies in a dozen different localities throughout the district.

*Prome District.*

61. (1) On the average not more than one in ten. But one district Sub-Committee has estimated five. It is possible that healthy industrious tenant can expect to remain in this class, but undoubtedly very few do so. The principal difficulties in doing so are high rents charged and natural improvidence.

*Henzada District.*

61. (1) Ten per cent., *i.e.*, one in every ten. Yes, but the principal difficulties in his way are (1) expenses on charitable and religious functions occasionally beyond his means, (2) drink and (3) gambling and (4) Standing surety for co-villagers in debt.

(2) One in every ten.

*Myaungmya District.*

61. (1) (a) and (b) Less than one in ten.

(c) Yes. Please see remarks regarding standard of living in reply to question 60.

(d) Difficulties are high cost of living and low market value of paddy. Also high rates of interest.

(2) The Committee has no actual figures on which to base an estimate and cannot reply.

*Maubin District.*

61. (1) In an ordinary year, after they have sold all their produce and paid their rent, 50 per cent. of the tenants in this locality have cattle to plough their land and enough *wunsø* to last until they can get some

food from the next harvest and are free from debt. On an average about five tenants in ten would belong to this class. Yes, a healthy industrious tenant of this class, who is of average skill as a cultivator and has the ordinary standard of living, can expect to remain in this class. His principal difficulties are :—

- (1) High cost of labour.
  - (2) High cost of living.
  - (3) High rate of interest on crop-loans.
  - (4) Shortage in outturn due to deterioration of soil, floods and insect pests.
  - (5) High cattle mortality.
- (2) (About eight in ten.

*Deputy Commissioner, Pyawon.*

61. (1) Thirty per cent. Three in ten. Yes. Cattle mortality and bad crops.

- (2) One in ten.

*Thalon District.*

61. (1) About 50 per cent. of the tenants. On an average five out of ten would belong to this class.

We think so.

- (2) Two in ten.

*Thalon District (Pa-an Sub-committee).*

61. (1) About 50 per cent.—five in ten.

No.

Lack of finance to buy land.

- (2) Five in ten.

*Tavoy District.*

61. (1) Thirty per cent. Yes. Tendency to be uneconomical, to gamble, to be extravagantly generous on religious occasions.

*Deputy Commissioner, Mergui.*

61. (1) One or two in every ten.

Yes, he can hope to do so provided he has a fair landlord and reasonably good harvests and has subsidiary work for the hot weather. Without subsidiary work he could not obtain sufficient livelihood. His chief difficulties are loss of his crop by floods or insects and death of his cattle by disease.

(2) Both the Committee and the Superintendent of Land Records put the figure as low as 2 in 10 at the most. Personally I should say it was at least 5 and very likely as high as 7.

*Deputy Commissioner, Toungoo.*

61. The lot of tenants are worse than that of cultivators owning lands. Only about 10 per cent. of the tenants would belong to this class.

It would be very difficult for an average healthy industrious, etc., tenant to remain in the class, as any slight decrease in yield of paddy, or the sickness or death in the family or cattle would upset his balance. Further some of the creditors are not sympathetic and very impatient. The margin of profit in cultivation is very small.

(2) 2 to 3 out of 10 tenants would be unable to pay all their debts after harvest in an ordinary year even if they sell all their cattle and all their harvest without keeping any *wansa*.

*Thayetmyo District.*

61. (1) About 30 per cent. On an average three tenants in ten would belong to this class. A healthy industrious tenant of this class who is of average skill as a cultivator and has the ordinary standard of living can expect to remain in this class.

He will find it difficult to remain in this class, when he meets with such difficulties as serious damage to his crops by drought or flood, pests, etc., sickness in the family and sickness and death of his cattle.

(2) About one in ten.

*Minbu District.*

61. (1) The answer to all the three questions is nil and the main reason for this is high rent which is generally half the produce.

(2) Ninety per cent.

*Magwe District.*

61. (1) No tenants would be free from debt.

(2) About seven out of ten tenants would be unable to pay their debt.

*Pakokku District.*

61. (1) Thirty per cent. of the tenants have cattle to plough and enough *wunsa* left. About three in ten belong to this class. No, he cannot expect to remain in this class and his principal difficulty is due to drought, and the consequent failure of crops.

(2) About four in ten would be able to pay all their debts by selling all their cattle and *wunsa*.

*Deputy Commissioner, Mandalay.*

61. (1) Probably none free from debt.

(2) No information.

*Deputy Commissioner, Kyaukse.*

61. (1) (a) About fifty per cent.

(b) Three tenants in ten.

(c) Yes.

The principal difficulties are illness, crop failure, or cattle disease.

(2) About six out of ten.

*Deputy Commissioner, Meiktila.*

61. (1) In an ordinary year after they have sold all their produce and paid their rent, about 1 in 100 tenants of this district have cattle to plough their land and enough *wunsa* to last until they can get some food from the next harvest and are free from debt.

On an average 1 in 100 tenants would belong to this class.

A healthy industrious tenant of this class who is of average skill as a cultivator and has the ordinary standard of living cannot expect to remain long in this class. His principal difficulties are, low market price of crops produced, high cost of living, uncertain rainfall, unreliable irrigation, gradual exhaustion of soil, inability to afford good manures, plant pests, higher labour charges, etc.

(2) About 2 in 10 tenants would be unable to pay all their debts after harvest in an ordinary year, if they sold all their cattle and all their harvest without keeping any *wunsa*.

*Myingyan District.*

61. (1) About five to ten per cent. of the tenants.  
Very few.  
Yes.  
Cattle mortality and family troubles would be his principal difficulties.  
(2) Very few.

*Yamèthin District.*

61. (1) About two in ten on the whole. Most of them have cattle to plough with but not enough *wunsa* to last till next harvest and consequently they are not free from debt.

In Yamèthin Subdivision, it is a common practice to sell plough cattle at the end of the cultivating season and live on the proceeds. Money is borrowed for purchase of more cattle before next ploughing season.

A healthy industrious tenant may be able to remain in this class in Pyinmana Subdivision but not in Yamèthin where the rainfall is very uncertain and crops are precarious.

- (2) I think about five or six in ten.

*Bhamo District.*

61. (1) and (2) As there are few, if any, tenants in Bhamo no answers can be given. The cultivators who work communal land do so themselves ; and, as tenants are not allowed, no information can be supplied.

*Shwebo District.*

61. (1) None at all.  
(2) Eight out of ten.

*Deputy Commissioner, Shwebo.*

61. (1) *Ye-U Subdivision.*—Very few poor tenants. Proportion (asked for in question) is four per cent. One bad season will reduce the proportion to nil.

*Kanbalu Subdivision.*—Proportion is 30 per cent. Two successive bad seasons will reduce the proportion to nil.

*Shwebo Subdivision.*—Proportions are in Wetlet Township—nil, in Shwebo Township—20 per cent. and in Kin-U Township nil.

In Shwebo Township a tenant of the class described in the question can well expect to remain in the class.

- (2) In Ye-U Subdivision six tenants in ten ; in Kanbalu Subdivision seven tenants in ten ; in Wetlet, Shwebo and Kin-U Townships five, three and four tenants in ten, respectively, would be unable to pay all their debts after harvest in the conditions named.

*Sagaing District.*

61. (1) About 20 per cent. will have cattle and enough *wunsa* to last till next harvest. About two in ten. Yes, about 50 per cent. can. Principal difficulties are cattle disease and unfavourable climatic conditions.

- (2) About four.

*Sagaing District (Mogaung Sub-committee).*

61. (1) Five. Yes. No difficulties.  
(2) None.

*Katha District.*

61. (1) Seventy-five per cent. Yes. Ease with which he can get into debt.

(2) All.

*Deputy Commissioner, Katha.*

61. (1) Thirty per cent. Three.—Yes. The ease with which he can get into debt, there is no other difficulty.

(2) About seven as a tenant's credit is usually limited to the value of his net outturn from the land he works.

*Deputy Commissioner, Upper Chindwin.*

61. (1) One-third. Two in ten. No difficulty.

(2) Two in ten.

*Lower Chindwin District.*

61. (1) (a) Two out of ten.

(b) There is no reason why a man should drop from this class, unless he is subjected to some exceptional calamity.

(2) Four out of ten.

I have not been in the district long enough to have any practical knowledge of the points arising out of this question and I find it very difficult to obtain any information from the leading residents I have met. As the Settlement Operations are now going on in the district, perhaps the present Settlement Officer would be in a position to remark on the essential differences between the conditions now and then as shown in Chapter III of the District Gazetteer. The few enquiries I have made would seem to indicate that conditions in the greater part of the district are much the same now as at the time the Gazetteer was written, making allowances of the general all-round increase in prices for the last twenty years.

*Administrator of Government Estates, Burma.\**

61. (1) None. The difficulties are deaths of cattle and destruction of crops.

*Deputy Director of Agriculture, Irrawaddy Circle.*

61. (1) (a) and (b) Less than 1 in 10.

(c) Yes. Please see remarks regarding standard of living in reply to question 60.

(d) Difficulties are high cost of living and low market value of paddy. Also high rates of interest.

(2) The Committee has no actual figures on which to base an estimate and cannot reply.

*Superintendent of Land Records, Myitkyina.*

61. (1) No [(vide calculation in 60 (2)]. Unless a tenant does non-agricultural work in intervals (*viz.*, period after harvest till the rains and period after transplanting, till the beginning of harvest) to balance his budget he will run into debt.

(2) Everybody will be able to pay all debts.

*Mr. P.L.L.N. Narayanan Chettiar (Pyañon).*

61. (1) Fifty per cent. Yes, no difficulties.

(2) About ten per cent.

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\* Answers relate to Government estates in Hanthawaddy and Pegu districts.

CHAPTER II.—COMMERCIAL CREDIT.

*Akyab District.*

201. (1) Rangoon (75 per cent) and Calcutta (25 per cent).  
(2) Yes, several.
202. No : No : This system is general.
203. Yes, commonly. Yes. No difference.
204. (1) They commonly buy their stocks on credit.  
This system is general.  
(2) Retail traders do not allow credit generally.  
(3) They either bring their money personally or send it by messengers.
205. (1) Yes. There is but little difference.  
(2) Usance bills through the Imperial Bank of India and/or Chartered Bank of India, Australia and China, documents on payment.
206. (1) Very little is borrowed by them. (a) Nil. (b) Nil. (c) Practically all.  
(2) Chettiars, Bengalees and Marwaris. Chettiars 30 per cent. Bengalees 30 per cent. Marwaris 40 per cent.  
(3) No general distinction provided security is satisfactory.
207. (1) (a) Very little; (b) Nothing and (c) Practically all.  
(2) Marwaris handle about 75 per cent. of this business, the balance going to Chettiars and Bengalees in about equal proportions.  
(3) No general distinction provided security is satisfactory.
- 208 (a) November to March inclusive.  
(b) 20 to 24 per cent. per annum.  
(c) No hard and fast rule provided interest is paid regularly.  
(d) Yes. Gold security chiefly. Other security personal.  
(e) Yes. No.  
(f) No.  
(g) None but where necessary the loan is foreclosed by the sale of security.  
(h) The above  
(i) No.  
(j) No.  
(k) Yes. In cases where interest is accumulating without any payments there—against being made and cases in which lenders' own financial positions warrant such action.
209. (a) June—October inclusive.  
(b) Nine per cent. to 15 per cent. per annum.  
(c) No hard and fast rule provided interest is paid regularly.  
(d) No.  
(e) No. No.  
(f) No.  
(g) Regular payment of interest.  
(h) The general conditions are that monies loaned must be repaid on demand.  
(i) Yes, invariably.

(j) No.

(k) Yes. In cases where borrowers' positions become unstable.

210. (1) Rates of interest are excessive and direct business with the Imperial Bank of India or other banks of this nature is not possible. The banks will not entertain such business. The remedies suggested are an all-round reduction in interest rates and better facilities from the banks. These difficulties are experienced chiefly by wholesale traders.

211. (1) No.

(2) No particular inducement as in many cases it is impracticable for one supplier to supply all goods required.

212. In some instances, but it is not a common practice.

213. This is not a practice locally. In the event of these suggestions being adopted we consider that the banks are in a position to adopt similar measures to safeguard their interests as those which are now adopted by existing money-lenders. In any case, we consider that it is the banks' business to formulate their own policy in this connection and that they are more competent to do so than we are.

214. Covered.

215. None.

216. Wholesale dealers in general goods, etc., are chiefly financed (in kind) by commission agents in Rangoon and Calcutta. The commission agents add their commission and expenses to the nett costs of goods to them and the wholesale dealers remit their liabilities after the fixed period of credit (usually one month) has expired.

217. No. No. We understand that it is impracticable to establish banks or co-operative societies locally.

*Pegu District.*

201. (1) Rangoon and Mandalay. There is no necessity to distinguish.

(2) None.

202. Yes. Credit sales form only a small part of their business. Credit sales are more prevalent among traders in small villages than those in towns.

203. Yes. Credit sales form a large part of their business. There is no difference.

204. (1) Both. This is common among both traders in towns and in small villages.

(2) The retail traders have to buy their stocks on credit or borrow money to pay for them to a greater extent than the amount of the credit which they themselves give.

(3) The retail traders of this district go and pay personally.

205. (1) There is no distinction between retail and wholesale traders in this matter.

(2) There is no direct importer from foreign countries.

206. (1) (a) Nil, (b) One-fourth. (c) Three-fourths.

(2) Of the "Other persons" the Chettiars constitute four-tenths; Chinese, three-tenths; Burmese, two-tenths; Tamils, Moplahs and Chulias, one-tenth.

(3) No.

207. There is no distinction between wholesale and retail traders in this matter.



208. (a) From January to April.  
(b) Rs. 1-8 to Rs. 2-8 per cent. per mensem.  
(c) The repayment is usually to be made before the rains.  
(d) Yes. The usual kind of security offered are houses. The only other kind common are jewelleryes.  
(e) Yes. No.  
(f) No.  
(g) No other conditions.  
(h) None.  
(i) and (k) Yes.  
(j) Yes, when they find that the retail business is breaking down.
209. (a) From January to April.  
(b) Rs. 1-4 to Rs. 1-8 per cent. per mensem.  
(c) The repayment is to be made usually before the rains.  
(d) Yes. The usual kind offered are houses. The only other kind common are jewelleryes.  
(e) Yes. No.  
(f) No.  
(g) No other conditions.  
(h) None.  
(i) and (j) No.  
(k) Yes, when they find that the business is failing.

210. Without sufficient security no loans of reasonable amount can be obtained by any trader, wholesale or retail, for their business. To secure loans the most important factor is the furnishing of sufficient security and no other factors will count.

These difficulties are occasioned for want of security.

Since no sums can be obtained without furnishing security, the Committee are of opinion that there exists no other alternative, unless Government comes forward and issues loans on personal security at low rate of interest.

211. (1) and (2) No.

212. No.

213. The present system under which banks keep in their own godowns goods upon which their advances are secured is satisfactory and no change can be suggested.

214. Since loans can be obtained only on furnishing security, no other method can be suggested.

215 & 216. None in Pegu District.

217. Yes; yes. If there is not sufficient money in the bank or when the security offered is not sufficient, traders cannot get the loans they want.

*Tharrawaddy District (Zigon Sub-committee).*

201. Paddy from our own locality.

Sesamum oil, onions and chillies from Upper Burma.

Ngapi and dried fish from the Delta districts.

For every ten retail trader therefore is one wholesale man and the proportion between town and village traders will be roughly 1 to 5.

We have no direct importers of foreign goods.

202. Yes, on credit; a large part on credit. No difference in this respect between large and small towns or with regard to indigenous and foreign goods.

203. Same answer as above
204. (1) Partly cash, partly with borrowed money.  
(2) Retail traders charge more on creditors.  
(3) Either in cash or by money orders.
205. (1) Same answer as for retail traders.  
(2) Nil.
206. (1) & (2) We cannot answer.  
(3) There is no differentiation.
207. Same remarks as above.
208. (a) The whole year round.  
(b) Usual rate is 2 per cent. per mensem.  
(c) No.  
(d) Both movable and immovable security is required and given.  
(e) Documents are executed. No agreement to supplement them is usually made.  
(f) No.  
(g) No other conditions made.  
(h) Nothing.  
(i) No.  
(j) Yes.  
(k) Not common.
209. Same as above except that as regards (j) daily payments of either principal or interest is not demanded.
210. Difficulties depend upon the trustworthiness of traders.
211. (1) No.  
(2) Yes.
212. No.
213. No bank-owned godown in the subdivision. Hence no answer.
214. No other method.
215. Apart from paddy and rice brokers there are a few fish brokers. They get their money for their business by way of loans.
- 216 & 217. No.

*Hanthawaddy District.*

201. (1) The retail traders get their goods from Rangoon whether produced in Burma or imported. There are no wholesale traders.  
(2) No.
202. Two-thirds in cash and one-third in credit both in towns and villages.
203. There are no wholesale traders.
204. (1) Both in towns and small villages, some retail traders buy their stock on credit, some for cash ; some traders borrow money to buy their stock.  
(2) To no extent, as so few sell on credit.  
(3) They go to Rangoon and pay it.
205. There are no wholesale traders.
206. (1) Fifty per cent. of the money is borrowed by retail traders.  
(2) From Chettiars.  
(3) No difference of race.
207. There are no wholesale traders.
208. (a) At no specific time when required.  
(b) The usual rate of interest is from  $\frac{1}{4}$  to 3 per cent.  
(c) No definite time.

- (d) Generally no security is given.  
(e) A pronote only is made.  
(f) to (j) No.  
(k) Very rarely and due to some action or report about the borrower making the Chettiar suspect him.
209. There are no wholesale traders.
210. They have no difficulty in obtaining loans as they generally repay by daily payments and the loan is cleared in about 100 days after borrowing. There are no Joint Stock Banks.
211. (1) No, they are not compelled.  
(2) No, the inducement is not offered to confine their purchases to one supplier.
212. No.
213. No banks in this district.
214. The retail traders get their loans from the Chettiers.
215. None save paddy-brokers. No fish brokers in this district. The lessees in this district take their fish to Rangoon and sell to big fish dealers.
216. There is no kinds of trade in which commission agents (*aralia adalya*) finance the dealers.
217. There are no co-operative societies and no banks have been formed for traders in this district.

*Insein District.*

201. Rangoon, no.
202. We are informed only Chinamen, both in towns and small villages.
203. Not known.
204. (1), (2) & (3) Not known.
205. (1) & (2) Not known.
206. (1) (a) Not known.  
(b) Little or none.  
(c) Not known.  
(2) and (3) does not arise.
- 207 to 210. Not known.
211. (1) No.  
(2) No.
212. Apparently not.
- 213, 214, 215 & 216. Not known.
217. No.

*Bassein District.*

201. Traders of this district obtain their stocks of goods mostly from Rangoon. Retail traders buy from wholesale traders. Traders in small villages buy from traders in large towns. This applies to goods produced in Burma, as also imported goods; Bassein District has scarcely any produce other than paddy and a small quantity of timber. There are a limited number of traders who import direct from foreign countries.

202. The retail traders sell partly on credit, say about 25 per cent. In small towns the credit sale is larger than in big towns, but in this also there is no difference between goods produced in Burma and imported goods.

203. The wholesale traders sell mostly on credit. Yes. No difference. No.

204. (1) The retail traders commonly buy their stocks on credit from wholesale traders but some of them borrow money. As regards this there is no difference between traders in towns and traders in small villages.

(2) Whether the retail traders sell for cash or on credit, their credit is affected only by their inability to pay their dues to the wholesale traders in due time.

(3) They generally pay personally when they come to purchase fresh stock of goods.

205. There is no difference between goods produced in Burma and imported goods. With regard to traders importing direct from foreign countries goods are purchased through a bank on D/P system (Document against payment) ; the other method is D/A (Document against acceptance on draft).

206. (1) (a) Banks : Nil.

(b) Co-operative Societies : Nil.

(c) Other persons : Madras money-lenders called Chettiars.

(2) Mostly Chettiars with a few Burmans and Indians of other classes. Chinamen seldom lend money.

Chettiars, other Indians and Burmans are in moderate number and Chinamen few. Ninety to ten per cent.

(3) No particular race or particular traders are preferred.

207. Same answers as 206 so far as this district is concerned.

208. (a) From July to December they take most loans.

(b) Rs. 1-10 to Rs. 3 per cent. per mensem.

(c) No time is fixed.

(d) Shop goods and furniture and sometimes personal security are given.

(e) Yes. A document always is executed. Pro-note or Bond. Seldom any agreement is made to supplement the document.

(f) No.

(g) Sometimes money is repaid in daily instalments.

(h) Payment of interest is monthly.

(i) To people with same standing loans are made on a running account.

(j) In some cases, especially in the case of petty retail traders.

(k) Sometimes unexpectedly on account of the irregularity of the payment of interest or discovery of a dishonest attitude of mind.

209. (a) Throughout the year.

(b) Rs. 1-4 to Rs. 1-12.

(c) No.

(d) They take sometimes on pro-note and sometimes on immovable property only.

(e) Both the above are the usual kind of securities.

(f) No other kind.

(g) Pro-note.

(h) Usually monthly.

(i) Yes.

(j) No. In the case of wholesale dealers.

(k) Yes, sometimes on account of the irregularities on payment of interests, or discovery of a dishonest attitude of mind.

210. Tightness of money market generally between November and January. Dishonest reputation acquired by any trader in the course of business. The difficulties are at the tail end of the agricultural season. Banks would be welcome to relieve the distress in such times provided that money was available for the banks and the security is sound. Both wholesale and retail traders suffer. The traders in Bassein have no experience of Joint Stock Banks.

The only traders using a Joint Stock Bank in Bassein are Bulloch Brothers who deal with the Chartered Bank of India and Arrakan Company who deal with the National City Bank of New York.

211. (1) When retail traders buy their stocks on credit, they are often compelled to buy all their goods from one supplier. Otherwise their credit is stopped.

(2) Does not arise.

212. No, it is not a common practice.

213. No such system exists in Bassein. The committee are of opinion that this system is quite impracticable as stated in paragraph 45.

214. No other method.

215. As regards the fishery, the fisherman gets his advance from the fish brokers while the fish brokers get money from the Chettiars.

216. Generally rice trade as distinguished from paddy trade, because merchants advance money to commission agents to buy for them at all important places at advantageous rates on a small commission.

217. One attempt was made in the town of Bassein to start a co-operative society, it ran for about two years and then was wound up by mutual consent. The difficulties in obtaining money are generally shyness of capital and the mutual distrust as also the comparative poverty of the general masses of the people.

#### *Amherst District.*

201 (1) Rangoon is the principal place from which traders of our district obtained their stocks of goods. Ordinarily retail traders both of Moulmein and throughout the district obtained their stocks of goods from the wholesale traders of Moulmein. But in the case of goods produced in Burma the wholesale traders obtained their goods directly from the place where they are produced.

(2). Yes, there are a few traders who import direct from foreign countries including India.

202. It is not common for retail traders of our district to sell goods on credit. However, credit sales do form an appreciable part of their total sales. When retail traders in towns sell on credit they do so for short terms only but retail traders in small villages usually sell their goods on credit re-payable after harvest.

203. Wholesale traders of our district commonly sell on credit. Consequently credit sales form a large part of their business. There is no difference in large towns and small towns or with regard to goods produced in Burma and imported goods.

204. (1) Retail traders of our district commonly buy their stocks on credit and not by borrowing money to pay for them. In this respect there is no distinction between traders in towns and in small villages.

(2) Unless a retail trader could realise his outstandings in time his credit with the wholesale traders would be materially affected by the stoppage of further credit to him.

(3) Generally the traders bring their money to pay for their goods in person.

205. (1) Our answers to Question No. 204 (1) and (2) apply also to wholesale traders. There is no difference between goods produced in Burma and imported goods. Our answer to Question No. 204 (3) with regard to wholesale traders is that the wholesale traders pay for their goods either by commercial documents or by registered insured post.

(2) In the case of traders importing directly from foreign countries payment is made through a bank on production of shipping bills.

206. (1) All the moneys borrowed by retail traders in our district are provided by 'other persons' and not by banks and co-operative societies.

(2) Chettiars, Chinese and Burmese are included under the term 'other persons'. The Chettiars are the most numerous, the Burmese are in moderate numbers and the Chinese are few.

(3) No difference or preference is made.

207. Our answers to Question No. 206 apply to wholesale traders also.

208 (a) Retail traders of our district take most cash loan during the period, October to April.

(b) Between Rs. 1-8 and Rs. 3 per cent. per mensem.

(c) No definite time for repayment is fixed.

(d) Security is given in more than half of the cases and the usual kind of security given is jewellery and immovable property.

(e) Documents are invariably executed. No agreement is made to supplement the document.

(f) In the case of timber traders lenders require the borrowers to pay a commission per ton in addition to interest.

(g) No.

(h) No.

(i) No.

(j) In cases where money is lent to bazaar stall-holders and to hawkers of goods, daily collection, in payments of either principal or interest is made.

(k) Unexpected demands for repayment are rarely made.

209. Our answers to Question No. 208 apply here with the following exceptions :—

(b) The rate of interest is from Re. 1 to Rs. 1-12 per cent. per mensem.

(c) Loans are sometimes made on a running account.

(j) No.

210. (1) In normal times traders wholesale or retail cannot get loans without giving security. The difficulty of these traders is lack of credit with their money-lenders. Money-lenders usually look to security rather than to the integrity of the man and nature of the trade for which loans are sought. This difficulty occurs both to the wholesale and retail traders. We are unable to suggest any remedy against this difficulty. There are no Joint Stock Banks in this district.

211. (1) No.

(2) No.

212. It is a common practice only in the case of timber and paddy traders.

213. There is no such system in this district.

215. Yes. In the timber trade. But they do not require any money for their business.

217. None. No.

*Mergui District.*

201. (1) Wholesale. } Rangoon, Moulmein and Penang.  
           Retail. }  
           Towns. } Mergui.  
           Villagers. }  
           Burma goods. Rangoon and Moulmein.  
           Imported goods. Penang.

(2) Yes.

202. Yes. No difference in towns or villages.

203. There is no wholesale traders.

204. (1) They buy on credit in towns as well as in villages.

(2) No difference.

(3) By Hundis and by post.

206. (1) (a) and (b) Nil. All by other persons.

(2) Burmese, Chinese and Indians from Bombay.

Chinese are numerous, about 50 per cent.

Burmans are moderate, about 30 per cent.

Indians are few, about 20 per cent.

(3) No.

208. (a) *Tawthalin* and *Taboung*.

(b) One and a half to 2 per cent.

(c) No.

(d) Yes. Gold jewellery.

(e) Yes, except in cases of pledge.

(f) No.

(g) and (i) Nil.

(h) Yes.

(j) and (k) No.

210. (1) Difficulty of getting loans for want of banks or other lending agency to both retail and wholesale traders. Suggest establishment of banks.

211. (1) and (2). No.

212. No.

215. *Ngapi* and other marine produce.

216. Fishing industry. Loans are given to the manufacturers on interest and the goods sold through them on commission.

217. No.

*Magwe District.*

201. The principal places from which traders of Magwe obtain their stock of goods are Rangoon, Prome (cigars), Mandalay, Pakòkku and Shwedaung (silk loongyies, timber and footwear), Myaungmya and Yandoon (*Ngapi*), Minbu, Prome and Myanaung (rice), Bassein (umbrellas). Wholesale traders obtain their goods from the places

abovementioned. Retail traders obtain their goods sometimes from the places abovementioned and sometimes from the wholesale traders in the towns. There are no wholesale traders in small villages. Retail traders in small villages obtain their goods from towns. The wholesale and retail traders in town obtain their goods whether foreign or indigenious from the places mentioned above. There are no traders who import direct from foreign countries. The local branch of Messrs. Rowe & Co. obtains its goods from Rangoon.

202. Retail traders do not commonly sell on credit. Traders in towns sell more in cash and those in small villages sell more credit.

203. Wholesale traders do not commonly sell on credit. There is no difference in large towns and small towns or with regard to goods produced in Burma and imported goods. There are no other special points.

204. (1) Retail traders do not commonly buy their stocks on credit but borrow money to pay for them. There is no difference between traders in towns and in small villages.

(2) To a very small extent only.

(3) They send the money by means of postal money order, messengers or insured registered parcels.

205. (1) Wholesale traders do not commonly buy their goods on credit. They borrow money to pay for them. There are no wholesale traders in small villages. The practice of wholesale traders is affected to a very small extent only by the credit which they themselves must give. They send the money by hundis, messengers, telegraphic transfers and supply bills issued by the treasury and insured registered parcels. There is no difference with respect to goods produced in Burma and imported goods.

(2) No traders importing directly from foreign countries.

206. (1) Nearly all the money borrowed by retail traders is provided by "other persons".

(2) Amongst "other persons" are included Burmese and Chettiars. Burmese are numerous. No idea of relative numbers can be given. The Chettiars provide a greater part of the total.

(3) Money-lenders prefer to make loans to traders of Burmese and Chinese races.

207. Same answer as for Question 206.

208. (a) In the month of October to March.

(b)  $1\frac{1}{2}$  to 2 per cent. per month.

(c) No.

(d) Security is usually given. Usual kind of security is jewellery, goods and houses. No other kinds are common.

(e) A document is executed. No agreement is made to supplement the document.

(f) No.

(g) No other conditions are usually made.

(h) One condition which is understood without usually being mentioned is that the traders will repay the loan on the sale of the goods.

(i) and (j) No.

(k) Sometimes traders ask for repayment unexpectedly, when they themselves are in need of money unexpectedly or when there is a fear that the borrower will be insolvent.

209. Same answer as for Question 208.

210. Some traders, wholesale or retail, meet the following difficulties.



Money-lenders refuse to accept certain kinds of security, put low value on certain classes of securities and insist upon good securities being given. These difficulties come about, because when certain classes of security are sold there are few purchasers and money market is tight owing to depression in both retail and wholesale trade and the fall of prices of crops. The remedies suggested are (1) rings should be broken down ; (2) foreign consumers should be brought into closer touch with the producer with a view to obtain higher prices for the crops ; (3) Government should provide more money to be lent to cultivators ; (4) export duty on all products should be reduced as far as possible. Traders do not get credit at the Joint-Stock Banks.

211. (1) and (2) No.

212. No.

213. & 214. No answer can be given.

215. In the sessamum oil and groundnut trades, they do not require money for their business.

216. No kind of trade can be mentioned.

217. There is one co-operative society in Magwe Town for traders. Difficulty has been experienced in finding money for the society.

#### *Mandalay District.*

201. (1) Wholesale traders in Mandalay generally obtain their imported stock from Rangoon and indigenous produce from Mandalay. All retailers in Mandalay and district obtain their stock of foreign goods from Mandalay town, and in the case of produce from Mandalay or other towns. Small villages buy from districts and towns. Very few wholesale dealers obtain part of their stock from Europe.

202. Yes. Yes. Very little difference.

203. Yes. Yes. None.

204. (1) Generally on credit. No difference.

(2) They are affected to this extent that they themselves gradually increase their credit with the men who supply them. Generally they are not affected should their customers fail to pay up as it is not, in most cases, their own capital they are working on.

205. (1) Answer given to Question 204 applies to this, with this exception : In the case of traders importing direct from foreign countries their credit is limited, usually to 90 days, whereas the credit they give is usually unlimited.

206. (1) *Omitted.* The banks should be asked this question.

(2) The banks' replies to question (1) will furnish this answer.

(3) No distinction is made.

207. See banks' replies to Question 206.

208. (a) All the year round.

(b) Rs. 1-8 to Rs. 2.

(c) No.

(d) Generally speaking, yes. Property and stock ; land and jewellery.

(e) Yes, on demand ; none.

(f) This practice is not common.

(g) No other condition.

(h) That interest will be paid regularly, if this is not done no further credit is given and the man demands settlement of the out-standing bills.

(i) Yes, running account.

(j) Yes.

(k) None, unless interest is long overdue.

209. The answers given to question 208 apply to this.

210. No difficulty if traders are of any standing. Do not know of any special difficulty in getting loans from Joint Stock Bank.

211. (1) No. Not necessarily.

(2) Yes, every inducement is offered.

212. No.

213. No. We suggest that part withdrawal of stock should be allowed by all banks on payment of the value withdrawn. The banks are quite capable of safeguarding themselves.

215. In every trade there are brokers. Usually their own small capital. Most of these *Pwezas* (refers to large brokers who also employ men under them who are called brokers), generally have their own money. In a good year they may borrow outside money.

216. By allowing to dealers stocks on credit and waiting for payment until they dispose of their stocks.

217. One society was formed in Mandalay Town but this Society unfortunately failed.

#### *Commissioner, Sagaing Division.*

201. In all districts stocks of goods are obtained from Mandalay or Rangoon either direct or through traders in the headquarters town who combine both wholesale and retail trade. In Bhamo and Myitkyina traders import from China and the Shan States.

202. I take it that the petty retail traders cannot afford to give credit to any large extent. As a man's business grows he can better afford to give credit.

203. The wholesale traders almost invariably give credit to the smaller men.

204. Retail traders cannot buy their stock on credit.

(3) Money is sent by money order or in notes by insured parcel and not uncommonly paid in person.

Supply bills are not used by the petty retailers.

205. Wholesale traders also buy on credit.

Payment for goods from China is made often by bills on Rangoon firms or by supply of other goods for the return journey.

210. I take that one of the principal difficulties in obtaining credit is that traders either wholesale or retail can obtain such credit only from firms to which they are well known or introduced by people known to the firm. In the case of any temporary difficulty the traders would have difficulty in getting money elsewhere. This might be obtained from a bank, but the conditions which a bank would have to impose to prevent itself being cheated would not make credit very easy.

#### *Bhamo District.*

201. (1) The principal places from which traders of this district obtain their stock of goods are Rangoon, Mandalay, Shan States and Yunnan (Western China).

There are no separate wholesale and retail traders in this district.

Burma produces paddy, ruby, petroleum, timber, jade and imported articles are salt, piece-goods, matches, hardware, tinned provisions, cigarettes, raw silk and orpiment.

Yes, there are traders or agents who import goods from Yunnan.

202. The retail traders in this district sell goods on credit to a small extent but credit sales do not form a large part of their total sale. There is no difference between the traders of Bhamo and Shwegu and villages as the trade is centred in these towns.

203. No.

204. (1) Retail traders in this district commonly buy goods on credit.

(2) None known.

(3) Money for goods are sent by supply bills, Money Orders or by Government Currency Notes, duly insured and through the medium of the Post Office.

205. (1) No information is available.

(2) No goods are imported from any foreign countries other than Yunnan and the importers are Yunnanese only who appear to be agents of the principals who live in Yunnan.

206. (1) Retail traders appear to borrow money from other persons as there are neither banks nor co-operative societies in Bhamo.

(2) Other persons includes Chettians and Shan-Burmans, but Shan-Burmans predominate.

(3) No. They do not appear to discriminate.

Chetties apparently confine their dealings to timber traders.

207. There are no wholesale traders in Bhamo.

208. (a) Traders usually take most loans during the month of October in each year.

(b) The rate of interest usually is Rs. 2 per cent. per mensem.

(c) No.

(d) In most cases, houses, and jewellery are given as security. In the town land is occasionally accepted.

(e) Generally documents are executed and no other agreements are made to supplement such documents.

(f) No.

(g) and (h) None.

(i) Loans are never made on running accounts.

(j) and (k) No.

209. Please see answer to question 207.

210. (1) As there are very few money-lenders in Bhamo, traders cannot get loans of small amounts for their business.

For this reason the opening of a bank is suggested.

211. (1) It is presumed that petty traders purchase their stock from the wholesale firms who give them credit.

(2) This is the only inducement offered.

212. No.

213. As there is no bank here no opinion can be offered.

214. Nil.

215. There are fish, potato, green tea and stick-lac brokers in this district and they get loans from Chetties.

216. None known locally.

217. Co-operative credit societies here have been formed for cultivators in this district by the Co-operative Department of Government and none for traders. Most of these societies have been closed down as bankrupt.

*Myitkyina District.*

201. (1) Rangoon for imported goods. Retail traders obtain their goods from wholesale traders.  
(2) None.
202. Yes, they do. About 20 per cent of the total sale is on credit.
203. Yes. Credit sales form a large part of their business.  
No. There are no other special points.
204. (1) They buy on credit. Traders in towns and villages buy on credit.  
(2) None.  
(3) They come personally to settle accounts.
205. Please see answer to question 204.
206. Since traders get their goods on credit, they do not take loans from any of the agencies mentioned in the question.
207. (1) From big money-lenders at Rangoon and Mandalay.  
(2) Marwaris and Suratis.
208. Nil. Please see answer to question 204.
209. (a) About the month of August and September.  
(b) One per cent. per mensem.  
(c) About the month of March. After about 7 months.  
(d) No security is given and demanded.  
(e) A pro-note.  
(f) No.  
(g) No other conditions are imposed.  
(h) None.  
(i) Yes.  
(j) and (k) No.
210. No difficulty is experienced.
211. (1) and (2) No.
212. No.
214. & 215. Nil.
216. None here
217. No. No attempts have also been made.

*(Sagaing District (Mogaung Sub-committee)).*

201. (1) Wholesale and retail traders in large towns as well as in small villages obtain their jade from the Jade Mines in the Kamaing Subdivision of the Myitkyina District.

Jade is not imported from outside Burma.

(2) No jade is imported from foreign countries.

202. Retail traders in jade do not commonly sell on credit. This is true for both towns and small villages.

203. Wholesale non-Chinese traders in jade in towns and villages do not commonly sell on credit. Some Chinese traders in towns sell about 50 per cent. of their jade on credit to Chinese only.

Leaving out the Chinese traders who buy their jade here and sell it in China, the only wholesale trader is Mr. C. W. Chater, M.I.M.E., Assoc. I.M.M., Mogaung.

204. (1) Retail traders in jade commonly buy their jade on a strictly cash basis. Some borrow cash to buy jade. This applies to towns as well as to small villages.

(2) Retail traders in jade do not commonly give credit to purchasers.

(3) They carry money with them.

205. (1) Wholesale traders commonly buy their jade for cash. They are usually financed from China, or in Mr. Chater's case from England through the Burchin Syndicate, Ltd., Mandalay, which is a Burmese Company, but sometimes money is borrowed from money-lenders in Burma. These remarks apply to traders in towns as well as in small villages.

(2) See reply to question 203. Mr. Chater has not so far given credit.

(3) They carry cash with them.

206. (1) (a) There are no banks here.

(b) There are no lending co-operative societies here.

(c) All.

	Number.		Amount. Rs.
(2) Shan-Burmans	... 75	...	75
Chinese	... 15	...	15
Chettiars	... 5	...	5
Punjabi-Hindus	... 5	...	5
	Total	... 100	100

(3) Shan-Burmans—To own kind.

Chinese—To own kind.

Chettiars—To Chinese, or, if security is offered, to Shan-Burmans.

Punjabi-Hindus—To Chinese and Shan-Burmans.

207. (1) (a) Nearly all from banks in China, except in Mr. Chater's case where the money is provided by the Burchin Syndicate, Ltd., Mandalay.

(b) None.

(c) Two wholesale Chinese traders of Mogaung, named Li Pin Yin and Kyan Yi Ta, borrow sometimes from Chettiars only. The amount borrowed by these two traders will be about Rs. 50,000 a year, out of a total of about 10 lakhs borrowed by all the Chinese traders in jade.

(2) Chettiars only.

(3) Banks in China and Chettyars in Burma lend to Chinese only. The Burchin Syndicate, Ltd., Mandalay, finance only Mr. Chater.

208. (a) In October.

(b) Four to five per cent. per mensem ; sometimes 20 per cent. per mensem for two months only.

(c) Yes. The time fixed is from six to eight months.

(d) Yes ; personal sureties ; also gold, jewellery, house-property, and free-hold land.

(e) Yes. No.

(f) No.

(g) and (h) None.

(i), (j) and (k) No.

209. (a) About October.

(b) One and half to 3 per cent. per mensem ;

(c) Yes ; six to eight months.

(d) Yes, see reply to question 208 (d) ; also jade stones.

(e) Yes ; a mortgage deed in respect of the security tendered.  
No supplementary agreement is made.

(f) No.

(g) None.

(h) None, but if the document executed is silent regarding the period of repayment it is commonly understood that the loan is repayable on the sale of the jade.

(i), (j) and (k) No.

210. Where security is available there is not much difficulty and *vice versa*. Where security is not offered there is difficulty owing to the uncertain nature of the results of jade mining. Jade trading is nearly always a gamble. No remedy can be suggested owing to the uncertain conditions of jade mining and the vagaries of the jade market. Difficulty occurs in both wholesale and retail trade. No Joint Stock Banks are concerned so far as the trade in jade is concerned.

211. (1) and (2) No.

212. No.

213. This does not arise in the case of jade.

214. It is covered.

215. Jade brokers are numerous but they require no money to carry on their business. They buy to-day and sell to-morrow.

216. There are no commission agents who finance dealers in jade.

217. None here.

#### Shwebo District.

#### 201. (1) GOODS PRODUCED IN BURMA.

*Where wholesale traders buy.*

*Where retail traders buy.*

<i>Large Towns.</i>	<i>Villages.</i>	<i>Large Towns.</i>	<i>Villages.</i>
Rangoon	Shwebo	Shwebo	Shwebo.
Mandalay	Wetlet		Ye-U.
Monywa	Ye-U		Wetlet.
Sagaing	Kin-U		Kin-U.
Pakokku			Kyaukmyaung.
Myingyan			Tantabin.
			Kanbalu.
			Kyaikthin.
			Kedaungbo.
			Tangon.
			Thityabin.
			Pintha.

#### IMPORTED GOODS.

*Where wholesale traders buy.*

*Where retail traders buy.*

<i>Large Towns.</i>	<i>Villages.</i>	<i>Large Towns.</i>	<i>Villages.</i>
Mandalay	Shwebo	Shwebo	Shwebo.
Rangoon	Wetlet		Ye-U.
	Ye-U		Wetlet.
	Kin-U		Kin-U.
			Kyaukmyaung.
			Tantabin.
			Kanbalu.
			Kyaikthin.
			Kedaungbo.
			Tangon.
			Thityabin.
			Pintha.

(2) No traders import direct from foreign countries, including India.

202. Retail traders in towns and small villages ; (a) commonly sell on credit ; (b) sales on credit amount to 95 per cent of whole.

203. (a) Yes. (b) Ninety-five per cent. (c) No. (d) No.

204. (1) Retail traders in towns and in villages commonly buy their stocks on credit.

(2) Yes, to a large extent.

(3) Pay in person, or remit in form of Government Currency Notes by Post, registered and insured.

205. (1) Wholesale traders in towns and in small villages commonly buy their stocks on credit.

(2) Yes, very largely.

(3) By hundi ; or Government Currency Notes, sent by Post, or by payments in person ; none pay by cheque.

Source of goods makes no difference as regards method of payment.

None import direct from foreign countries.

206. (1) (a) Nil, (b) Nil. (c) All.

(2) Sorts		Numbers.	Provide
Burmese	...	700—numerous	20 per cent.
Chinese	...	15—few	5 per cent.
Chettians	...	8—few	60 per cent.
Indians	...	...	15 per cent.
Sikh	...	30—few	
Punjabi-Hindus	...	25—few	
Hindustani-Hindus	...	15—few	
Marwari-Hindus	...	2—few	
Bengali-Hindus	...	3—few	

(3) No, have no preferences so long as the borrower is thought to be safe.

207. Same answer as for 206.

208. (a) In July, August and September, when trade is slack and debts fall due for repayment.

(b) Three to 5 per cent. per mensem, but usually 5 per cent.

(c) No.

(d) Yes ; jewellery, immoveable property and personal guarantee.

(e) Yes, invariably. No supplementary agreement.

(f) No.

(g) None.

(h) That interest be paid regularly until the loan is fully repaid.

(i) Yes, commonly made on running account.

(j) Not customary ; very rare, in fact.

(k) Yes, if there is a change for the worse in the financial circumstances of the borrower.

209. Same reply as for question 209, except that—

(b) Rate of interest is  $1\frac{1}{2}$  to  $2\frac{1}{2}$  per cent. per mensem, the usual rate being  $2\frac{1}{2}$  per cent.

210. (a) Occasionally wholesale and retail traders cannot get money when they want it, especially at the slack time of the year.

(b) Because business is then dull (the fact that money is required for loans to cultivators is not a reason).

(c) Introduction of banking system.

(d) In both, when trade is dull ; credit drops. the lender likes to see his man doing brisk business.

211. (1) No. (2) No.

212. No.

215. Beans, sessamum-oil, groundnut-oil, fresh fish. Brokers take loans from ordinary money-lenders if they require them. Ordinarily need no money as they are merely go-betweens.

216. None known.

217. (a) No. (b) No.

*Katha District.*

201. There are no wholesale traders. Principal places are Mandalay, Bhamo, and Rangoon for all goods imported or otherwise. Riverine village stores obtain from Irrawaddy boats.

No Trader imports direct.

202. Common sales are on credit, they form the large majority of total sales.

203. No wholesale traders.

204. (1) Large majority buy on credit, there is no difference throughout the district.

(2) If goods are not paid for on due date Interest is charged.

(3) Usually currency notes by Insured Post. Some use Cheques, sometimes the Mate Receipt is sent by V. P. Post.

205. Nil.

206. (1) Nearly all by (c) other persons.

(2) Burmese, Chinese, Punjabi Indians, United Provinces Indians, Chettiars. The Indians provide about 60 per cent. Chinese about 40 per cent.

(3) No distinction is made but races appear to go to lenders of their own race.

207. Nil.

208. (a) January and February.

(b) Eighteen per cent. per annum.

(c) Yes. All are short time loans.

(d) Generally not given.

(e) Yes. No.

(f) No.

(g) and (h) None.

(i) No.

(j) For small amounts daily payments are required.

(k) No.

209. Nil.

210. (1) There are no difficulties as long as the borrower's reputation is good.

211. (1) No.

(2) Yes, reduction of interest is offered.

212. No.

213. There are no banks.

215. Ruby traders. Fishing industry. The money is advanced by the principals, the brokers only obtaining commission on his purchases.

216. This has been dealt with in the opening note on the ruby and timber trade.

217. No.



*Katha District (Kawlin and Wuntho Sub-committee).*

201. There are a few petty traders in this subdivision who sell goods, only retail. They mostly sell cash, and very few sell on credit. The towns in this subdivision though made the headquarters of a Township are only big villages. These petty dealers obtain their stock of goods from Mandalay. -

No bank or any co-operative society supply fund to these petty traders.

No attempt has ever been made to form a co-operative society or bank for trade in this connection.

*Deputy Commissioner, Upper Chindwin.*

201. (1) Rangoon, Mōnywa and Mandalay. The wholesale traders are those who sell their goods in large quantities to one person or a group of persons, whereas retail traders sell their goods in piece meal to a person or a group of person at a time. The traders in large towns store a large quantity of goods and generally deal wholesale whereas traders in small villages do not store so much and generally deal in retail. The goods produced in Burma are mostly inferior in quality to similar goods imported. There are no traders who import direct from foreign country.

202. Yes. They commonly sell on credit and it forms a large part of their total sales. The traders in town can sell more goods on credit than traders in small villages.

203. Yes. They form a large part. Not much difference.

204. (1) They commonly buy on credit. No difference.

(2) Charge of interest. They are charged with interest whereas they cannot do same to their own creditors.

(3) In Currency Notes insured or by Remittance Transfer

Receipt.

205. (1) No difference.

(2) None.

206 (1) (a) nil, (b) nil (c) Whole.

(2) Burmese and Indians, consisting of Marwaris and Punjabis, Indians are numerous and Burmese are moderate in numbers. 10 to 3. 8 to 2.

(3) None.

207. Answer to 206 will apply to this.

208. (a) At the end of the rains and beginning of the winter.

(b) Two per cent. per mensem.

(c) and (d) No.

(f) Yes. No.

(g) No.

(h) and (i) None.

(j) to (l) No.

209. The answers to 208 will apply to this.

210. (1) Their difficulty lies in the scarcity of a good number of wealthy persons who can given them the loan they require and the remedy for it is to open a Bank. The difficulty occurs in both trades.

211. (1) and (2) No.

212. No.

213. I think that the system will be satisfactory.  
215. Does not exist in this locality.  
216. None.  
217. No.

*Assistant Commissioner of Income-tax, Rangoon.*

206 (1) Nearly all is provided by "other persons."

(2) Chettiers 90 per cent. Chinese lend principally among their own community perhaps to the extent of two or three per cent. of the total. The balance of the financing would be by other Indians. There are no Burmese money-lenders in Rangoon.

207. With regard to the wholesale traders financing is not so often necessary. The trader is generally in possession of capital to a certain extent. Where financing is needed, it is done to the extent of probably 30 or 40 per cent. by banks and 50 or 60 per cent. by Chettyars. The remaining share of the financing is distributed among other Indians as in the case of retail trades.

208. (a) The time of the loan varies with the traders. It is impossible to answer this part of the question in detail without an exhaustive enquiry and search in the accounts for which there has been no time at all.

(b) The usual rate of interest is anything from Rs. 1-4 or Rs. 1-2-0 to Rs. 1-12-0 or Rs. 2 per mensem.

(c) In cases of the small retail traders a definite time for repayment is fixed and daily collection is made towards the repayment.

(d) The security is usually their stock-in-trade.

(f) There is usually the promissory note without any other document.

(g) No, there is no share of the profits.

(h) (i), (j) & (k) No remarks or already answered in above

(1) No instance of this have come to knowledge.

211. There are two or three cases of this, but generally there is no such compulsion.

212. No instance of this have come to knowledge.

215. Cases have come to notice in the pork trade and in the meat trade of intermediaries by whose intervention prices to the consumer are raised considerably. They are not so much brokers as middlemen. They usually take the form of syndicates who provide their own capital.

216. The wholesale importers of cigarettes, condensed milk, matches and one or two other commodities finance the dealers by allowing fairly long credit without interest. There is no cash loan. The dealers sell the commodities for cash and thereby secure the benefit of the credit allowed.

217. There are only two or three small co-operative societies in Rangoon which do not affect the trade to any appreciable extent.

*Assistant Commissioner of Income-tax, Eastern Range.*

201. Rangoon is the distributing centre for all foreign imported goods. Wholesale dealers in large mofussil towns obtain their stocks from Rangoon and sell them to retail traders in their own towns and smaller towns and villages. There are a few wholesale dealers in big

towns like Moulmein and Mandalay who import goods direct from foreign countries, but as practically all imported goods are landed at Rangoon they have to keep agents or clearing and forwarding office there. Goods produced in Burma are distributed all over Burma from a convenient centre near the place of production. Goods produced in Burma chiefly consist of raw country produce, while imported goods consist of manufactured goods. I have already said that there are a few traders in certain large towns who import goods direct from foreign countries.

202. Practically all retail traders in the towns and districts sell on credit as well as for cash. The credit sales of such traders form about 50 per cent. of their total sales in towns and about 25 per cent. in villages.

203. Wholesale traders sell on credit to a larger extent than retail traders. Credit sales form a large part of their business and average about 75 per cent. of their total sales. There is no appreciable difference in this respect in large towns and small towns or with regard to goods produced in Burma and imported goods. There are no other special points worthy of note.

204. (1) Retail traders commonly buy goods on credit. When they cannot get credit for goods they borrow money to pay for the goods. But such cases are comparatively rare and the purchase of goods on credit is much more common. There is no difference between traders in towns and traders in small villages except that the credit of the former is better and they usually obtain credit more easily.

(2) When retail traders cannot get credit they have to borrow money on the security of their stocks. Sometimes the sellers retain a lien on the goods sold to them. When their credit is exhausted they have difficulty in obtaining goods. To this extent are their purchases affected.

(3) They usually pay for their goods in person if they have bought them from a local wholesale dealer. But if they have bought their goods from a Rangoon dealer they make their remittances through a Chettiar firm or by hundi.

205. (1) Practically the same conditions prevail with regard to wholesale traders and there is practically no difference with respect to goods produced in Burma and imported goods.

(2) As regards traders importing directly from foreign countries they usually have to give a bank guarantee or some other security for the invoiced goods.

206. (1) I should say that about 80 per cent. of the moneys borrowed by retail traders is provided by "other persons" *i.e.*, private money-lenders including Chettyars; about 15 per cent. by Co-operative societies and 5 per cent. by banks.

(2) "Other persons" means Chettyars, Marwaris, Burmans and Chinamen, but mostly Chettyars, who provide from 60 per cent. to 70 per cent. of the total; the balance being more or less equally divided between the remaining classes.

(3) Chettyars do not as a rule discriminate between races and nationalities, but other money-lenders usually prefer to lend to their own sect or community whom they know and can trust.

207. (1) In the case of wholesale traders banks play a more important part and probably advance about 50 per cent. of the money. In other respects conditions are the same as in the case of retail traders.

(2) and (3) Same remarks as in the case of retail traders.

208. (a) During the rainy season when business is most slack.

(b) 18 per cent. to 30 per cent. per annum and in some cases even 40 per cent. when the " Kisti " system of re-payment is adopted.

(c) Yes. Harvest time, when retail traders do most business and have a quick turnover.

(d) The majority of loans are for small amounts and security is not usually asked for. But when security is demanded lands, houses, stock-in-trade and personal belongings are usually given.

(f) A promissory note is generally executed. No agreement is as a rule made to supplement the document.

(g) Only if the borrowers are themselves wholesale dealers in the same line of business.

(h) None that I know of.

(i) In case of failure to pay interest compound interest begins to be automatically charged.

(j) Yes generally, as re-payments are made haphazard and not regularly.

(k) Yes sometimes, especially when the borrowers are small traders.

(l) Very rarely, if the borrower is heavily involved or the lender is himself in financial difficulties.

209. The conditions with regard to wholesale traders are practically the same.

210. I do not think traders meet with any special difficulties in raising loans of reasonable amount for their business provided they are solvent.

211. Not usually. But some suppliers offer a small discount as an inducement to buy from them.

212, No.

213. The system mentioned cannot be very satisfactory from the point of view of the traders, but I do not see what alternative can be adopted.

214. This does not arise.

215. The only other brokers I have come across are brokers in *ngapi*, sesamum, vegetable oil and rubber. They usually get advances from the buyers they deal with and settle up on delivery of goods.

216. I know of none.

217. This is not for me to answer.

*Assistant Commissioner of Income-tax, Western Range.*

201. Except Akyab, traders in other districts obtain their goods principally from Rangoon. Burmese silk wearing apparel, such as *pasoes*, longyis etc., are generally purchased from Mandalay, and country produce, such as tobacco, oil, etc., are obtained from other upcountry places, such as Pakòkku, Magwe, etc. In Akyab goods are also obtained from Calcutta. There are not many purely wholesale traders in the sense that these traders also sell in retail. These wholesale shops are situated in District Headquarters and other big towns. They supply goods to the retail dealers or small shops. The wholesale sales are seldom as big as the sales made by wholesale dealers at Rangoon. In wholesale sales prices charged are lower than the prices charged in retail sales.

There is hardly any difference between the traders in town and traders in villages, except that in villages the traders do not stock as large quantities of goods as the traders in towns, and that in villages the sale prices are slightly higher than those in towns.

As far as I know, there are no traders in the Districts who import their goods direct from foreign countries.

202. Both the retail traders in towns and villages sell their goods also on credit. These credit sales are, however, generally made to regular customers. These credit sales would form about one-third of the total sales, and in some cases they might amount to one-half of the total sales and very seldom more than that proportion.

203. The wholesale sales are made only to retail dealers and other approved and known customers and the sales are generally made on credit. These sales would amount to about 75 per cent. of the total sales.

As far as I am aware, there is no difference between the business done in large towns and that done in small towns, except that the business done in small towns would not be as large as that in big towns, and that the prices in the small towns might be slightly higher than those in big towns.

204. The retail traders buy their goods both in cash and on credit. The credit purchasers might amount to about one half of the total purchases. Money is also borrowed by retail traders to purchase goods, but this is not very common as the traders can obtain their goods also on credit from wholesale dealers. In this respect there appears to be no difference between traders in towns and those in villages.

(2) The credit of the retail traders with those traders from whom they purchase their goods depends on the realization of their credit from their own customers. If these credits are not realized, the traders would not be able to pay for the goods they themselves have to purchase on credit, and the wholesale dealers would refuse to give further credit.

(3) The retail traders generally settle up their accounts with their suppliers personally when they next go to their suppliers for further purchases.

205. (1) Same as in question 204. There is no difference with respect to goods produced in Burma and imported goods.

(2) No traders in the Districts import their goods directly from foreign countries.

206. (1) The retail traders obtain their loans only from "other persons." I am unable to state to what extent these loans would amount.

(2) The persons who advance loans to traders are generally Burmese and Chettiar money-lenders. The latter class would probably form a larger number.

(3) I am not aware that the money-lenders prefer to advance loans to certain classes of traders only and not to others.

207. The same as for question 206.

208. (a) I am unable to note on this point.

(b) Between 2 and 3 per cent.

(c) No.

(d) Not usual. The lenders do not usually demand security as the borrowers would be of the same locality and the circumstances and the position of the borrowers generally known to the lenders. Further, the lenders generally keep a watch over the borrowers' business and are, therefore, in a position to know their solvency or otherwise.

(f) Yes. Pro-notes are executed.\* No further agreement is generally made to supplement to pro-note.

(g) No.

(h) I am unable to note on this point.

(i) The conditions understood without being expressed are that the lenders have a lien on the stock of goods of the borrowers.

(j) No.

(k) I believe this is usually the case with the small traders. The system is known as *Chetty* with Burmese lenders, and "Kisti" with Chettyar lenders.

(l) No.

209. The same as for Question 208, except that—

(b) the rate of interest would be lower than the rate charged to smaller traders. The rate is, I believe, never more than 2 per cent.

(j) in some cases, I believe, the loans are kept on a running account.

(k) No.

210. As far as I am aware, no difficulty is met by traders in obtaining loans for their business.

211. (1) and (2) No. If a trader is able to get all his requirements from one supplier, he gets all his requirements from that supplier. If the supplier is not able to supply all the requirements of a trader, the latter takes from that supplier those goods which he can get and goes elsewhere for other goods.

212. As far as I am aware, no such practice exists.

213. As far as I am aware, the traders in the district do not obtain loans from any bank, and the system mentioned in this question does not exist.

214. No other method than that mentioned in the above questions exists for the traders to raise loans for their business.

215. Besides paddy and rice brokers, there are brokers in sesamum and groundnuts and other country produce. Those brokers who purchase for big firms get advances from the firms to purchase the goods, but those brokers who supply to individual traders, either use their own money or borrow from Burmese and Chettyar money-lenders.

216. I am not aware of any trade in which commission agents finance the dealers.

217. No.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myoök (Co-operative Branch\* Myinmu Range).*

201. (1) Wholesale traders obtain their imported goods from Rangoon, but retail traders obtain them from Mandalay, Sagaing and Myinmu.

As regards goods produced in Burma, they are purchased either at the place of production, if it is near, or from Rangoon.

There are no traders who import direct from foreign countries.

202. Yes. Credit sales form a large part of their total sales. There is no difference as regards credit sale between traders in towns and traders in villages.

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\* Joint reply ; relates to Sagaing, Mandalay and Kyaukse districts.

203. Yes. Credit sales form a large part of their total sales. There is no difference as regards credit sales of goods either produced in Burma or imported.

204. (1) Retail traders buy their stocks partly on credit and partly by borrowed money. In small villages purchases are made commonly on credit, while in towns the practice of buying by borrowed money is more common.

(3) Personally in most cases when the next demand for goods is made.

205. (1) Same answer as in 104 (1).

(2) No such traders.

206. (1) (a) *Nil*.

(b) Almost *nil*.

(c) Nearly all.

(2) Burmese and Chettiars, the later predominating.

(3) No.

207. (1) (a) *Nil*.

(b) *Nil*.

(c) All.

(2) Chettiars.

(3) No.

208. (a) Just before harvest.

(b) Two or three per cent per mensem on the security of real property. Loans of *Nepyanlo* system are also taken by retail dealers.

(c) Yes in the case of *Nepyanlo* loans. Daily.

(d) Yes; security is usually given and the usual kinds of security are jewellery, house and stock in shop.

(f) Yes. No agreement is made to supplement the document.

(g) No.

(i) No.

(k) Yes, daily collections are made in the case of *Nepyanlo* loans.

(l) Yes, when the business of the lender requires such action or when the borrower's business becomes unsound.

209. (a) Just before harvest.

(b) One and a half to 2 per cent per mensem.

(c) No.

(d) Yes, security is usually given and they are houses, landed property and personal reputation.

(f) Yes. No supplementary agreement is made.

(g) No.

(i) Yes, but not in all cases.

(k) Yes.

(l) Yes, when the business of lender requires such action or when the borrower's business become unsound.

210. The difficulty met in both cases (both wholesale and retail). Sufficient money for trade and it comes about for having no sufficient security to give and for having no fund of their own. The remedy lies in the introduction of banking system, but apart from the limited number of the banks, the latter have no inclination to deal with such class of people.

211. (1) No.

(2) Yes.

212. No.

215. Cotton and beans. The money they require is advanced by big traders.

217. Yes, a few were formed. The difficulty met with is inability to get sufficient funds they having no proper banks to finance them.

*Range Officer, Co-operative Department, Insein.*

206 (1) Very little or nothing.

207. No. No need is felt.

304. Yes. One weaving Society was formed at Okkan and there was difficulty in obtaining the money required for them.

*Mr. A. D. Kiernander.*

201. (a) Rangoon, as goods are obtainable on credit.

(b) There are no wholesale traders in its proper sense as wholesale and retail is carried on by all shop-keepers.

(c) Traders in villages or small towns keep a very small stock which they replenish easily from Mandalay as they can obtain it on credit.

(d) Direct import is unknown with few exceptions as all trade is carried out on credit through Rangoon Firms.

202. (a) The big shops give credit to the smaller ones or otherwise they have no outlet for their goods. All trade in Burma is on the credit system and thereby encourages the small fry to raise their standard of living and usually get heavily into debt.

(b) The village trader confines his credit to those in his own village and generally recovers their outstanding in produce at a big profit when crops are gathered.

203. Credit to those in their own village, but chary about it when dealing with outsiders. There would be a poor sale unless credit is given.

The cultivator who gets his wants on credit, does not realise that he has to pay heavily when accounts are squared at the end of the year or time when crops are reaped.

The village retailer keeps an eye on the *Thalin* when crops have been reaped and strikes a hard bargain if he does not get paid up in full.

204. There would be no business unless goods are given on credit or purchased with borrowed money.

205. Goods imported from foreign countries are indented for through Rangoon Firms or the Bills are backed and come through banks.

208. (a) Before the cold weather sets in.

(b) Varies but never less than 1½ per cent. on good security.

(d) Jewellery or property or if with banks only on produce, and the keys of the godown taken over by the bank.

(i) Chettys collect, as well as petty lenders.

209. Reputation and insufficient security.

213. If banks do not keep their durwans in charge of grain or goods, the contents would gradually disappear.

*U' Shwe Tha, K.S.M.*

201. Shop-keepers generally obtain their stock of goods from big dealers at Rangoon and Mandalay. As regards goods produced in



Burma, they get them from Rangoon and Mandalay as well as from big towns where local produce are stocked for wholesale.

Yes. Some big shop keepers import their stock of goods direct from foreign countries.

202. Yes. Retail traders commonly sell on credit. Yes. Credit sales form large part of their business. Not very much difference between traders in large towns and small villages.

203. The wholesale traders sell on credit. Credit sales form a large part of their business. There is no difference in large and small towns and also with regard to goods produced in Burma and imported goods.

204. (1) Yes. Retail traders commonly buy their stock partly on credit and partly by cash payment. If they have not got enough money for part cash payments they have to borrow the required money.

(2) Omitted.

(3) They send their money by Chetty's Hundis for which they pay Rs. 1-4 for Rs. 1,000 and above that sum they get supply orders from the Treasury for the same rate. Supply orders are issued only by certain Treasuries. If they cannot get supply orders they must take Hundis from the Chettiar banks. They are obliged to take Hundis from the Chettiar banks up to Rs. 1,000 as the supply orders are issued only for sums above Rs. 1,000. This shows they have more confidence in Treasury supply bills than in Chetty Hundis.

206. (1) and (2). About 75 per cent. of the money borrowed by retail traders is provided by the Chettiar banks and the rest by other persons which include Marwaries, Hindustanis and Burmans.

(3) No.

208. (a) The whole year round.

(b) Rs. 1-8 to Rs. 2-8.

(c) No.

(d) Yes. Jewellery and immovable property. Immovable property are common kinds of security.

(e) Yes. No agreement made to supplement the document.

(f) No.

(g) No other conditions.

(h) and (i) No.

(j) Yes, in case of loans called "Ne-pyan-pa."

(k) This is very rarely done.

210. The retail or wholesale traders make full use of their credit. They do not get any loan from Joint Stock Banks. They deal with local money-lenders mostly with the Chettiar banks.

211. No.

212. No.

213. I think banks allow such goods to be stored in the borrowers' godown as well, and in that case such goods have to be insured, and the bank keeps a durwan in charge of the godown and keeps the godown keys. I do not suggest any change of this system as the bank must be safe-guarded.

*U Po Thin K.S.M., A.T.M. (Indian, Katha District).\**

201. (1) The traders of Indaw obtain their stock of goods mostly from Rangoon and Mandalay. Among such goods, those produced in Burma are sesamum oil, salt, kerosene oil, petroleum, jaggery, tobacco,

*ngapi*, earthen jars and pots, bamboo and *thin* mats. Imported goods are piece-goods, cotton yarn, glassware, chinaware, enamelware, lamps, ironware, corrugated iron, matches, cigarettes, various kinds of biscuits, jam and tinned fish.

There are no traders who import direct from foreign countries.

202. The retail traders give credit but this practice is not common. Cash sales are general. The trader in towns can purchase goods with their large capital and can also purchase goods on credit. The traders in small villages have to purchase goods from big traders on one or two months' credit and pay for the goods after selling them. The traders in towns and small villages should be classified into wholesale and retail traders.

203. Wholesale traders sell on credit. In towns and small villages, there is a difference with regard to goods produced in Burma and imported goods. The difference lies in the fact that imported goods are manufactured by machinery but the goods produced in Burma are handmade.

204. (1) The retail traders purchase goods on credit. They also borrow money to purchase goods. But there are only a few money lenders who would lend money to them as they have only little property.

(2) As the retail traders have to sell goods on credit themselves, they obtain better prices. If they do not obtain better prices, they will be adversely affected, as they have no capital of their own.

(3) They have to remit the value of the goods by money-order if they live in distant places. If they are living near, they have to go and pay the value of the goods personally in cash.

205. (1) The same answer given in Question No. 204 applies also to the wholesale traders.

(2) The writer cannot give particulars, as there are no traders importing direct from foreign countries.

206. (1) The retail traders borrow money neither from banks nor from Indaw Co-operative Society, but from other persons.

(2) "Other persons" include Burmese, Indians, Chinese and Chettiars. Of these, Burmese are few and most of the money-lenders are Indian and Chinese. Only occasionally, loans are taken from Chettiars. Only one-tenth of the loans are provided by Burmans and the balance is provided equally by Chinese and Indians.

(3) These money-lenders prefer to make loans to traders of particular races, or to particular traders, or to any other kind of traders. The Chinese, Indians and Burmese do not wish to lend money for other business. They wish to lend money only to cultivators either on interest or on *sabaþe*. Only the Chettiars lend money for any kind of business when sufficient security is given.

207. The same answer as in No. 204 may be given for wholesale traders. It is, however, easier, for them to deal with big merchants from whom they take goods on credit.

208. (a) It is difficult to answer generally this question, as it depends on different times and seasons for various goods and produce. Most loans are probably taken between the months of January and March when crops are obtained.

(b) The usual rate of interest is Rs. 4 or Rs. 5 per cent. per mensem for loans not exceeding Rs. 1,000. If loans exceed Rs. 1,000, the rate is Rs. 2-8 or Rs. 3. But if friendly feeling exists, loans are given at the rate not exceeding Rs. 3, whatever may be the amount.

(c) It is usual to fix a definite time for repayment not exceeding twelve months. Some of the lenders, who do not carry on trade but merely lend out money on interest, extend the time for repayment beyond twelve months, if they receive the interest monthly.

(d) Security usually given is gold, silver and diamond jewellery, houses and lands, cattle and paddy lands have to be given in pledge as security, if of good title, otherwise the cultivators have to pledge their crops as security.

(f) A document has to be executed. There is no oral agreement to supplement the document.

(g) Some lenders require borrowers to pay them a share of the profits or a commission on turn-over in addition to interest but some do not. Some timber brokers do business by sharing half the profits and bearing half the interest.

(h) When the value of goods purchased cannot be repaid by the fixed time, it is usually agreed to pay the value of goods together with interest or to pay the value of goods together with damages which is calculated on the profits to be gained. As both parties are in agreement, it is in order.

(i) The answer is the same as in (h).

(j) This question is not understood. If loans are not repaid by the fixed time, it is the practice to execute a new bond for the amount of the principal and interest due. If a new bond has to be executed, it is the same as taking a new loan.

(k) It is not customary for lenders to collect daily payments of either principal or interest.

(l) Yes. Lenders sometimes ask for repayment unexpectedly. Such demand for repayment is made if there is an agreement for repayment on demand and if the lender is either in need of money or if he has reason to suspect the borrower's honesty.

● 209. The same answer as in Question 208 may be given for wholesale traders.

210. Wholesale and retail traders meet with difficulties in obtaining loans of reasonable amounts for their business due to paucity of rich people in the locality. To remedy this, joint-stock banks should be opened charging small rate of interest on loans.

211. (1) When traders buy their stocks on credit, they are not compelled to buy all their goods from one supplier; they also buy from others according to circumstances.

(2) No.

212. No.

213. As there is no transaction with banks, this question cannot be answered.

214. This question is left answered.

215. There are no brokers in other branches of trade.

216. As there is no dealing with commission agents, this question cannot be answered.

217. No. This is due to dearth of rich people.

*Mr. P.L.L.N. Narayanan Chettiar (Pyapon).*

201. (1) Generally from Rangoon. Large quantities are usually bought in Rangoon; small traders in villages buy from traders in Pyapon.

No traders who import direct from foreign countries.

202. Yes, credit sales form a large part of their total sales.  
No difference between traders in villages and traders in towns.
203. Same as in question 202.
204. (1) Some bring on credit, some borrow money to pay for them.  
(2) This practice benefits the retail dealers.  
(3) They send through their men.
205. (1) Same as in question 204.
206. (1) Retail traders do not borrow from banks and co-operative societies. They borrow from other persons.  
(2) Traders borrow exclusively from Chettiars, and to small extent from Dawson's Bank.  
(3) No preference.
207. Same as in question 206.
208. (a) In December and January.  
(b) From 12—18 per cent. per annum.  
(c) No.  
(d) Usually no security.  
(e) Yes ; usually pro-notes ; no oral agreement.  
(f) and (g) No.  
(h) None.  
(i) Yes.  
(j) Not customary in this district.  
(k) No.
209. Same as in question 208.
210. (1) Money is not easily available as there is no stock in Pyapôn as in Rangoon. It will be better if some banks with stock is opened.
211. (1) No ; they are not compelled.  
(2) If inducement is offered by offering free board, and to the traders from mofussil, lodging.
212. No.
213. Seems satisfactory, no suggestions.
214. No other method.
215. None in this district.
216. No such kinds of trader.
217. Yes, a society was formed but it was a failure.

## CHAPTER III.—INDUSTRIES.

### *Commissioner, Arakan Division.*

The Deputy Commissioner, Akyab, has not mentioned the fishing industry, which though not large, is of some local importance. There are about half-a-dozen villages in the division which subsist almost entirely on fishing, and in most villages on the sea-coast or on estuaries, fishing is a subsidiary industry to agriculture. No fish is exported from Arakan, and the industry hardly supplies the local demand.

The fishermen frequently borrow from money-lenders, and occasionally from Government for the cost of their nets and boats. As they are not able to give reliable security, I do not think banks could be expected to finance them direct. Co-operative societies might help, but so far there is no movement for their institution.

Other small industries are conspicuous by their absence in Arakan. There are hardly any carpenters or blacksmiths, partly because there are no carts and there are even very few potters.

### *Akyab District.*

301. (1) (a) Weaving, cheroot making.

(b) Rice-milling, timber sawing, oil pressing.

(2) None.

(3) Agricultural labourers in this district do not generally find employment in other industries when not employed in agriculture.

(4) Weaving and cheroot making are generally carried on by women and these do not in this district do occasional agricultural work.

302 (1) (a) Weaving and cheroot making are carried on on a very small scale in this district, and persons engaging in these industries obtain their supplies of raw material by cash or credit purchase or barter.

For rice milling, by borrowing from Chettiars or other indigenous bankers, by taking an advance from merchants against future milling charges.

For timber sawing and oil pressing, by borrowing money from money-lenders or indigenous bankers.

(b) By borrowing from Chettiars or indigenous bankers.

(c) It would be an improvement if they could obtain money direct from a Joint Stock Bank as Chettiars borrow from these banks and therefore necessarily charge higher interest than if the borrower could obtain his money direct from a Joint Stock Bank.

(d) By more generous extension of credit when market conditions are bad.

(2) (a) In the case of cheroot making there are none. The industry is on too small a scale.

In the case of weaving some of the local goods are purchased by middlemen and taken to Rangoon.

There are no large dealers.

As far as is known these operations are not conducted on borrowed capital.

(b), (c) and (d) therefore do not arise.

303. (1) A local match making industry failed owing to inability to obtain capital.

(2) The promoter apparently did not attempt to borrow money. Further capital would probably have been available if he had wanted it.

304. None.

305. Small industries in this district are carried on on too small a scale to necessitate financing by a bank.

306. The establishment of industrial Co-operative Societies might help but these could only be formed in localities where there were a fairly large number of workers. In this district this would only apply to Akyab Town and its environs.

307. Mat making and basket making might be developed, as there are plenty of bamboos available, in spite of which these goods are imported from Chittagong. Agricultural labourers, tenants and small cultivating owners could do this. It would give part-time employment.

No undesirable effect would be caused. No loans would be necessary. It is not lack of money so far as this district is concerned that prevents further development of these small industries.

#### Tharrawaddy District.

301. (1) (a) Cheroot and cigar making, *ngapi* and salt-fish making, goldsmith, silversmith, blacksmith, mat making, basket weaving, carpentry, brick making, oil pressing, cloth weaving, timber sawing.

(b) Rice milling, timber sawing, oil pressing, electric supplying, brick manufacturing (mostly by Indians).

(2) Carpentry, basket weaving, "thin", mat making cloth weaving to a small extent. Very little time. Most don't do anything at all.

(3) Generally worked as coolies in rice and saw mills, cart-drivers, timber cutting, basket making, "thin" mat making. They do these works only when they are not engaged in agricultural work. They are whole day labourers.

(4) Those who are employed in the following industries do occasional agricultural work of special season of the year :—

Fisheries, "thin" mat making, basket weaving, carpentry, and timber sawing.

They do the following kinds of agricultural works :—

Ploughing, transplanting, extraction of nursery plants, paddy reaping, threshing and winnowing.

Ploughing and extraction of nursery plants are done by male adults, transplantation by females, both adults and juveniles, reaping, threshing and winnowing by both sexes, adults and juveniles.

They are generally the members of tenants.

302. (1) (a) For *ngapi* and salt-fish making, mat making, timber sawing, oil pressing, they obtain their money by taking loans mostly from Chettiers and other money-lenders. Brick manufacturers too do likewise. The rest seldom take loans.

(b) By taking loans from Chettiers on mortgage of the same machinery, large buildings and other expensive equipment and their other own property.

(c) By establishing local banks, one in every subdivision ; to extend facilities to the district people in obtaining of loans at a reasonable rate of interest from commercial banks in Rangoon.

(d) The bankers and money-lenders can help the people to get a better price for the goods they produced by their not rescinding the first agreement of loan and altering the rate of interest from a previous lower one to a higher one in the case of their embarrassment and forbearance on their part to wait for such time as the debtors could extricate themselves out of their embarrassment.

(2) (a) Middlemen simply help the produce to be brought from remote places to the market in towns and the large dealers sell them in Rangoon and other cities.

(b) They borrow money for their business as well as for other needs, such as for charity, funeral purposes, domestic expenses.

(c) They borrow mostly from Chettiars on promissory notes and by mortgage of their property. The security given is land, houses, jewelleries, cattle and also personal security. The rate of interest paid is usually Rs. 1-8 and Rs. 1-12, but it varies from Rs. 1-4 to Rs. 3-0 sometimes. The loan is not repaid by instalments. If possible the loan has to be repaid with interest in one year. If this cannot be done interest has to be paid at the end of each year.

303. (1) Nil.

304. None. No.

305. Yes.

(a) It should be a Joint Stock Bank.

(b) It should be confined to the supply of working capital.

(c) It should grant loans to individuals.

(d) From Government as well as by calling for shares.

307. (1) Weaving, carpentry, cane works, rope making.

They would employ agricultural labourers, tenants and cultivating owners as well and it would be for full time.

(2) No. The advantage would exceed the disadvantages.

*Tharrawaddy District (Zigon Sub-committler).*

301. (1) (a) Cheroot making, weaving and blacksmith business.

(b) Rice, timber and oil milling.

(2) Nil.

(3) Labouring in rice and other mills. Some labourers give whole days to the industry and some divide each day between work in the fields and in the industries.

(4) Ploughing in the rains. Members of both sexes, mostly adults, supply labour in agricultural work and they are generally not members of the household of persons who are either owners of land or tenants.

302. (1) (a) Borrowed money.

(b) Borrowed money.

(c) More banks, direct borrowing from banks as Chettiars now do, long-term loans at cheap interest will improve the present ways of obtaining money.

(d) By financing them when money is needed and not to press for payment when trade is dull.

(2) (a) In small industries middlemen find no place, while in big industries, such as rice milling and timber sawing, middlemen and large dealers play an important part.

(b) To carry on their business.

(c) From Chettiars mostly. At 2 per cent. per mensem on the average on both moveable and imoveable security.

(d) Same answer as question 302 (1) (c).

303. No.

304. No co-operative society for artisans has ever been formed in our locality and no attempt has been made to form one. It is not for lack of money that such a society has not been formed. People do not understand or appreciate the value of it.

305. A bank is required.

(a) It should be a joint-stock bank.

(b) Working capital will do.

(c) Loans to individuals will be more satisfactory.

(d) From the Government or by calling for shares.

(e) None.

306. No new plan can be suggested.

307. (1) Weaving should be revived and developed. Mostly agricultural labourers would be employed at such industries.

(2) The growth of these industries will have nothing but good effect.

(3) No suggestions can be made.

#### *Insein District.*

301. (1) The following industries are carried on in the above locality.

(a) Match-box making, garlic frying, duck breeding, and sausage making.

(b) Rice-milling, oil-pressing, soap-making, umbrella-making, rope-making, leather tanning, iron-trunk manufacture, brick-making, thread-dyeing, manufacture of aluminiumware, and Chinese sauce manufacture.

(2) With the exception of brick-making, all the above industries are carried out throughout the year and require skilled labour. Some of those who live by the agricultural produce of their lands are engaged in brick-making during the dry season.

(3) Agricultural labourers find employment during the dry weather in the brick-fields as coolies. Some ply bullock carts for hire. There is no division of labour each day as far as I am aware.

(4) Brick-making coolies are engaged in ploughing and reaping. They are generally males except that females are employed in transplanting. They are not generally members of the households of persons who are either owners of land or tenants.

302. (1) In the above industries the following facts have been ascertained :—

(a) Raw material is supplied by large dealers in the case of small industries like match-box-making.

In the case of large industries, raw materials is purchased or imported by money raised in Rangoon, where banking facilities exist.

(b) Money was obtained to buy machinery by capital amassed from house-property in Rangoon.



(c) No improvements can be suggested.

(d) The price of goods in Rangoon is decided by competition or trade conditions which are the result of world-wide influences.

(2) (a) In the case of match-box making large dealers supply match-factories in Rangoon at contract rates. All big industrial concerns have their own shops or agencies in Rangoon.

(b) No information is available as to whether money is borrowed or not.

(c) In view of the answer to Question 2 (b) above, this cannot be answered.

(d) Cannot be answered.

303. (1) The Thamaing Pottery Works was started some years back and a large sum of money was expended on plant, equipment, and buildings. Specimens of work turned out were quite good. The proprietor and his son applied to the Local Government for a loan of about two lakhs and the loan was sanctioned subject to the furnishing of adequate security. It is understood that the father and son had a quarrel and dissolved partnership. Security could not be furnished and the works were closed down. The proprietor has no intention of resuming and desires to sell the property.

(2) As difficulty in obtaining capital was due to a private quarrel, no remedy can be suggested.

304. A weaving society at Oklan (Taikkyi Township) is the only one known. Yes.

#### *Prome District.*

301. (1) (a) Weaving, cheroot-making and pottery.

(b) Rice-milling, timber-sawing and oil pressing.

(2) None.

(3) No industry. Their principal supplementary occupation is fuel-cutting.

(4) Labourers in mills do occasional agricultural work such as transplanting and reaping. They are male and female, adult and juvenile and are not members of the households of persons who are either owners of land or tenants.

302. (1) (a) The supply of raw material to each of the industries is dependent upon money borrowed from money-lenders; and in the case of weaving, on loans from large dealers.

(b) By loan from money-lenders.

(c) Co-operative societies.

(d) By allowing lengthy credit.

(2) (a) In the case of weaving large dealers give advances for raw material and buy the produce. In the case of cheroot-making the same is done in some cases by middlemen.

(b) Persons managing industries borrow money to pay wages and the price of raw materials, and in some cases to purchase machinery and buildings.

(c) Large loans are taken from Chettiers and small loans from other money-lenders, including urban co-operative banks. \* Such security as is available, movable or immovable, is taken. The rate of interest is Rs. 1-8 to Rs. 1-12, except in the case of co-operative bank where it is Rs. 1-4 per mensem. Such loans are in some cases repayable by instalments but not invariably.

(d) It should be possible by formation of societies, or otherwise, for loans to be obtained on the security of the finished product.

303. (1) and (2) No attempt has apparently been made to start a new industry in this locality.

304. Co-operative societies, composed largely of silk weavers and traders in silk goods, were previously formed but failed. Their failure was apparently not connected with difficulty in obtaining capital or loans, but was due to unsuccessful trading.

305. Yes.

(a) It should be co-operative bank.

(b) It should be confined to the supply of working capital.

(c) It should grant loans to societies and not to individuals.

(d) It would require Government assistance.

(e) Nil.

307. (1) (2) and (3) We should be very glad to see such industries started, but have no suggestion to make.

*Bassein District.*

301. (1) (a) Umbrella making, pot making, cigar making and fishing industry.

(b) Rice mill, saw mill, oil mill, small docks and boat making ice and aerated water factories.

(2) Hardly any.

(3) A few agricultural labourers find employment as coolies.

(4) Mill coolies become reapers of paddy during the harvest season. They generally reap and thresh paddy. They are generally outsiders, especially Indians and Arakanese.

302. (1) (a) They borrow from Chettiars.

(b) They borrow from Chettiars except European Firms with large capital.

(c) The only hope of obtaining money is to encourage the capitalists to take an interest in a particular industry.

(d) By charging low rate of interest and giving plenty of time for repayment of loans.

(2) (a) Middlemen collect the produce and make it available for dealers.

(d) Middlemen borrow money for the purpose of purchase of goods.

(c) They also borrow from Chettiars. Movable or immovable properties are taken as securities and sometimes jewellery. The rate of interest is from Rs. 1-4 to Rs. 1-12 per cent. The loan can be paid by instalments or as a whole. These loans are mostly lent on equitable mortgage deeds.

(d) It is suggested that banks might also be able to assist on a smaller rate of interest.

303. (1) No. This does not arise.

304. No. This does not arise.

305. Yes.

(a) Both co-operative and Joint Stock Banks.

(b) Should be confined to working capital.

(c) It should only grant loans to individuals as well as to co-operative societies.

(d) By encouraging depositors in teaching the advantages of co-operation—the only method of obtaining money.

(e) No other suggestions.

306. By assisting in the purchase of machinery for small industries on the security of those machineries, or enabling those engaged in small industries to get the machineries on hire purchase system.

307. (1) Weaving, cane work, bamboo work, wood carving and engraving on metals and for women, embroidery, lace work and knitting. Any of the local industries could be developed if the cultivators would only have the will to do the work. These local industries could employ both agricultural labourers, tenants and owners.

(2) No undesirable effects could possibly be caused by developing these industries. The employment of these industries would undoubtedly reduce crime.

(3) The education of the people by capitalists encouraging the appointment of apprenticeship in the local industries..

*Amherst District.\**

301. (1) (a) Cheroot-making, weaving, ivory-carving, cart-making, boat-building and pottery.

(b) Rice-milling, timber-sawing, rubber-tapping, oil-pressing and ice and aerated water making.

(2) Nothing worth mentioning.

(3) *Omitted*

(4) There are no such industries.

302. (1) (a) In the case of industries mentioned in 301 (1) (a) by own capital and by small loans. In the case of industries mentioned in 301 (1) (b) in normal times by big loans on security. From Chettiar communities and few other money-lenders.

(b) Same as above.

(c) *Omitted*.

(d) They never attempt.

304. No.

305. Yes.

(a) Joint Stock Banks.

(b) Working capital.

(c) To both

(d) On State aid.

307. (1) Cattle breeding and cottage industries. All. Part time.

(2) No. Yes.

*Tavoy District.*

Notes on rubber, tin and wolfram in Tavoy district are given in the supplementary evidence at the end of this chapter.

*Mergui District.†*

301. (1)

(a) Weaving, *ngapi* manufacturing, jaggery, thatch making and mat making.

(b) Timber, rubber, mining and rice.

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\* For notes on rubber in Amherst district, see the supplementary evidence at the end of this chapter.

† For notes on rubber, tin, wolfram and fishing, see the supplementary evidence at the end of this chapter.

- (2) Jaggery—4 months.  
(3) Fishing—9 months.  
(4) Rubber industry and during the rains paddy growing.  
Adults—male and female. They are not.
302. (1)  
    (a) By loans.  
    (b) By loans.  
    (c) By loans on better terms.  
    (d) Omitted.  
(2) (a) Greater part is played in rubber and fishing industry.  
    (b) For advance to their clients.  
    (c) From money-lenders at  $1\frac{1}{2}$  to 2 per cent. interest. No instalment. Jewellery as security.  
    (d) Omitted
303. (1) No. No attempt has been made.  
(2) Omitted.
304. No.
305. (a) Co-operative.  
    (b) Omitted.  
    (c) To individuals.  
    (d) By loans from Government.  
    (e) Nil.
306. The banks to buy all produce and dispose them on reasonable commission.
307. (1) Weaving, cane work, mat making, tiles and shingle making. They will employ all for full time.  
(2) No. Advantages will exceed the disadvantages.  
(3) Not needed.

Toungoo District.

301. (1) (a) Weaving, cheroot making, earthenware making, boat cart, bamboo-mat, bamboo rice-hullers (*kyein*), wood, cane and bamboo furniture ; gold-smith, black-smith, carpentry, masonry, tailoring, slipper making, oil-crashing, coffee-grinding, wood-cutting (sawyer), brick making, lime baking, stone extracting, fishery.  
    (b) Rice-milling, timber sawing, coffee-grinding, building contract, brick making. Cement moulded block brick making, stone extracting.  
(2) Only a few cultivator find a source of income by occupying their spare time in weaving, carpentry, carting, timber extracting, boat and cart making, stone breaking and earth work. They work during the off-season from January to March—wholetime.  
(3) The cultivators (tenants) have not much time even in off season—as they have to collect fuel, materials for their huts and cattle sheds—for their ploughs and agricultural implements, etc.  
(4) Very rarely—only women and girls do transplanting of paddy plants and men for pulling up seedlings and in reaping paddy. They are mostly labourers.
302. (1) (a) By getting advances from their customers, *i.e.* people who buy the finished products from the workers and from the money-lenders.  
    (b) By mortgaging their property, land and houses, etc., and by joint security from the money-lenders.

303. (1) Yes brick making by machinery ; the following industries have not progressed as expected for want of capital :—Soap-making, cement concrete block making, oil-pressing, coffee grinding.

(2) Financial help should be given by Government to deserving new industry.

304. Yes, attempts have been made to form co-operative societies for artisans, but not materialised for want of capital.

305. Yes.

(a) Both, Co-operative and Joint Stock Banks.

(b) Fixed capital.

(c) Only to artisans' co-operative societies.

(d) From Government and from provincial co-operative bank and from depositors.

*Deputy Commissioner, Toungoo.*

303. (2) I am strongly against Government financial help for new industries. In my experience, notably of the Burma Spinning and Weaving Co., an industry which relies on Government support in this country is never likely to stand on its own feet and is more liable to bad management and corrupt dealing than an industry which is independent of Government support.

*Thayetmyo District—Cheroot-making.*

301. (1) (a) Cigar rolling is carried on by some women in their homes at Thayetmyo, Kama and Allanmyo by themselves or with the help of a few persons.

(b) There are no large workshops or factories in this district so far as cigar rolling is concerned, which is only a small industry.

(2) Neither tenants nor owners of land engage themselves in cigar rolling.

(3) When they are not employed in agriculture they engage themselves in making bamboo mats and in cutting fire-wood and also in burning charcoal. Mats so manufactured are bought by local dealers at all the principal riverine stations and exported to Lower Burma. These labourers give whole days to these industries from after harvest till the next cultivating season. But during the cultivating season, they divide each day between agricultural work and their industry.

(4) Persons employed in cheroot making do not engage themselves in agricultural work. People employed in mat making industry engage themselves in agricultural work during the rainy season. They carry on tobacco, sesamum, cotton and paddy cultivation. They are mostly adults of either sex. Yes, they are generally members of the household of persons who are owners of land or tenants.

302. (1) (a) People who carry on cheroot making industry take loans from local money-lenders to enable them to buy their supplies of raw materials at the rates of interest ranging from Rs. 1-8 to Rs. 2-4 per cent. per mensem on pledge of their houses and jewellery.

(b) No machinery or large buildings or other expensive equipment are used.

(c) At present the industry is carried on on a petty scale. If those who are engaged in it, learn the work of their industry properly to enable them to cure tobacco and put suitable flavour and take steps

to do it on a bigger scale, and to find a good market in Rangoon and other big cities, we consider that those who take the finished product from them would be ready to advance money to them, either without interest or at a small rate of interest.

(d) Bankers or money-lenders could help these people by negotiating the sale of the cheroots with big dealers in Rangoon and other big cities.

(2) (a) As in the case of most industries, the middle-man derives greatest benefit. He purchases cigars from the producers and sells them to dealers at other places at a price much higher than that at which he bought them. This industry is, however, in its infancy and has not been carried on extensively. It is confined at present to a few families in Kama, Thayetmyo and Allanmyo.

(b) These industrialists borrow money for the following purposes :—

(i) To buy raw materials,

(ii) and to meet the cost of labour.

(c) Generally from Chettians and other money-lenders on such security as house, garden and paddy lands and jewellery, and also on pro-note. The rate of interest varies from Rs. 1-8 to Rs. 2-4 per cent. per mensem with the nature of security offered. The loans are repaid either in instalments or in lump sums but the one point insisted upon is that interest must be paid regularly.

(d) If cheroot makers at each locality form a society on the lines of co-operative Credit Societies for the sale of their cheroots to big reliable dealers in Rangoon and other big towns through the money-lender or the banker they would be able to get loans easily and on much better terms.

303. (1) and (2) Omitted, as not relating to cheroot making industry, to which the answers in this Chapter are mostly confined.

304. No co-operative societies for artisans have ever been formed in this district.

No attempt has been made to form them.

305. It is considered quite advisable to form a bank for lending money required for carrying on small industries, such as cheroot making.

(a) If a bank be formed, it should be a co-operative bank.

(b) It should be confined to the supply of working capital.

(c) It should grant loans only to artisans' co-operative societies;

(d) It should obtain its own money from central co-operative banks or from local investors.

(e) Nil.

306. If the lender takes the trouble to honestly negotiate with reliable traders at other places for the benefit of these small industrialists without commission or with a nominal commission to cover correspondence charges, and lend out their money on condition that the finished products,—cheroots in the present case—are to be sold through him, the lender will have sufficient security for the money lent out by him and will be quite willing to advance money on these terms. Moreover the producers will get better prices.

307. (1) Cheroot making industry can be developed only in the riverine towns. But mat making industry is common in almost every village in this district and is the principal industry which gives employment to almost all cultivators at seasons when they cannot make full use

of their time in their agriculture. It can be developed if the Agricultural Department would take steps to make arrangements for sale of the finished products direct to the dealers in Lower Burma. This industry would employ all men and women, whether agricultural labourers, tenants or cultivating owners, either for full time or part time.

(2) No undesirable effects would be caused by developing this mat making industry. There are no disadvantages seen. Everywhere forests abound in good healthy bamboos. There is no fear of denuding forests of such bamboos.

(3) Each mat making village should form a society for the sale of the finished products. Such a society can take loans for it from a co-operative bank, for marketing the same.

*Thayetmyo District—Small Cotton Ginneries.*

301. (1) (a) The ginning of cotton by cultivators themselves in their own houses is no longer carried on except in the few houses in certain villages where a small quantity of cotton is ginned by women with implements of primitive forms for their own use and not for sale.

(b) There are three cotton ginneries in Allanmyo, two managed by Indians and one by Japanese. The last one has stopped work now. These mills employ Burmese people as coolies.

(2) Cultivators generally do not work in any of these ginneries. Only landless people from the jungle villages take up employment.

(3) Agricultural labourers do not take up employment in these small ginneries.

(4) The only agricultural work they do is to plough land, clear weeds and assist in harvest. Both adult males and females of landless class work in the mills. They are not members of the households of owners of land or tenants.

302. (1) (a) The Indian mills generally borrow money from Chettiers.

(b) One of the mills was established without borrowed money and one with partly borrowed money.

(c) No improvement can be suggested except by establishment of a bank which is not possible locally.

(d) They cannot help as most of the ginned cotton has to be sold to the premier mill, *i.e.*, Messrs. Steel Brothers.

(2) (a) A number of persons go about in the country and buy cotton and sell it to the mills. They generally go to the mills and have the price fixed before hand and try to get cotton in villages at a price lower than that fixed by the mills.

(b) They borrow money for the purpose of buying cotton to sell at a profit to the mills.

(c) They borrow from money-lenders including Chettiers on security of either movable or immovable property. There is fixed instalment. The loan is repaid according to the convenience of the borrower.

(d) The establishment of a bank which is not possible locally.

303. (1) No attempt has ever been made in Allanmyo Subdivision to start a new industry.

304. No, but a urban co-operative bank was established here some seven or eight years ago and it has failed now.

305. It is advisable to form a bank for lending money for small industries.

(a) It should be a joint stock bank.

(b) It should supply fixed capital.

(c) It should grant loans to individuals.

(d) If Government would control the bank nearly all wealthy persons of the towns and probably villages are likely to deposit their money.

(e) No other important suggestion can be made.

306. No other plan so far as cotton ginning industry is concerned.

307. So far as this subdivision is concerned cultivators have no time for doing any industry after their harvesting work is over because they have to collect fuel for the coming season and cut jungle or prepare the land for the next working season. They have barely a month's rest before they start operations for the next cultivating season.

*Separate note on Small Ginneries in Allanmyo Subdivision by  
the Subdivisional Officer, Allanmyo.*

There are three small ginneries, one with eight gins, one with 20 gins and one with 28 gins. The last one is owned and worked by a Japanese Company and the other two by Indians. The smallest ginnery worked here under the management of an Indian is owned by an Indian of Rangoon who established it with his own money. It is said that it has been worked without borrowed money. The other Indian mill was established partly with the manager's own money and partly with borrowed capital. It is also worked partly with money borrowed from Chetties. One of the Indian mills and the Japanese mill are also provided with oil presses. In this subdivision 1,500,000 viss of cotton approximately is produced annually. Of this about five-eighths goes direct to Messrs. Steel Brothers' mill. The remainder is shared by these three small mills of which two Indian mills sell their cotton to Messrs. Steel Brothers generally. They also sell the seed to the same firm. Out of 12 months these small mills are occupied in cotton ginning only for about two months. It is said that the quantity of raw materials secured by them is so small to press groundnut for oil which is carried on on a fairly big scale. Thus cotton ginning in these mills is some-what like a subsidiary industry. The bigger of the two Indian ginneries which has no oil press used to buy cotton from Thayetmyo and other places also, but the quantity obtained is not large enough for a whole year's work. It is now adding an oil pressing groundnut for oil.

These three small ginneries do not deal direct with cultivators in buying raw material. There are middlemen who get the managers of the ginneries to fix the price they are prepared to pay and then these men go about buying raw material in jungle villages at a price lower than that fixed by the mill managers, thereby making profit for themselves. These small mills do not make advances of money to them. They pay for the raw material on delivery in their premises.

All these three mills employ Burmese labour supplied by the landless working class of Allan and Ywataung. A very small percentage is supplied by people of villages in the jungle.



*Minbu District.*

301. (1) (a) Weaving.  
(b) Rice-milling.

(2) No particular subsidiary occupation except cottage industries of sorts carried on by female members of family. Paddy cultivators of irrigated tracts have hardly any spare time for other works as they have to do canal preparation work early before the cultivation season begins. Ya cultivators near towns sell firewood during spare time and get a little extra income from the same.

(3) Agricultural labourers have about three months' spare time in a year and they do odd cooly jobs during the period.

(4) Persons employed in industries do no agricultural work.

302. (1) (a) Blanket weaving at Sinbyugyun. Money is borrowed from Chettiars at rates of interest varying from Rs. 1-8 to Rs. 2 per cent. per month to buy raw materials. Sometimes raw materials are bought on credit from Indian and Chinese yarn dealers at a higher price than cash price.

(b) Rice-milling. About half of the outlay for building mills is borrowed from Chettiars at above rates of interest.

(c) No suggestion can be given.

(d) No suggestion. Probably bankers and money-lenders could render no help to the people to get a better price for their produce.

(2) (a) No middlemen worth speaking of.

(b) }  
(c) } These questions do not arise for the above reason.  
(d) }

303. (1) Some rice mills have failed and some are failing owing to high interest and slump in rice trade.

(2) Co-operative or Joint Stock Banks aided and supervised by Government should be established to lend out money at cheap interest.

304. Nil.

305. There are no small industries requiring the help of a bank.

306. For the above reason this question does not arise.

307. None can be thought of.

*Magwe District.*

301. (1) (a) Weaving, cheroot making, lacquerwork, cigar making, pottery, cattle-breeding, mat weaving, silk-worm rearing, jaggery boiling, basket weaving, pounding tobacco stalks, fishing, oil pressing, timber sawing, thatch-making, pillow and mattress making.

(b) Oil pressing, timber mill.

(2) Oil pressing, weaving, pounding of tobacco stalks. These industries generally occupy the cultivators' time about three to four months in a year.

(3) In oil pressing industry, persons who are principally agricultural labourers find employment when they are not employed in agriculture. Yes, these labourers give whole day to the industry.

(4) In thatch making, weaving, silk-worm rearing, mat and basket weaving, in weeding and harvesting of crops. These persons are generally adults and juveniles of both sexes. They are not generally members of the households of persons who are either owners of lands or tenants.

303. (1) No attempt has ever been made.  
(2) No suggestion to offer.
304. No co-operative society for artisans has been formed in our locality, nor has any attempt been made to form them.
305. It would be advisable to form a bank.  
(a) It should be a co-operative bank.  
(b) It should be confined to the supply of working capital.  
(c) Loans should be granted to individuals.  
(d) By receiving deposits.  
(e) Nil.
306. No answer can be given.
307. Oil pressing and weaving industries can be developed. Artificial manure manufacturing industry should be started. Agricultural labourers, tenants and cultivating owners would be employed for part time.  
(2) No undesirable effects would be caused by developing these industries. In our opinion the advantages would exceed the disadvantages.

*Report of the Mattress and Pillow Industry at Salè (by Subdivisional Officer, Magwe).*

301. The mattresses and pillows are made at home by the women. It is a whole time work. Those engaged have no other occupation.

302. (1) (a) The cloth for the mattresses and pillows is bought on credit from the local shop-keepers; cotton, when used, is bought in very small quantities at a time for cash. The cash is obtained from the sale of the finished articles.

(b) Machinery is not used.

(c) and (d) The persons engaged in the industry have a wholesome fear of running into debt and prefer to sell their articles before buying fresh raw materials. They are also very cautious about executing large orders and sending their goods elsewhere for fear of not being paid. A bank might help here if it could guarantee payment for orders executed; it could further finance the makers so that they need not have to wait to sell their goods before buying new raw materials. The makers would be willing to make larger quantities on such terms.

(2) (a) No part at all is played by middlemen now. Formerly, before the industry was taken up elsewhere and was in consequence more flourishing in Salè, orders came in large quantities from Rangoon and Mandalay and were executed through middlemen. The pillows and mattresses are now made in Rangoon and Mandalay and these orders are now no longer executed.

(b)  
(c) } Do not apply.  
(d)

304. None has been formed, nor has any attempt been made to form any.

305 & 306. It is to be noted that the credit system by which the makers obtain their cloth raises the prices of the cloth about annas four in Rs. 6. Credit is given for as long as three months on these terms. The consensus of opinion among the makers is that without a greatly

enlarged market for goods, a bank would be of little use to them. At present the makers sell their own goods by taking them to steamers that come in; no attempt is made to push the market elsewhere. The industry is now widespread and as a consequence there is only a very local sale for the goods in Salè. The fear of the makers that they might not be able to pay back money borrowed is very genuine and the sub-committee is of opinion that it would be inadvisable to form a bank for lending money.

307. It is to be noted that in Salè Township land is double cropped and that the time of cultivators is fully occupied by agricultural work.

The average profit in the mattress and pillow making industry is about 15 per cent. and the average emoluments about Rs. 15 per mensem. This is supplemented by the earnings of the husbands. The industry is not an adjunct to agricultural work and is at present essentially a home industry in Salè.

The prices of the articles sold are as under :—

		Rs. A. P.		Rs. A. P.
Mattress, small	...	Ondwe* 1 5 0	Cotton	3 0 0.
Mattress, large	...	Ondwe 2 0 0	Cotton	4 0 0.
Pillow	...	Ondwe 0 4 0	Cotton	0 8 0 to As. 12
Pillow, folding	...	Ondwe 0 5 0	to As. 6 or made only to order.	

The sub-committee is of opinion that the industry in Salè would be better left as a home industry.

*Note on the hand-dug well industry (by Mr. E. G. Pattle, Warden of the Burma Oil-fields).*

In the Yenangyaung Oil-field there are certain areas divided into separate sites within which it is fairly certain that a hand dug well will obtain oil.

The cost of a site varies from Rs. 3,000 to Rs. 10,000. The well is dug either by a contractor or by labour supervised by the owner. If water or hard rock is encountered, the cost will increase considerably. A contractor's well will cost not less than Rs. 13,000 and may cost more than that sum. A well dug under owner's supervision will cost from Rs. 4,300 to Rs. 10,000. The digging will take from 12 to 24 months.

A well is usually dug on behalf of a person who already owns the site. For this reason the cost of the site may be left out of calculations. Another reason is that, as will be seen, the cost of both purchasing and digging a well on borrowed money would be prohibitive. The production of a well when complete varies considerably. It may be almost nothing. Wells exist on which a loss is made. The proceeds of oil do not meet working expenses. Such wells are kept going because abandonment will mean damage by water and finally the loss of the well, involving expenditure in filling up the hole as required by the Burma Oil-Fields Rule.

The cost of bailing a well varies. The most important item is the quantity of water in the well. To bail this may cost as much as Rs. 250 per mensem.

The price of oil at the shore varies from Rs. 9 to Rs. 13 per 100 viss. It is now Rs. 11.

\* Ondwe is coconut-fibre.

The following is a favourable example, production being 100 viss per day and worth Rs. 330 per mensem :—

				Rs.
Cost of bailing	...	...	...	20 per mensem.
Royalty	...	..	...	15
Cart hire	...	...	...	18
Brokerage	...	...	...	6
New tins, ropes and pots	...	...	...	18
			Total	77

This is for a well producing no water and situated where a cart can get to it. If the well were inaccessible, carriage to cart would cost Rs. 22.

On the whole, the monthly expenses of the well cannot be safely taken at below Rs. 100.

Profit is therefore Rs. 230.

Double the production would mean double the cost and profit would be Rs. 460 but cost of bailing water might wipe out the whole of the increase.

It is clear that if the well is dug with the owner's capital and there is no interest to pay on borrowed capital, the capital cost will be paid off within a calculable period varying with the capital cost, production and absence of water. Once the capital is paid off, there is a definite monthly profit. It is essential to success that the capital cost be paid off within a definite period. The rate of production invariably declines and costly repairs to the well became necessary at some date or other. But if borrowed money is used, the case is otherwise. The money will be borrowed in instalments as required but at the end before there is any production, the debt will be at least Rs. 5,000 and may be twice or thrice that sum.

A well known twinsa may get from a Chettyar up to about Rs. 1,000 without any security. But above that he will have to pledge gold jewellery, house property or a well site. The most favourable rate of interest is Rs. 1-8-0 per mensem. The rates will often be higher and borrowing from other Burmans is usually more expensive than borrowing from the Chettyar.

The most favourable case of a well on borrowed money will thus work out :—

				Rs.
Monthly profit as above	..	...	...	230
Interest on Rs. 5,000 per mensem	...	...	...	75
			Balance	155

Assuming that the well owner desires an income approximately equal to that of a junior clerk, it will take him two or three years to pay off the principal. Ordinarily, it would not be safe to expect so favourable a result. The profit might easily be wiped out by the interest with the result that the principal would not be paid off. Even if the interest were reduced by 50 per cent. the risk of the enterprise not being successful is considerable.

It is therefore scarcely possible to make any suggestions for the improvement of the banking system in Yenangyaung in relation to the hand dug well industry.

*Pakokku District.*

301. (1) (a) The following industries are carried on in this district. (1) Weaving, (2) Cheroot making, (3) Metal work, (4) Sandal ၈၆း၁၁၆း making, and (5) Pha (ခ), bamboo-basket) making.

(b) (1) Oil pressing, and (2) Timber sawing (3) fodder chopping and (4) Thanatkha ၁၃း၁၁၆း face-powder) grinding.

(2) Tenants and owners of land very rarely find a source of income in any industry but a very small number of small land owners do "pha" making for about three months in a year.

(3) No agricultural labourers ever find employment in any industry.

(4) Those who carry on industrial labour never do any occasional agricultural work.

302. (1) (a) Those who carry on weaving, cheroot making, slipper making, oil pressing and timber sawing have to borrow money to buy their supplies of raw materials and those who carry on metal work have to buy their supplies on credit. The rest industries could be carried on with one's own capital.

(b) No machinery, large buildings or other expensive equipment are used.

(c) No improvement can be made in the existing ways of obtaining money but if each kind of industry could be supplied with capital by those who trade in such industrial produce, then the capital could be obtained without interest and the produce could be made over to them at market rates to pay back the capital.

(d) Bankers and money lenders could help the industrialist to get a better price for their produce by not pressing for the debt when the market is down or by advancing more money till the market is up.

(2) (a) The middlemen and large dealers generally stock the produce till its season arrives when better price are obtained.

(b) To buy in the produce.

(c) From money lenders on interest. In some cases security in the form of gold and jewellery and immoveable properties is given and the rate of interest charged is Rs. 1-8 per mensem on security and Rs. 1-12 per cent. per mensem without security. Loans can be repaid in instalments or in one lump sum.

(d) No improvements can be suggested.

303. (1) No attempt has ever been made.

(2) Not necessary to answer.

304. No attempt to form co-operative societies for artisans has never been made.

305. It would be advisable to form a bank for lending money required for carrying on small industries.

(a) It should not be co-operative bank as the one that existed at Pakokku has failed very recently.

(b) Working capital should be supplied.

(c) Loans should be generally made to artisan's co-operative societies.

(d) By sale of shares and also from deposits.

(e) Loans should be made to individuals on sufficient security.

306. No other plan could be suggested.

307. (1) No new industry could be suggested. The rest is not necessary to be answered.

*Myingyan District.*

301. (1) (a) Lacquer work, weaving and pottery.

(b) Cotton ginning, oil pressing and timber sawing,

(2) They are engaged-in pottery and weaving. This occupies them for about three months in a year.

(3) These agricultural labourers do not, as a rule, take to any industry. They try to get themselves engaged in other works as labourers. Their work, being cooly work throughout, an answer to the second part seems unnecessary.

(4) Potters do agricultural work at special seasons of the year. They do cultivation work. This applies to all classes of people ; male female, adults and juveniles. They are generally members of the households who are tenants.

302. (1) (a) For lacquer work, they carry on their own business with their own money generally. Weaving is done on an extensive scale. For pottery and weaving no outside money help is really required. In small ginneries and oil presses sometimes raw materials are obtained on credit and sometimes they are bought with money borrowed from money-lenders.

(b) They are bought with the money borrowed from money lenders and from bankers.

(c) From various considerations, loans are not readily made on the security of land. If arrangements can be made to obtain money on landed property, at moderate rates of interest, business in this direction is likely to be developed.

(d) The bankers and money-lenders can help these people by not pressing the repayment of loan at the time when the price is low, and taking the goods as security for the money lent in the meantime.

(2) (a) In pottery, weaving, lacquer work and sawmilling, middlemen and large dealers play a very small part. In ginneries and oil presses large dealers buy up the produce for export, and the middlemen as commission agents and brokers sometimes serve as connecting link between producers and large dealers who are resident elsewhere.

(b) Money is borrowed for buying raw materials and for paying wages to the labourers.

(c) Sometimes they borrow money at interest and sometimes they take loans by way of advances for supplying produce at a specified price and at a specified time. They are paid out usually on personal security. All local money-lenders charge  $2\frac{1}{2}$  per cent. per month, while the Chettyars' rate is Rs. 1-12 per cent. per month. They are usually repaid in full before the working season is over. They are received by instalments during the period.

(d) What really is required is easy credit and cheap loan. The remedy may possibly lie in an arrangement whereby the money-lenders may be able to advance money on the security of the produce stored.

303. (1) and (2) No.

304. A weaving society on co-operative line was formed but failed not for want of obtaining money but for not being able to compete successfully with articles manufactured from elsewhere.

305. Yes.

(a) In the present conditions of this District, a Joint-stock Bank is likely to be more successful than a co-operative Bank.

(b) It should supply a working capital.

(e) Those who have no landed property should not be granted loan unless they form themselves into co-operative societies. Others with immoveable property should have loans on their own security.

(d) Money should be obtained from shares.

(e) No.

306. No other suggestions.

307. (1) Weaving and cattle breeding should be developed to give employment to cultivators. Labourers can be employed full time and tenants and needy cultivating owners may be employed part time.

(2) No.

(3) No other arrangements can be suggested.

#### *Myitkyina District.*

For notes on the jade, amber and rice industries in Myitkyina district, see the supplementary evidence at the end of this chapter.

#### *Shwebo District.*

301. (1) (a) Weaving, lacquer work, cheroot making, pottery, bamboo mats and matting (rough mats), pha making, wooden combs, rosaries, carts and wheels, oil-pressing; jaggery manufacture; carpentry.

(b) Rice-milling; timber sawing, oil pressing (at Paukkan).

(2) (a) In making jaggery, bamboo matting and mats, salt boiling  
(b) Jaggery—December and January. Bamboo mat making—March, April, May.

Jaggery is made in Wetlet, Kin-U, Tabayin and Thaze Townships

Bamboo mat-making is done in Kanbalu, Kyunhla and Ye-U Townships.

Salt boiling is done for eight months of the year near Halin in Wetlet Township. It is not done in wet months, *viz*, June, July, August, September.

(3) (a) Same as (2), *supra*. (b) give whole days to the industry do not divide days

(4) None.

302. Note.—The small rice milling industry and pottery industry only are dealt with in this reply.

*Rice Milling.*—

(1) (a) Half use own money and the other half borrow money from Chetties at Rs. 1-8-0 per cent. per mensem,

(b) As above.

(c) Establishment of banks, charging lower rates of interest.

(d) Bankers could help by putting them in touch with importers in other countries. Money-lenders could help.

(2) (a) They buy paddy through brokers who get Rs. 2 per 100 baskets as commission, irrespective of market price. Sell rice direct to large dealers (Indian firms) in Rangoon—middlemen employed, fifty per cent of product is taken by these Rangoon dealers and 50 per cent. sold locally or to traders from Myingyan, Pakòkku, Meiktila, Sagaing, Mandalay and Monywa. These traders come to Shwebo themselves to buy. Some Shwebo millers go themselves or send out agents to seek customers.

(b) None is required.

(c)—(d).

*Pottery* (Kyaukmyaung Village Tract, on Irrrawaddy)—

(1) (a) 50 per cent borrow money at 3 per cent. per mensem from ordinary local money lenders (Burmese) in Kyaukmyaung and neighbourhood. 50 per cent take advances from pot traders who come up the river in boats and advance Rs. 200 per 100 Pegu Jars (Sin-o). The agreed price is usually Rs. 250 or 300 per 100 jars)

(b) Nil.

(c) No improvement possible as no security in the form of land to offer.

(d) Could not help.

(2) (a) There are no middlemen. Large dealers come in boats and buy the pots for which they have given advances *o-pe* cf *saba-pe*. The whole industry depends at present on these large dealers in Pegu Jars. Very few potters sell their own wares independently.

(b) None required.

303. No attempt has been made to start any new industry.

304. There is one Co-operative Potters Industrial Society with headquarters at Shwegun, in Kyaukmyaung village tract, in charge of the Superintendent of Cottage Industries, Burma. It was started three or four years ago and is not flourishing. There was no difficulty in finding the money required as the amount was advanced partly by the provincial Co-operative Societies Central Bank and partly by the Superintendent of Cottage Industries under the Agricultural Loans Act.

Three Credit Societies of potters were also formed a few years ago but they are now in liquidation, because the members have persistently failed to repay loans. The reason for this is that their profits are insufficient. One hundred Pegu Jars cost Rs. 221 to produce, but the price obtained is seldom more than Rs. 200. It is hoped that the industry will be helped in the near future by being given contracts by the Public Works Department for Mangalore tiles and drainage pipes.

305. Not advisable so far as Shwebo District is concerned, as there is no hope of raising money from the public locally. An attempt was made eight years ago to start a District Co-operative Bank to finance agriculturists but only Rs. 5,000 were subscribed (at Rs. 100 per share) It was intended to make loans to societies at 10 per cent per annum, but the Bank was closed as a failure after six months.

307. (1) No subsidiary industries need be started or developed as those already in existence absorb as much of the cultivators' spare time and energy as they are able or disposed to give to him.

*Sagaing District.*

301. (1) (a) Lacquer work.

(b) Cotton ginning.

(2) In cotton mills about five months a year.

(3) Agricultural labourers are employed in the cotton mills for whole days.

(4) None.

302. (1) For lacquer work.

(a) By taking advances from traders.

(b) No.



- (c) By loans from Government.  
(d) Not possible under the present conditions as these artisans are generally people without any assets at all.
- (2) (a) By advancing money and taking goods at their prices.  
(b) For raw materials and *wunsa*.  
(c) Money is obtained from traders, but not in the nature of loans. They are advances to be repaid in kind (finished goods).  
(d) By Government granting loans through the Artisans' Societies.
303. No.  
304. Yes. The difficulty met is due to their inability to repay old loans.  
305. Not advisable as the industry is small.  
306. No suggestion can be made.  
307. None as cultivators here are generally occupied with their legitimate work throughout the year. No answers arise for (2) and (3).

*Katha District.\**

- 301 (1) (a) Precious stone cutting and polishing.  
(b) Saw Milling. Rice Milling.  
(2) Fuel and timber cutting and carting of paddy and timber, mine, road and railway coolies.  
(3) Two or three months. The extraction of forest produce in the dry season. Usually employed for a month at a time.  
(4) In fish catching and timber extraction industries. They do island crops and paddy. Males and females both adults and juveniles.
- Yes.  
302. (1) (a) Stone cutters do not require raw materials. They simply do hired jobs.  
(b) Machinery is home made.  
(2) (a) In timber trade the broker plays an important part. He advances money. Village traders have no direct dealings with large dealers. So also is the case with fishery work.  
(b) For paying royalties and wages of the workmen.  
(c) The money is borrowed from Chettiers in Mandalay through brokers in the case of timber trade. The security is the promise to sell the timber to the brokers. The rate of interest is 2 per cent. or 3 per cent. per mensem. At times loan is paid by instalment but generally it is a first charge on the sale proceeds of the timber.  
(d) Vast improvement can be made by establishing branches of Joint-Stock Banks in important centres of industry.
303. (1) No attempt has been made.  
304. No. No. No.  
305. Yes. (a) A Joint-Stock Bank.  
(b) Working capital.  
(c) To individuals.

*Katha District (Kawlin and Wuntho Sub-committee).*

301. No industries of importance are carried on here, except in few houses weaving is done by women in their houses for their own

\* For notes on the ruby and timber industries in Katha district, see the supplementary evidence at the end of this chapter.

requirements. These are also very few as they get their supplies from the market.

No co-operative society for artisans has ever been attempted or formed.

*Deputy Commissioner, Upper Chindwin.*

301. (1) (a) Weaving.  
(b) Rice-mill.  
(2) None.  
(3) Rice-mill. Whole day.  
(4) Weaving. Cultivation. Female adults. Generally members of persons who are either owners of land or tenants.
302. (1) (a) People do weaving with their own money.  
(b) Machinery not used.  
(c) Does not arise in view of answer to (a).  
(d) Same as (c).  
(2) (a) Very little part is played.
303. (1) A Rice-mill was started at Mingin Town, which is the headquarters of the Township of that name, but it could not be run on account of difficulty in obtaining capital.  
(2) To give loan to the owner.
304. No.
305. Weaving is carried on individually on a small scale. There are two rice-mills in this district. One at Kalewa belongs to a wealthy Chinaman living at Mõnywa and the other at Mingin—is not run for want of capital to buy raw material. I do not think advisable to form a bank in this district for lending money to these industries.
307. (1) Rice-mill. Agricultural labourers for part-time.  
(2) No.  
(3) None.

*Lower Chindwin District.*

301. (1) The categories of occupation in this district are given on page 120 of the Gazetteer.

- (a) (1) Weaving—Throughout the district.  
(2) Pot making—Salingyi Township.  
(3) Salt boiling—Salingyi Township.  
(4) Mats—Salingyi Township.  
(5) Cheroot making—Salingyi and Budalin Townships.  
(6) Lacquer—Mõnywa and Budalin Townships.  
(7) Saddles—Mõnywa Township.  
(8) Slippers—Mõnywa Township.  
(9) Combs—Mõnywa Township.  
(10) Brass—Mõnywa Township.
- (b) There is one oil pressing mill at Salingyi and one saw-mill at Paungwa, in which fifteen and ten persons are employed respectively.

In Mõnywa there are 3 oil pressing mills, 2 wheat mills, 4 rice mills, and 2 timber saw-mills.

(2) No industries. Some work as cartmen, carpenters, fuel cutters, or at household weaving and pot making.

The amount of time occupied depends entirely on the agricultural season experienced.

(3) As for (2).

(4) Those engaged in industries 4 to 10 above are whole-time workers and do no agricultural work.

302. (1) The system of financing industries No. 4—10, under question 301(a), is the same in all respects.

The actual workers receive in most cases raw material in kind from "the middle-man" *i.e.*, financier. From the material received they are expected to turn out a fixed number of articles. The financier keeps an account and on furnishing material, he debits the worker on paper with the cost. Only small amounts are issued at a time if the worker is provided with funds for procuring materials. The profits of the workers consist of the surplus articles made from the materials. These are purchased, as a rule, by the financier himself, and the usual average earnings of a worker are from five annas to a rupee, according to his technical qualifications. Each financier has from 25 to 50 employees at work in their houses. There is little or no retail selling by the workers themselves who are all working to order.

There has been some development in the lacquer, comb, and oil pressing industries in the last 20 years, owing to reduced agricultural profits.

The "Middle-men" or financiers in most cases work on their own capital and rarely have more than Rs. 1,000 to start with. A man with Rs. 1,000 in a good year can hope to be worth Rs. 1,200 at the end of it.

Where the "middle-men" or financiers borrow the rate is from Rs. 2-8-0 to Rs. 5 per cent. and most of the loans come from Burman money lenders.

The "Middle-men" sell sometimes in bulk to agents from Mandalay, but for the greater part do their own selling, taking their stocks to Mandalay, or down the Irrawaddy.

Their normal profits to anyone who knows the cost of manufacture is about 10 per cent. on the article. They hope for fancy prices from the ignorant, and sometimes get them.

There is a good deal of a gamble about the disposal of their stocks and it is not uncommon for a "middle-man" to have to dispose of his stock at a loss owing to a poor demand.

No proper accounts of their business are kept up, and as each "middle-man" has his own employees and his own places for and methods of disposal, there is little competition between the "middle-man" and little variation in the prices paid for production.

Of the industries 1 to 3 mentioned above, weaving and pot making are carried on for domestic purposes and the salt boiling is on so small a scale as not to deserve particular mention.

(b) In the case of mills, where the owner is a man of some reputation and standing and known to the Chettiar, he can obtain money on pro-note for building, combined with a mortgage on the buildings and machinery he erects, at a rate varying from Rs. 1-8-0 to Re. 1 per cent., per mensem, according to the principal.

In the case of all mills in Môngywa, except one, the initial capital is provided by one man.

One Chinese Saw-mill at Alon was started on a Company basis, but no Company was registered.

(c) It would appear that only some 2 per cent. of the actual workers in the small industries mentioned, are actually in debt to their financiers, and until there is better cohesion in marketing, nothing can

be done in the matter of improving the system of finance. The present margin of profit of the actual worker is so small that he can rarely afford to start business on his own.

(d) The only theoretical remedy for the smaller industries is the formation of Co-operative Societies.

In the case of the mills, the existing system of Chettiar financing is adequate.

The idea of a bank appeals in theory to those whom I have consulted, but a bank is generally understood to be an institution which lends money out on low rates of interest and does not press for repayment. Hence its popularity.

(2) I do not think anything need be added to the answer for 302(1).

303. (1) No.

304. No. The idea of forming Co-operative Artisan Societies for the Lacquer Industry was mooted by U Pu, when Forest Minister, and U May Oung, when Home Member on the occasions of their visits to the district. There has been little enthusiasm for societies which finance themselves. I am told that the members of the Rural Co-operative Societies raised considerable objection to the formation of artisan societies, because, in fact, they did not want their own supply of money from Co-operative Banks to be reduced. In certain cases those who raised opposition were the "middlemen" or financiers, referred to in question 302 above.

305. In my opinion, it would not be advisable to form a bank. The impression of the people whom I consulted was that a bank would be useful.

(a) Joint-Stock. Because the name of Co-operative Bank is much at the moment what a Joint-Stock Bank is, the question is not really understood.

(b) Working capital.

(c) To individuals.

(d) From Government. Government appears to be understood as having an illimitable purse.

(e) No suggestions.

My own opinion is that any aid to financing the smaller industries in this district can only come from a genuine demand for and appreciation of the principles of Co-operative Finance and Sales Societies. I do not see, however, how any bank could satisfactorily finance the small number of industrial workers that are in the district and run at a profit.

306. The Committee of Pale Township was of the opinion that Co-operative Artisan Societies would be in a position to finance the formation of a bank provided that an Extra Assistant Commissioner or Myoök, well up in Treasury work, were lent for its control. Their impression was that the failure of Co-operative Societies was not due to the actual difficulty of repayment, but to the lack of control. They did not consider the incidence of agricultural loans to be heavy and stated that owing to the strict way in which they were controlled, there was no difficulty about their being repaid, nor was there any real hardship. The members of the Môngywa Committee, however, plumped emphatically for Government money owing to the failure of the two Co-operative at Môngywa, with consequent losses to depositors and share-holders.

307. The only suggestions I received in this connection were that stone quarrying might be started near Thakutane village, in Budalin Township and that a school for the encouragement of cottage industries be started in the district. I cannot comment personally on the first proposal, as I have not been to Thakutane. With regard to the second, my experience in the matter of trying to persuade pupils to attend weaving schools, some seven years ago, when the opening of these schools in the district was being pushed, leads me to think that a school of industries would not be well attended. Furthermore in this district, where house-hold weaving is common, I could find no interest on the part of the Township Committees in the Amarapura School of Weaving.

The chief occupation of the people in this District is cultivation and cultivation of a variety of crops so that the need for giving the agriculturist additional occupation during his leisure time is not pressing.

*Burma Indian Chamber of Commerce.*

305. My committee are not in favour of setting up a new bank for financing rural cottage industries. Credit for industries which the cultivator can carry on in his spare time should be provided by the same agency which supplies his agricultural finance, viz., the co-operative society. The society knows him intimately and is able to assess his worth and ability to repay. As the accommodation, in a number of cases, will depend on the personal security of the borrower, it will be preferable to give a charge on industrial products in favour of the co-operative society.

*Notes on certain small industries in the Lower Chindwin District, by U Mya and U Ba Maung, members of the Provincial Committee.*

(a) *Lacquer-ware* making is carried on chiefly at Kyaukka and Mondaing and also in Mōnywa Town. At Kyaukka about 14 miles from Mōnywa there are about 150 houses in one part and 250 in another. Fifty of these houses have work-shops and most of the inmates of the other houses are employed by these shop owners in their lacquer-ware business so that very few of the villagers are cultivators. There has been decline in this industry due to foreign competition and the consequent decrease in demand. Bamboo as well as lacquer enters into the composition of lacquer-ware. Hundred viss of lacquer costs about Rs. 250 and 100 bamboos cost about Rs. 10. The finished articles are sold for cash to buyers from Mōnywa and Mandalay and at pagoda festivals. A man needs about Rs. 1,000 to 5,000 to set up a workshop. Those who have no capital of their own borrow money from the Chettiars on the security of gold or immoveable property at rates of interest varying from Rs. 1.5 to Rs. 2 per cent. per mensem. About 25 to 45 labourers are employed in each workshop. At Mōnywa where there are about half a dozen shops the number of labourers per shop is from 5 to 20. The working season extends from June to October. Formerly a male labourer was paid Re. 1 to 1.25 a day and a female labourer was paid 12 annas to Re. 1 a day; but now the daily wages of male and female labourers are 10 annas and 6 annas respectively. Lacquer is bought on credit from Mandalay; the price is raised by about 25 per cent. and has to be paid at the next purchase.

(b) *Brass work* is carried on at Indaing and Kyehmon within Môngywa Township. Money borrowed from local money lenders at Rs. 2'5 per cent. per mensem on the security of movable or immovable properties forms the capital of the brass workers.

(c) *Stone-carving* is practised on a small scale at Phowindaung in Yinmabin Township. The work is confined to the making of religious images. As it is the practise for buyers to pay prices in advance the workmen need no capital of their own.

(d) *Wooden slippers and Burmese saddles* are made at Kyehmon about 10 miles from Môngywa on the Môngywa-Sagaing rail line. The village is made up of over 400 houses of which 200 are engaged in saddle-making and about 100 in slipper-making. Sales take place either on the spot for cash or at other places in Burma to which people are sent to collect the prices. The price of a Burmese saddle varies according to quality from Rs. 6 to Rs. 25 and wooden slippers are sold at Rs. 15 to Rs. 20 per 100 pairs. A capital of Rs. 200 to Rs. 300 is sufficient for the purpose of carrying on this business. Some work with their own capital while others work with money borrowed from local money lenders on security or otherwise at Rs. 2'5 per cent. per mensem interest. About 4 or 5 persons in Môngywa Town carry on slipper-making near the municipal bazaar with their own capital.

(e) Weaving is carried on a small scale in Môngywa Town and on a large scale in Kani and Budalin Townships mostly on primitive lines. Foreign competition has caused a decline in this industry.

No progress or improvement in these small industries can be expected unless the Burmese people themselves accord sufficient patronage to the manufacturers and give up their preference for foreign goods.

*Mr. P.L.L.N. Narayanan Chettiar (Pyapôn).*

301. (1) Only Rice-milling.  
(2)—(4) No industry at all.
302. (1) (a) They obtain money from Dawson Bank and Chettyars.  
(b) Usually their own money or they take on creditor from European Firm in Pyapôn.  
(c) Cannot suggest.  
(2) No practice of employing middle men in this district.
303. No attempt.
304. No.
305. Yes ; it and be advisable to from bank for lending money to carry on small industries.  
(a) Co-operative Bank.  
(b) Working capital should be given.  
(c) Should grant loans to Artisans' co-operative societies.
306. None.
307. (1) Weaving is the most important ; this would employ all classes of agriculturists.  
(2) No undesirable effects.

## SUPPLEMENTARY EVIDENCE OF CHAPTER III.

### NOTES ON THE FINANCING OF CERTAIN INDUSTRIES.

The financing of some other industries has been described in the course of evidence recorded earlier in the chapter ; the descriptions are indicated below and will be found in the evidence of the districts mentioned.

- Fishing in Akyab District.
- Cheroot-making in Thayetmyo District.
- Small cotton ginneries in (a) Thayetmyo District and (b) Allammyo Subdivision (Thayetmyo District).
- Mattress and pillow-making at Salé (Magwe District).
- Hand-dug oil-wells at Yenangyaung (Magwe District).
- Small rice-mills in Shwebo District.
- Pottery at Kyaukmyaung (Shwebo District).
- Miscellaneous small industries in Lower Chindwin District :—
  - (a) Note by the District Committee.
  - (b) Note by U Mya and U Ba Maung.

The industries which are noted upon in this supplement are as follows :—

- Section I.—Rubber Growing.
- II.—Tin and Wolfram Mining.
- III.—Fishing (Mergui, Insein and Maubin Districts).
- IV.—Jade, amber and rice in Myitkyina District.
- V.—Rubies and timber in Katha District.

### Section I.—Rubber.

*Deputy Commissioner, Amherst.*

The cultivation of rubber in this district is carried on by well-to-do persons with their own money and there only a very few persons who do so by raising money by the mortgage of their landed properties to local well-to-do people on interest ranging from Rs. 1-8-0 to Rs. 2 per cent. per mensem.

*Deputy Commissioner, Tavoy.*

4. As regards the rubber industry I attach two notes prepared by certain gentlemen who are themselves interested in this industry. Here again the initial expenditure is usually met out of savings obtained from the profits of general trading, rice-broking etc. The maintenance of a rubber estate during its growing year is not very costly but this frequently proves too much for the Burman owner who has to borrow money at a high rate the most usual being 1½ per cent. per month.

5. When money is borrowed either for rubber or mining, it is usually borrowed not from the joint stock bank or from Chettians but from Chinese or Burman money lenders. These money lenders are usually men who are using their profits from trading in other business.

## First Note.

In Tavoy, except for two companies, the Tavoy Rubber Company at Thaug-thonlon and the Egani Rubber Company at Egani, which are financed and managed by Europeans, the rest of the area under Rubber, perhaps about 3—4000 acres is in the hands of Burmans who each own from 15 to 900 acres. These private owners sell their rubber to 3 to 4 Chinese buyers who export the produce to Penang. The Chinese buyers offer a price which prevails in Penang after deducting their profits, freight and insurance. The private owners are not in a position to export direct to Europe or America nor are they connected with exporting firms. When the price of rubber is 12s. or Re. 1 per pound the industry would be a paying one but if the price falls below 8 s. per pound the industry becomes a struggling one. At 6 s. per pound the private owners find the Government land revenue of Rs. 3 per acre a mill-stone round their necks.

About 1922 when the industry was suffering from a long depression, Local Government arranged with a certain bank to advance loans at bank rate for necessary improvements, to keep the estates in good condition and to enable the owners to pay land revenue regularly on the security of the land. The loan spread over a term of 2 years and had to be repaid with interest within 4 years. This timely help on the part of Government saved the industry from utter ruin. Though the land revenue derived on account of rubber estates is not very great in the district yet it is quite appreciable where the whole province is concerned.

What the industry wants is cheap credit, say at bank rate, in times of emergency, such as at present, either on the security of land or on the security of the produce or both. The industry is in the throes of another depression and it is impossible to forecast when the prospects will brighten again. In times such as these the growers are badly in need of cheap credit. In the absence of State banks or indigenous banks which are formed to help local industries Burma or India can never hope to be industrially great. There are no indigenous banks to speak of. Most of the existing banks in the country are owned and run by foreign capitalists and they seldom or never accept agricultural land as security, except in the case above quoted under Government pressure and guarantee.

Up to now private owners have to find their own money either to improve or to keep up their estates at rates ranging from 15 to 18 per cent. per annum or more. At such high rate of interest, the industry or for the matter of that any industry can ill afford to thrive. What the country wants and what the industry wants in particular, is cheap credit at bank rate to be given on the security of land or produce or both.

At present the rubber industry is being faced with another crisis. The price has gone down to the lowest limit *e.g.* 5s. per pound locally. The result is that private growers have closed down their works and the labourers are being thrown out of employment.

## Second Note (by Mr. A. J. Robertson).

To help forward the Mining and Rubber Industries it is necessary:—

1. To check thefts of mineral ore and rubber produce.
2. To provide a proper outlet for sale.
3. To provide capital facilities.



Ans. to 1 and 2.—I will take together because the absence of proper facilities for sale has brought into being a class of dishonest dealers whose interest is to secure produce at a low rate collect the same for shipment which has directly encouraged thefts. The evil is so ramified and subtle in operation as to elude the vigilance of the Police.

It is by this means that the produce thief has flourished.

The practice of petty thefts and secret sales robs industry of its primary incentive and once minimised and stopped, will enable each producer to reap the fruit of his industry raise his morale and give fresh impetus to production. Police Supervision should be enlarged on the avenue to the town and transport passes should be more strictly checked. Dealers should be either eliminated altogether or registered and made to supply monthly returns showing from whom the product has been purchased at what rate and receipts produced.

But it is not by this means alone that the evil can be stopped, though it may be considerably minimised. What is wanted first and foremost is an open market and a proper outlet for sale. At present, the smaller producers are unable to ship direct and if they did the money for their produce is not available immediately. They are thus placed at the mercy of illicit dealers and grasping middlemen who gain more than the producer.

To place the industries on a solid financial basis I have in another note (*vide* note to answer to question 1107 Chapter XI) advocated the formation of a district bank whose functions would be to accept deposits of cash at a low rate of interest from the public, receive title deeds of land and houses in deposit and make advances thereon. The people should be encouraged to bring their produce to the Bank's depôt and the bank should thereupon arrange for shipment, charging the usual commission and make an advance on the produce pending the receipt of account sales. The appraising of the produce will be the same as suggested in my note on the district bank.

If a system of providing an open outlet for sale and granting advances on products is organised as above very little financial assistance will be required for current expenses of labour and production.

Ans. to 3.—It is when we come to consider capital for development on the supply of machinery that a speculative element is introduced and caution is necessary. The initial outlay for development on machinery may be met by advances granted by the district bank on the security of landed property or jewellery up to one-half or two thirds of their value at a comparatively low rate of interest say 10 per cent. Most of the capital owned by private owners is in the shape of fixed capital invested in land or house or jewellery. Money cannot be raised on this class of security except at exorbitant rates of interest, ranging from 2 per cent. to 3 per cent. per mensem. This is a serious tax on industry and it is no wonder that private owners shirk speculative venture which involve such heavy obligations for interest. In many cases after a few years in default of payment of interest (which occurs in nine cases out of ten) the mortgaged property is surrendered to the mortgagee. Hence advances at a low rate of interest are absolutely necessary for the beneficial development of the mining and rubber industries.

*As regards rubber.*—It takes from 8 to 9 years (or if 4 year trees are planted) not less than 5 years to bring a rubber estate to the producing stage. Interest at 24 per cent. per annum on the capital used

would more than double the capital charge. If in addition to this the money is suddenly called in the producer is in a most pitiable plight. He runs here and there trying to raise a fresh loan and if successful has to pay whatever rate is demanded and the last state becomes worse than the first.

#### *Mergui District Committee.*

Twenty-five per cent. of the district population are employed directly or indirectly in rubber industry. A quarter of this will be owned and the rest either labourers or dealers. Fifty per cent. of the owners have to borrow money for the industry. Labourers do not have to. Dealers have to borrow. Most of the owners hire labourers to work for them. They borrow money to advance to labourers at 24 per cent. per annum and also to develop their estates. These owners and dealers borrow some from Chinese lenders of the Straits Settlements and some borrow from Chinese lenders of the district, who form the majority amongst lenders—Indian and Burmans forming the rest of lenders.

Owners sell their produce locally and dealers consign to Penang or Singapore almost regularly, a few hoarding.

The cost of working a rubber estate is Rs. 40 per acre per annum on the average, cultivating on the cost of Rs. 400 per estate of 10 acres. Estates of lesser acreage cost more.

As in the case of fishing, rubber owners have borrowed money under unfavourable conditions.

#### *Note on the above by Deputy Commissioner, Mergui.*

There are hardly any native owned rubber estates in the Bokpyin and Maliwun Townships and not very many in Tenasserim. Twenty-five per cent is therefore too high a figure especially if the Indian labourers of the European Companies are excluded.

It has been estimated that it costs Rs. 300 per acre to develop an estate up to the bearing point. Tapping begins in the 7th or 8th year

Many of the native-owned estates are very small—only a few acres—and the work is done by the house-hold with little or no outside labour. In most cases the owner has other work and lives in Mergui or Palaw and puts an agent in charge of the estate. Many of these owners are lawyers and merchants in Mergui who only visit their gardens at the week-ends.

Borrowing is necessitated by the long period of development before any return is received. The owner often runs through his capital in the first five years and has to borrow, probably by mortgaging his estate. In many cases the mortgage is later turned into a sale.

## **Section II.—Tin and Wolfram Mining.**

### *Deputy Commissioner, Tavoy.*

Apart from European undertakings practically no money is being put into mining in this district at present. There is only one native owned mining area on which any machinery has been installed. The efforts of other people who have taken up mining concessions or have taken out Certificates of Approval have been confined to taking out leases or

licences and to employing agents or managers on low salaries. Most of the mining is done by contract or tribute work with little expenditure by the owner except on license fees etc. The question therefore of financing the industry scarcely arises. Most of the non-European mining is done by Chinamen and others who have a little capital at their disposal and who like to invest in an industry which will probably give them very little return for the money but may make them into rich men if there is a sudden boom. Such money as is put into mining comes mostly from the profits of other business such as money-lending or rice-trading. There is very little borrowing by the mining community.

I agree with Mr. Robertson's remarks\* that a district bank giving a reasonable rate of interest would be a great asset to the non-European community though it would be difficult to run. With tin and wolfram at their present prices there is very little demand for money for financing the industry. But if at any future time there is a big rise in price small owners might no doubt start borrowing in order to develop their mines, but I rather doubt whether much money will ever be invested in the industry except by European firms, the usual policy of the native owner being to hang on to his area without spending money on it in the hope of a European firm taking a fancy to it.

*Tavoy District (Note by Mr. H. C. Khoo, A. R. S. M.).*

The mineralized zones of the Tavoy District produce mostly tin and wolfram.

There are about six or seven European Mining Companies besides their subsidiary companies, which carry on mining in the district. The rest of the areas are in the hands of small mine owners, mostly Burmans.

The revenue derived from mining is considerable over six lakhs a year.

The method of working the mines is mostly on contract system, except on a few mines which use up-to-date machinery. The labour is mostly Chinese, Indians and Burmans. The Chinese and Indians are imported.

About 1921-1922 when the industry was suffering from acute depression, when there was no demand at all for wolfram and when the price of tin was such that production could only be obtained at almost a loss, Local Government organised a scheme to help the industry. The scheme was to form a pool amongst its participators and deposit all the concentrates with an agency appointed by Government. The Agent received the concentrates of the participators and advanced speaking from memory at the rate of Rs. 10 per unit of wolfram, and about Rs. 25 per unit of tin. Then the nominal price of wolfram was 10 shillings a unit *c. i. f.* London and Rs. 1400 per ton of cassiterite *c. i. f.* Penang. The Government advanced the money." The Agent was to sell the concentrates when the market is favourable. If there was any loss on the whole the loss was to be defrayed *pro-rata* and *vice versa* when there was any profits. Nothing definite was heard of the end of this scheme. I am of opinion that there was a loss which the Government shouldered.

At the present moment there is no scheme to finance the industry. The Europeans limited liability companies financed their own shows and dispose of their concentrates in their own way either to Europe in the case of wolfram or to Penang or to Singapore in the case of tin. As for

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\* See pages 339 and 342.

the small mine owners they have to find their finance as best they can at rates of interest ranging from Rs. 15 to Rs. 18 per cent per annum or more. The capital employed by the small mine owners ranges from a few thousands to a couple of lakhs. Their produce they sell to middlemen in the town or send through some brokers or direct to Penang, in the case of tin and sell their wolfram to local buyers. The present state of industry may be regarded as active because of the rise in price of wolfram, while the price of tin has reached the stage of economic limit. That is the price of tin is such that it will not pay to produce if it falls further. The present price of tin ore is Rs. 1400 per ton *c. i. f.* to Penang. But in mines which produce mixed concentrates, on account of the rise in the price of wolfram though fluctuating the industry may be regarded as active. Time alone will show whether this activity will be prolonged or otherwise. The deciding factor is the price of wolfram. *Thirty* shillings a unit may be regarded as the economic limit of production.

Here again what is needed is an industrial bank which will advance loans at bank rates.

*Tavoy District (Note by Mr. A. J. Robertson.)*

[See also the note by Mr. Robertson printed in the preceding section at page 338].

*As regards mining.*—A property may ordinarily with sufficient capital facilities be brought to a modest producing stage within 2 years without providing for ore reserves, or 4 years with reserves, Advances for development of such properties or for supply of machinery are necessarily of a speculative character but as the district bank would make the advance upon approved security the prospect of loss to the bank would be nil.

*Mergui District Committee.*

About 5 per cent. of the district population is employed directly or indirectly in mines as labourers, dealers and owners.

Owners do not generally have to borrow for their capital; dealers have to in nearly all cases and their source of supply is the same as in the cases of fishery and rubber and under similar conditions. The three main industries of fishing, rubber and mining of the district have been equally effected by the general trade depression but mostly in the case of mining. Mining is in fact carried on on a small scale and most mines are poor of production. Greater expenses are incurred for want of good communications and owing to the general undeveloped state of the district.

Owners incur over Rs. 1,000 to get a ton of tin and less in the case of wolfram. Very few of the mines in this district worked by the natives are hardly worthy of being called mines and treated as such.

*Note on the above by Deputy Commissioner, Mergui.*

*Tin Mining.*—Almost all the native-owned mines are worked on the tribute system. Tributors receive Rs. 1-4-0 to Rs. 1-8-0 per viss of tin won by them. Machinery is seldom used at all. The main expenditure—apart from Government dues—is on water supply *i.e.* water-races, flumes *etc.*, and transport. The majority of the mines are very badly off for water, mining being impossible to any large extent in the dry weather. They also lie right out in the jungle and communications are very difficult, and the cost of transport is high. Mining is carried out

almost entirely by ordinary hand sluicing. The majority of native mine owners carry on this business merely as a side-line, living in Mergui and working the mine through a salaried agent. The very high rate of dead rents charged by Government on leased areas is a heavy burden on properties from which only a low production is possible. But with the inexpensive methods of working adopted borrowing is generally avoided. The tin is sold to dealers and shipped to Penang.

### Section III.—Fishing.

#### *Mergui District Committee.*

This employs 75 per cent of the people in the District. *Eighty* per cent. of these people carry on their works with the help of loans. *Ninety* per cent. of these money lenders are Chinese traders of the district who in turn borrow theirs from the Straits Settlement, and 10 per cent of these money lenders belong to other nations. Money lent out to the fisher-men is of exorbitant interests at about 24 per cent per annum and under stringent conditions namely (1) the produce to be sold to the lender only and to no other and (2) the produce to be sold at a price fixed before hand irrespective of market price.

Fishing nets called "Kyapazat" are in extensive use and are not made locally but purchased from the Straits Settlements, the average price of each net being from Rs. 60 to Rs. 70. Each boat manned by fishermen employs 4 nets at least.

The boats also have to be purchased from the Straits Settlements in most cases at a price of Rs. 160 or more each.

The revenue assessed by Government is Rs. 40 per cent.

To each boat, the master netter and three coolies are employed at a salary of Rs. 160 per mensem for the former and Rs. 50 each per mensem for the latter with diet, which costs roughly Rs. 15 per head per mensem.

The working year is 8 months from September to May and thus each boat incurs a monthly current expenses of Rs. 360 not including cost of boat and nets. The annual expenditure not including cost of boat and nets is thus Rs. 2880 per annum. The cost of a boat and 4 nets being Rs. 320.

Each boat lasts 4 years at most and a net lasts only two years with constant repairs.

Interests on the above expenditure comes up to Rs. 64 per month and for 8 months interests alone come to Rs. 512. A fisherman who borrows find himself in debt to the amount of Rs. 3712 exclusive of maintenance of himself and his family. And the borrowing fishermen comprise 80 per cent. of the fishing population.

Each master netter can also be put in charge of two boats.

Each fishing family thus require between Rs. 4000 and Rs. 5000 a year.

Since the past two years, fish market has been poor. Previous to this, dried prawns used to sell at Rs. 140 per hundred viss but the market rate now is between Rs. 90 and Rs. 120. This is due to general depression of trade.

*Kyapazat* nets are mainly used for catching prawns only. *Ninety* per cent. of prawn fishing is by "Kyapazat" and the remainder by fishing stakes called "Sandas".

To ameliorate conditions of the "Kyapazat" people, it is suggested that the revenue assessed be not only revised but by boats and not by nets. The Committee suggest that a revenue of Rs. 100 per boat be levied. The Committee is of opinion that this method will facilitate checking by authorities and revenue payables. The Committee also think that this method of assessment will not leave much room for malpractices.

In the Straits Settlements, the Committee understand that no revenue is payable for such "Kyapazat" and all kinds of fishing.

The above remarks apply to other branches of the fishing industry, namely *ngapi* manufacture, prawn catching by means of "Sanda" and fish by nets.

*Note on the above by the Deputy Commissioner, Mergui.*

The statement that 75 per cent of the people in the District are employed on fishing is incorrect. Not more than 25 per cent are solely engaged in fishing and perhaps another 25 per cent to 30 per cent combine it with agriculture and other occupations.

The money lender takes the produce at a price generally about 10 per cent below the market rate. Interest is frequently as high as 30 per cent. Three *kyapazat* owners whom I examined had taken loans of between Rs. 2000 and Rs. 3000 from Penang and between Rs. 500 and Rs. 800 in Mergui.

I note in passing that I do not agree with the Committee's suggestion that the tax should be per boat and not per net.

*U Aye.—Note on the Fishing of Fishery Lessees in Maubin and Insein Districts.*

About the month of Tagu, the auction sales of fisheries are generally held, and the lessees have to find the money by pledging their jewelries either with the Fish Broker or with the Chettiar, the rate of interest being  $1\frac{1}{2}$  per cent. or 2 per cent. per mensem. This money the lessees pay in as deposit soon after the auction, and the remaining amount of fishery revenue they pay in three instalments in the months of Nadaw, Pyatho, and Tabodwe. Besides that, the Government requires of them at the time of their making the purchase of the lease, to offer landed properties by way of security for the fishery revenue, which as stated above, they pay in three instalments.

About the month of Thadingyut they again raise money for the putting of *Se* and the necessary implements, from the Fish Broker (Nga-ywe), who charges them an interest of 3 per cent. per mensem. Moreover, the lessees have to sign agreements with the broker that all the produce of their fisheries are to be sent to this broker and on failing to do so they would be liable to be prosecuted under section 406 of Indian Penal Code. I have seen a document of this sort in the course of my enquiry. The loan at 3 per cent. per mensem is an unsecured loan, and this rate of interest is about 2 per cent. in Maubin District, the reason being, the fisheries in Maubin District are much more substantial and lucrative than those of Insein District. •

The broker also takes brokerage at Rs. 5 per hundred viss of fresh fish sold, from the lessees, and Rs. 3 per Rs. 100 brokerage on dried fish and *Ngapi* sold, from the buyers.

The broker sends out the fish through a commission agent who receives Rs. 2-8-0 per hundred viss. He must make good all money received from retailers. The broker has Rs. 2-8-0 per 100 viss left.

The financing of licensees is of little importance that I need hardly comment on it.

The brokers who are the mainstay of the fish trade raise their required money by pledging their houses or jewelleries at the rate of  $1\frac{1}{2}$  per cent. or 2 per cent. per mensem from the Chettiar. These people expect very little profit by way of interest from the lessees, but do get quite a large sum by way of brokerage.

During my enquiry I have come across a broker who has been taking money from Chettiars by way of daily repayments (செட்டியாரிடமிருந்து). This kind of loan is only taken when the borrower has no security to offer. The "Daily repayment system" is as follows :—If Rs. 1,000 is borrowed from the Chettiar, he signs a pronote for Rs. 1,000 and the rate of interest is left blank when he signs the pro-note. As a matter of fact he receives only Rs. 900 and he repays Rs. 10 daily to the Chettiar for 100 days. He keeps an account book in which the Chettiar signs on receiving Rs. 10 daily.

#### *U Mya.—Fishing in the Myingyan District.*

Fishermen who hold leases do not in most cases seek any financial aid, as they belong to well-to-do class. But in some cases, they raise money for their work, that is to purchase the lease at Government auction, by giving jewellery and gold as security, from the Chettiars and by giving landed property from the local money lenders.

The other class of Fishermen who hold Licenses which were issued to them by the Township Officers according to the varying size and class of fishing implements, do not usually require any financial aid, but in some instances when they require, they use to obtain from the local money lenders without any security.

In both cases, the production is so limited that it hardly meets the local demand. This sort of industry is unpopular and unattractive in my district. Even those fishermen who hold leases, require only a small sum of money, as they have to pay the purchase money by instalment, whereas the other class of fishermen, who are the majority, do not require any financial aid.

#### *Fishery Settlement Officer.*

I have not with me here the exact figures of Fishery Lessees' indebtedness, from last year's Settlement Area, but only about one in ten stated that he had borrowed money, and the amounts were small. They were usually lent by Fish-traders, who often exacted no other form of interest than tying the debtor to them till the debt was cleared; and the prices allowed for produce were not substantially below a free price. If the contemplated system of substituting Unsecured payments-of-instalments-in-advance be substituted for that of Secured-payments-out-of-Catches, then the indebtedness may increase. But the position substantially is that in a speculative business like fishing, the speculator cannot safely be allowed to involve more than his own capital; and if his capital is in the form of property instead of money, his raising of money is the same problem as for any other business. Perhaps the Fish Traders would be a better subject for Financing.

## Section IV.—Jade, Amber and Rice in the Myitkyina District.

*Report by the Subdivisional Officer, Mogaung—Mr. Gaudoin.\**

Great difficulty has been experienced by me in getting answers to the questions in the Questionnaire. Nearly every trader nominated to the Sub-Committee here declined the honour with thanks. The only person who was of any assistance was Mr. C. W. Chater, M. I. M. E., Assoc. I. M. M., a European jade-miner, jade-trader, and rice-miller who has done business in the Mogaung and Kamaing Subdivisions for many years.

It is unfortunate that the Subdivisional Officer here is also the Income-tax Officer. The indigenous traders here connected my enquiries in one way or another with income-tax assessment and pleaded ignorance on most of the points raised in the discussion of the questions in the Questionnaire. This report and my answers to the questions in the Questionnaire are therefore mainly based on information given to me by headmen and persons not liable to assessment to income-tax. I am also indebted to Mr. Chater for a good deal of the information regarding the financing of the trade in jade.

The Mogaung Subdivision may be roughly divided into two areas, the Mogaung area and the Mohnyin area. Mogaung is the centre of the jade trade and Mohnyin the centre of the trade in rice.

### JADE.

Except for a few unworked pits in the Kachin hill-tracts, there are no jade mines in the Mogaung Subdivision. The mines are situated in the Kamaing Subdivision at a distance of about 50 miles from Mogaung. Kamaing, the headquarters of the Subdivision of that name, is 25 miles from the railway line and is a notoriously unhealthy place. Mogaung is on the railway line, and although not noted for a salubrious climate, is a fairly healthy place. It is connected with Kamaing by a fair-weather motor road. For these reasons the bulk of the trade in jade is done at Mogaung. The Chinese have a peculiar fancy for jade. Most of the jade extracted from the Kamaing mines is therefore exported to China and the trade in jade is mainly financed from China. Chinese traders from Yunnan, Shanghai, Canton and other maritime ports in China visit Mogaung during the dry weather every year. Some of them go on to the jade mining area and do their business there, but the greater portion of the business is done here. The money for this comes from Hongkong, Shanghai, and Canton in the form of drafts on a bank in Rangoon. The rate of exchange in Hongkong and Shanghai is said to be 100 dollars to 120 British rupees and in Canton 100 dollars to 80 rupees. The amount of money that comes into this country for this purpose can only be roughly estimated. Temporary visitors to

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\* *Note by the Deputy Commissioner, Myitkyina.*—Mr. Gaudoin's report on the Jade industry is valuable. It will be remembered that the fee to collect royalty increased last October from Rs. 90,000 to Rs. 1,80,000 in round figures. References are wanting in camp so I cannot give the exact amount.



Mogaung from Shanghai and other places in China keep silent when questioned on this subject. Li Pin Yin, the leading trader in jade here and the licensee who collects the royalty levied by Government under the Burma Forest Act, had already left for the mines before the receipt of the Questionnaire. Kyan Yi Ta, another big trader, went away on a visit to China about 3 months ago and has not returned yet. At a rough calculation I should say that about ten lakhs of rupees come into this country from China for the financing of the trade in jade. One stone alone which was valued at Rs. 12,000 at the pit's mouth and subsequently sold for Rs. 40,000 at Mogaung was sold in August last at Mandalay for 4 lakhs of rupees.

Mr. Chater is financed from England through the Burchin Syndicate, Limited, Mandalay. Mr. Chater gave no details regarding the composition of this Syndicate and merely said that it was a Burmese Company. He was also, naturally, silent regarding the extent to which or the terms on which, he is financed by this company. At a rough estimation I should say that the funds placed at his disposal annually amount to about half a lakh of rupees.

Mogaung (Shan Mong Kawng, the Country of the Drum) was formerly the capital of a Shan kingdom or principality. It was then peopled wholly by Shans. During the past two or three centuries these Shans have become so assimilated with the Burmese that the inhabitants of this subdivision now form a conglomerate race calling themselves Shan-Burmans. The gambling instinct of the two races is strongly pronounced in the Shan-Burman. To a few of the inhabitants of Mogaung the trade in jade appeals strongly as a pure gamble. They have no knowledge of geology, no knowledge even of the relative value of jade stones, and no capital. There is no Chettiar here but there is a Chettiar firm at Katha. The Chettiar does not trust the Shan-Burman trader in jade, knowing the latter's gambling proclivities and the want of scientific and technical knowledge. The Shan-Burman jade-trader has therefore to apply for short-term loans (for a period of from six to eight months, the trade in jade being carried on only in the dry weather) to men of his own race who have a little money to spare, and to Chinese and Punjabi-Hindu money lenders who know him and can trust him. When he can furnish security in the form of gold, jewellery, house-property, or freehold land, he can raise short-term loan from the Chettiar firm at Katha. On the whole the Shan-Burman traders in jade borrow annually about half a lakh of rupees. The lenders of the money are in the following proportion :—

Shan-Burmans	...	75 per cent.
Chinese	...	15 per cent.
Punjabi-Hindus	...	5 per cent.
Chettians	...	5 per cent.

The amount lent by each class of lenders is in the same proportion. The interest charged is from 3 to 5 per cent. *per mensem*. If good security is offered, the interest may be less, *viz.*, from  $1\frac{1}{2}$  per cent. *per mensem* to  $2\frac{1}{2}$  per cent. *per mensem*. In the case of every loan there is an understanding, expressed or tacit, that it will be repaid when the jade purchased with it is sold. When a Shan-Burman trader is bankrupt while in the mining area and is offered a likely stone, he gets a short term loan from a less unfortunate brother-trader. The interest he pays is at the exorbitant rate of 20 per cent. *per mensem* and the loan must be repaid within two months.

The trade in jade is practically confined to the town of Mogaung, the greater portion of it being done in the Chinese temple at Mogaung. When money is carried to Kamaing or to the jade mines, it is carried, if in currency notes, on the person of the trader, or, if in whole rupees, on pack-animals, each animal being loaded up with Rs. 5,000. Currency notes are generally accepted in the town of Kamaing and in the large mining centres. So there is no need to transport large amounts in cash.

Generally speaking, if we except the Chinese traders and Mr. Chater, the trade in jade is retail. The Chinamen and Mr. Chater purchase and sell wholesale. The former sell about 50 per cent. of their jade on credit, but only to Chinamen. Mr. Chater has not so far given credit. He is a miner and therefore a producer. He occasionally buys exceptionally good jade. If he does, he pays cash. The Chinese traders buy, and the Shan-Burmese traders buy and sell, on a strictly cash basis.

#### AMBER.

Before leaving the subject of jade, I may here briefly refer to the trade in amber. Amber in small quantities, say about 50 viss a year, is brought in to Mogaung by Kachins from the Ho-kawng valley, which has not yet been brought under regular administration. This amber is of good quality and is purchased locally at Rs. 100, a viss. This amber is exported to Tengyueh in Western Yunnan. It is there carved into beads and small images. These finished articles are re-imported into Burma. The Kachins who bring in the Ho-kawng valley amber are not financed from Mogaung. The purchasers here do not borrow money for buying the amber as they buy small quantities at a time and sell it quickly. The transactions are all on a strictly cash basis. It is said that the reason why so little Ho-kawng amber is brought into Mogaung is that there is a great demand for it in Assam, where good prices are obtainable, each bit of amber being set up on end and sold for its equivalent height in rupees, the rupees being laid flat one on top of the other.

Amber of a quality inferior to the Ho-kawng amber is also found at a place called Lai-hsai, which is said to be in unadministered territory but not in the Ho-kawng valley. I have not been able to identify this place. All I have been able to find out about its geographical position is that it is about 28 miles to the north-west of Hawngpa in the Kamaing Subdivision. Li Pin Yin, jade licensee, Mogaung, finances the Kachins who go to Lai-hsai to collect this amber. The advances do not amount to more than Rs. 50, to each Kachin and are made without security for due repayment. The Kachins bring in about 500 viss a year and sell it here at Rs. 5 a viss to Li Pin Yin, who exports it to the maritime ports of China.

The whole of the trade in amber at Mogaung is a very small business, and, with the exception of the advances made by Li Pin Yin, is conducted on a cash basis.

#### RICE.

The Mohnyin rice-producing area is very fertile. It is also well watered by perennial streams. The Mogaung area is not very fertile. It is however, well watered. In fact it is at times too well watered, that is to say it is the subject to inundation and water-logging. The Mogaung

river (called in Shan the Nam Kawng) is fed by two main tributaries, the Indaw *chaung* and the Nam Yang (Nanyin *chaung*). The Indaw stream issues from the large lake in the Kamaing Subdivision called the Indawgyi. The Nam Yang rises in the hills near Mohnyin. The Mogaung river flows into the Irrawaddy just above the third defile. When there is heavy and continuous rain at the headwaters of the Indaw and Nanyin *chaungs* the Mogaung river rises. If this rise is contemporaneous with a rise in the Irrawaddy, the waters get piled up at the upper end of the third defile causing a back flow into the Mogaung river which then overflows its banks. This happens nearly every year and in some years serious floods result. On the 9th September 1927 an area of about 160 square miles was under 6 to 8 feet of water.

The Nam Yang (Nayin *chaung*) in its lower reaches, before it joins the Nam Kawng (Mogaung river), also overflows and floods the lowland paddy fields near its banks nearly every year. The cultivators in the Mogaung area, fearing floods, are deterred from embarking on elaborate and expensive schemes of irrigation. Their lands are therefore unirrigated and are dependent for their water-supply on the rainfall. In the Mohnyin area, which is nearer the source of the Nam Yang and is not liable to inundation, the fields are irrigated.

The lot of the cultivator in the the Mogaung subdivision is a very unhappy one. Nearly every cultivator is in debt. The cultivators here not only take short loans for working expenses, repayable after harvest but a large proportion of them have long-standing debts. The reason for this unsatisfactory state of affairs is the existence here of a most pernicious system of financing cultivators. About April or May, just before the cultivating season starts, a cultivator borrows, say, a sum of Rs. 100 from a money-lender. The interest charged is 3, 4, or even 5 per cent. *per mensem*. The loan has to be repaid in kind, that is in paddy, in the following January. In that month, if the cultivator has threshed his paddy, he repays his loan of Rs. 100,  $\times$  Rs. 24 to 40 interest in paddy at the then prevailing market rate of Rs. 90 to 100. If he has not threshed his paddy, he is at the mercy of the money-lender. The January market rate, Rs. 90 to Rs. 100, is fixed (*Ze-hpyat*) as the rate for delivery later. Meanwhile the current market rate goes up steadily, until in March-April it is Rs. 120 to Rs. 130. In these months the money-lender takes delivery from the cultivator of paddy worth Rs. 133 to Rs. 155 (Rs. 100  $\times$  11 months' interest) at the Rs. 90 to Rs. 100 rate, and sells it to the miller at Rs. 120 to 130.

The money-lending business is in the hands of a few successful Shan Burman paddy traders and a few Punjabi-Hindu traders. A cultivator rarely contests the exorbitant demands of the money-lenders and very few cases come into Court. So there is very little opportunity for enforcing the provisions of the Usurious Loans, Act 1918 (X of 1918), as amended by Act XXVIII of 1926.

One would imagine that the indebtedness of cultivators would be confined to the Mogaung area alone, and that in the Mohnyin area, where the soil is fertile, where the average annual rainfall is about 60 to 70 inches, where there are well devised schemes of irrigation, and where the fields are not liable to inundation, the cultivators would be free from debt, but from enquiries made by my Assistant Township Officer Maung Maung Tin I observe that the cultivators in the Mohnyin area are at the present moment in debt to money-lenders to the extent of Rs. 6,62,290. This works out roughly to about Rs. 15 an

assessed acre. About 50 per cent. of these loans will doubtless be repaid after this year's harvest, but the balance will be carried on to the next year.

In the Mogaung area all the cultivators take short term loans to the extent of Rs. 10 per assessed acre. About 50 per cent. of these cultivators repay these loans after harvest. The rest cannot pay up and their loans are carried on to the next year, and the year after that, and so on.

From enquiries I have made it appear that the reason for this deplorable state of affairs is that very few villagers work their own lands, whether they are *bobabaing* (ancestral, inherited lands) or are State lands allotted to them by the headmen of village-tracts under the communal system of tenure in force in this subdivision. The majority of cultivators here are tenants who are in a chronic state of bankruptcy.

During Burmese times there was a Burmese *Wun* (collector) stationed at Mogaung for the purpose of supervising the jade-mining business. This official appears to have allotted lands to residents of Mogaung and a few surrounding villages for residential purposes as well as for cultivation. These lands were claimed as *bobabaing* at the time of the British Annexation and later, and the claims were admitted. So that now we have in and around the town of Mogaung about 4,000 acres of *bobabaing* lands. With this exception the land in this subdivision is all State land. Very few transfers of lands take place here and the details supplied by me in the statement I have prepared with reference to Question Nos. 54 and 55 of the Questions are based on the few transfers that have actually taken place here.

In conclusion, I would say that the trade in jade which is mainly financed from China needs no financing in this country, but that the cultivators here are in sad need of financing on a sound basis. Co-operative Credit Societies here, have failed, chiefly because loans were granted recklessly on insufficient security or on no security at all. I am new to this subdivision and I have had no experience of banking schemes. I am therefore unable to suggest any system of financing the cultivators here. Any scheme for granting loans on the security of cultivable lands will not be feasible here as most of these lands belong to the State.

## Section V.—Rubies and Timber in the Katha District.

(Report by the Katha District Committee.)

### RUBIES.

The actual mining is seldom done with borrowed capital. If the miner himself cannot bear the expense of license fees, hiring of labour *etc.*, it is usual to take several partners each providing Rs. 10 or Rs. 15 per month in cash to defray the current costs. Profits are shared in proportion to the capital provided. Stone Buying is done:—(a) On Buyer's own capital (b) By Partners who share the profit in proportion to the capital invested (c) On borrowed money. Money borrowed for stone trading is in no way differentiated from money borrowed for any other purpose and interest and security is the same.

Stone Traders work on the following methods :— (a) A stone for sale is taken to the Commission Agent who takes charge of the stone and sends it at his own responsibility to his Firm in Europe. The Firm values the stone advance up to 50 per cent. of the value to the owner through the Agent. On this advance the Firm charges 7 per cent. interest per annum. The Interest charges being deducted from the sale proceeds when the stone is finally sold and the Balance only is sent to the owner. The Agent gets 2 or 3 per cent. on the sale value of the stone as his commission from the Firm, the stone owner pays the Agent no Commission.

(b) The stone is sold in the same manner as above only through a recognised Bank such as the Chartered Bank of India, Australia and China and the National Bank of India. In transactions through the Bank, the Bank will advance up to 50 per cent. of their valuation of the stone charging interest at the current Bank Rate ruling in India. Remittances being the value of stones sold outside Burma either through an Agent or through a Bank, are made to a Bank in Burma. The owner of the stone is informed of the net amount received on his account and the money is then dealt with by the Bank at the owner's instructions. The Bank charges the stone owner a Commission on this which approximates to 4 annas per cent.

### TIMBER.

The ordinary procedure is for a would-be Timber Trader first to obtain a License from the Forest Department. On obtaining the License he approaches one of the Timber Brokers in Mandalay or Rangoon for the amount of capital required. The Capital is advanced on the strength of the License and usually no other security is taken. The Broker charges from 2 to 3 per cent. *per mensem* on the amount advanced.

All timber extracted by the Trader must be sold through the Broker who has made the advance, and the Trader is charged Commission of 1 per cent. by the Broker.

In some cases the Broker instead of charging Interest on the money advanced takes a share of the Profits, the share is usually 50 per cent.

The Broker usually obtains his money from Chettiers and pays Rs. 1-4 or 1-8 per cent.—usually the latter—interest *per mensem*.

## CHAPTER IV.—CREDIT DOCUMENTS.

### Section 1.—Negotiable Instruments.

#### *Akyab District, Cheltiar Sub-committee.\**

401. It is sufficient to continue with the present negotiable instruments, *viz.* :—Cheques, Sight Hundies, Hundies bearing current rate interest, On demand, Promissory note.

#### *Hanthawaddy District.*

401. Pro-notes only. No difficulties.  
402. No amendment necessary.

#### *Henzada District.*

401. On account of unlimited negotiability avenue for the perpetration of fraud by the original or intermediate holders is opened out. This occasions loss to obligor. The only remedy is to set a limit to the right of negotiation.

402. Limit to the right of negotiation should be placed by an amendment restricting the right to not more than three successive negotiations before encashment.

#### *Maubin District.*

401. Cheques, hundis payable at sight and On-demand Promissory-notes are chiefly used in this district and no inconvenience or difficulties have been met with in connection with their use. No reply to second part.

402. No amendment desirable.

#### *Tavoy District.*

401. The highly technical nature of the instruments and the stamp duty payable thereon according to the Stamp Act. They can be removed by amendment of the Negotiable Instruments Act to a certain extent and particularly section 35(a) of the Stamp Act which makes a Negotiable Instrument inadmissible in evidence if it is insufficiently stamped.

#### *Magwe District.*

401. On-demand-Promissory notes, hundies and cheques are the only kinds of negotiable instruments used. They are seldom negotiated except cheques and no inconvenience or difficulties are met in connection with them. As regards cheques, please see Chapter V.

402. No amendments can be suggested.

#### *Katha District.*

401. Nil.  
402. No suggestions.

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\* Translated from Tamil.

*U Po Thin, K.S.M., A.T.M. ( Indaw Katha District ).\**

401. No answer or suggestion can be given in connection with any kind of negotiable instruments at present in use, as there is no one who makes use of such documents.

*Mr. P. L. L. N. Narayanan Chettiar (Pyaññ).*

401. None.

402. Cannot say without knowing the Act itself.

*Mr. A. J. Robertson (Tavoy).*

401 and 402. I would suggest that the law as to Negotiable Instruments be amended by providing that every Pro-note or hundi should be attested by a Notary at the time of Execution for a nominal fee of say Re. 1 and the list of documents so attested should be copied and entered in a Notarial Register. For this purpose a number of Notaries in every important town should be appointed from the local Bar to make these attestations.

It must be remembered that Pro-notes and Bills were introduced by the Law Merchant for an advanced community who were alive to the sacredness of obligations. The application of this law to executants who do not scruple to disregard their obligations and others who find the fabrication of Pro-notes backed by false testimony an easy way of enriching themselves, places a heavy and unnecessary burden on the Courts and is responsible for much false swearing and waste of public time, for which the public has to pay.

Cases have come before the Courts in which *bona fide* executants of Pro-notes deny execution and consideration, and other cases in which Pro-notes have been fabricated and the evidence of false witnesses produced in proof of execution and payment of consideration. The Courts are not able to distinguish the true from the false especially where the person who fabricates the Pro-note is an expert and has at call a number of false witnesses of the baser sort who can swear boldly to assist him. This evil is more widespread than is usually imagined and the facility with which dishonest persons can get away with the fraud renders it imperative that strong and prompt action should be taken.

The simple device of notarially registering Pro-notes would prevent to a considerable extent the evils which now spring from the absence of any check on dishonesty in these directions.

I would in this connection also strictly enforce the provisions of Section 35 of the Stamp Act, proviso (a) where Pro-notes are not duly stamped the Courts in disregard of the salutary provisions of this proviso as regards Pro-notes and Bills of Exchange, admit the Pro-notes on payment of 10 times the deficiency. Notarial attestation of Pro-notes and Bonds will put a check on fabrication even here. I have known a case recently where a man deliberately made a false document and affixed a stamp which bore the signature of the alleged executant on another document and in order to evade the provisions of this proviso deliberately had it written as a bond, paid the deficient stamp as on a bond and so had the document admitted in evidence.

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\* Translated from Burmese.

## Section 2.—Goods Warrants.

### *Akyab District.*

403. (1) Nothing in this district.  
(2) No.
404. (1) Considerable disorganisation. It would facilitate fraudulent dealings.

### *Hanthawaddy District.*

403. (1) Railway Receipts solely at Thongwa and Kayan. Doubt exists as to the genuineness of the document when presented by a private person and so they are often not accepted. No suggestion as to how to remove this difficulty.  
(2) No, not at present.
404. (1) It would be a distinct advantage.  
(2) Does not arise.

### *Henzada District.*

403. Railway receipts and mate's receipt by steamer, are in common use locally. Difficulty is not experienced.
404. The decided convenience in making these documents negotiable would be to facilitate commercial and industrial transactions but the disadvantage attending such change would be that fraud with unscrupulous people will be facilitated and there may be occasions for mistake and confusion to combat which competent officers will have to be posted in charge of the delivery departments.

### *Henzada District (Minority reply).*

404. No doubt merchants would favour the idea of making such documents negotiable, but if it be so done fraud will be practised by the merchants's clerks. We know of a case where an unscrupulous clerk of a merchant raised a loan by pawning railway receipts and his master had to spend a lot of money to get out of the difficulty.

### *Henzada District (Second minority reply).*

I am not in favour of treating such documents as negotiable instruments.

### *Maubin District.*

403. No documents representing goods are used to obtain credit in this district.
404. (1) Money would be readily forthcoming in cases of emergency if bills of lading, railway receipts and delivery orders were treated as negotiable instruments. The disadvantages are negligible.  
(2) Case of other documents not known.



*Amherst District.*

403. (1) Taingsa, *i.e.*, measurement statement of logs issued by timber revenue stations, railway receipts of such goods as paddy, rice, timber, bills of lading, delivery orders, receipts for paddy stored in mill-godowns. Advances are not easily obtained until holders are well-known. By practice.

(2) *Omitted.*

*Magwe District.*

403. (1) Steamer mate's receipts and railway receipts are used. Every money-lender cannot be induced to give credit on these documents. This is the only difficulty experienced in the use of these documents. This difficulty can be removed by amending the law and making the steamer mate's receipts and railway receipts negotiable.

(2) There are no new types of such documents which should be brought into use.

404. (1) If the bills of lading, railway receipts and delivery orders were created as negotiable instruments the holder will get the title to the goods and thereby trade will be facilitated. The disadvantages are the same as in the case of other documents of title of the same sort. Please refer to the sections 102 and 108 of the Indian Contract Act.

(2) No answer can be given.

*Yamèthin District.*

403. (1) No such documents of any kind are used here.

(2) No.

404. (1) The general increase of facilities in commerce would be the resulting advantages, while no disadvantages could possibly arise.

*Katha District.*

403. (1) Railway receipts and mate's receipts.

(2) Nil.

404. (1) Railway receipts and mate's receipts are in practice used as negotiable instruments as security for loans.

*U Po Thin, K.S.M., A.T.M.\* (Indaw, Katha District).*

403. (1) There are no set documents representing goods which are used to obtain credit. It is the practice in individual cases to execute documents on impressed non-judicial stamp sheets of appropriate value as required by the Stamp Act. The villagers living far away from courts meet with difficulty in obtaining impressed non-judicial sheets for executing such documents. As some documents are executed by affixing only one anna stamps, they are impounded for want of sufficient stamps when suits are filed and fines are imposed. To remedy this, impressed non-judicial sheets may be kept with every circle *thugyi*.

*Mr. P. L. N. Narayanan Chettiar (Pyaw<sup>th</sup>an).*

403. None in use in this District.

404. If such were treated as negotiable instruments many frauds will be committed. Genuine goods will not be available.

### Section 3.—Hundis.

#### *Akyab District.*

405. (1) Pro-notes payable on demand,  
(2) English.  
(3) No others.  
(4) Use steady.  
(5) Pro-notes for raising money and Hundi's for transfers.  
(6) The usual ondemand pro-note.
406. (1) Practically all.  
(2) and (3). Nil,  
(4) Neither.
407. See above [405 (5) ].
408. (1) Remittances.  
(2) None.
409. (1) Not used at all.  
(2) None.
410. (1) No.  
(2) None.
411. (1) Marwaris and Chettyars. Marwaris predominate in Akyab District.  
(2) 20 and 8.  
(3) No. No business.  
(4) and (5) No.
413. (1) By paying cash for them at about two annas per cent. discount.  
(2) Two annas per cent.  
(3) By reducing the Imperial Bank rates.
414. Yes.
415. (1) Yes.  
(2) Marwaris.  
(3) Not many. To Rangoon and Calcutta.
416. (1) Yes.  
(2) Government should subscribe by law.  
(3) English.  
(4) This may be advantageous.

#### *Akyab District, Chettiar Sub-committee.\**

405. (2) Generally on-demand forms are written in English,  
(2). Deeds and documents pertaining to loans are being written either in English or in Burmese.

410. (1) Hundies are not useful to cultivators. They are given currency notes.

It will be convenient, if on-demand, promissory-note and hundi be written in the vernacular, of that locality.

#### *Tharrawaddy District (Zigon Sub-committee).*

405. (1) Promissory Notes on demand,  
(2) Generally in Burmese.

406 to 416. As Hundis are not used in our locality, no answers are given for these questions.

*Hanthawaddy District.*

405. (1) Pro-note payable on demand is the only one.  
(2) In Tamil and Burmese and occasionally in English only.  
(3) to (6) do not arise.
406. Does not arise in this district.
407. Pro-notes only in use in this district.
408. Never in this district.
409. No occasion in this district.
410. No.
411. None.
412. Not known in this district.
413. He does not in this district.
414. They do not receive them.
- 415 and 416. No.

*Henzada District.*

405. (1) In Henzada the following credit documents are in use :-  
(a) Promissory notes payable on demand.  
(b) Hundis payable at sight.  
(2) to (6) Promissory notes are usually written in Burmese and Hundis in Tamil language. Promissory notes are used for goods bought and sold while Hundis are used for cash remittances. Standard forms are used without any special feature requiring samples.
406. (1) Generally hundis are payable at sight here.
407. Promissory notes are preferred as this town being small and bankers few in number encashment of hundis are met with difficulty.
408. (1) Remittance of cash representing value of goods transacted upon.  
(2) Increased use of Hundis will be decidedly advantageous, in facilitating mercantile transactions.  
(3) By establishing larger number of banks in rural areas.  
(4) By three quarters of what it is now.
409. (1) By bankers for remittances.  
(2) }  
(3) } Same answers as 408.  
(4) }
410. Difficulty would be that in such advances security is taken which cannot be done by a hundi.
- 411 to 415. These questions do not arise in a place like Henzada where hundis of this kind are very seldom used.
416. (1) Yes.  
(2) Government should prescribe standard forms by law.  
(3) English and Burmese.  
(4) Yes.

*Henzada District (First minority reply).*

405. (1) In our district to my knowledge promissory notes payable on demand and hundis payable at sight are in use.  
(2) Promissory notes are written either in Burmese or partly in English and partly in Burmese. Burmese money-lenders use Burmese forms only. Indian money-lender use forms in two languages

one part of which is in Burmese and the other part either English or Tamil. Hundis are mostly written in Tamil or Guzrati.

(4) On-demand promissory notes are the most favourite form. Bonds are also executed in some case specially amongst the cultivating classes. The use of on-demand promissory notes are increasing daily.

406. (1) Almost all the hundis are payable at sight.

407. For the purpose of taking a loan on-demand promissory notes are executed. For the purpose of avoiding payment of postal money order commission hundis are taken. To avoid the trouble and risk of carrying large sums of money from one station to another the device of hundis is resorted to.

408. (1) To avoid the risk of carrying coins from one place to another.

(2) Increased use of hundis would be greatly appreciated by the traders.

(3) By the establishment of good banks in all towns. If the stability of the banks are assured the use of hundis would automatically increase.

(4) In our district I do not think the use of hundi would in any way displace the on-demand promissory notes.

409. (1) Non-traders use hundis in place of postal money orders.

(2) It will save them a lot of money which they are now paying to the post office as money order commission.

(3) By assuring the stability of banks.

(4) Use of hundis will not decrease the use of on-demand promissory notes.

410. (1) No.

(2) No advantage can be obtained by increasing the use of hundis amongst the cultivators.

416. (1) Yes.

(2) Standard forms ought to be introduced by legislation.

(3) In English as well as the language of the province from which it is issued.

(4) Yes.

*Henzada District (Second minority reply).*

405. (1) There are two kinds of hundis, *viz.*, hundi payable after a specified period and hundis payable at sight.

Hundies payable after a specified period is common.

(2) Hundies are written in the language of the person who issued them. Such as in Chinese by Chinamen, etc.

406. (1) As far as I know from my personal experience I use to get Hundis from Chettyars in Henzada. If I were to pay price of goods in Rangoon say about Rs. 1,000 I use to deposit by different instalment with the Chettyars and when full amount of Rs. 1,000 was completed I took hundi from a Chettyar for the amount and I took it to Rangoon and hand it over to the Agent of the Chettyars and obtained the amount I had to pay no commission as he derives some interest from the instalment I deposited with him. For outsider Chettyar charges a commission at two annas per Rs. 100 but when I bought goods in Upper Burma I had to pay a commission from six annas to eight annas per Rs. 100. As regards payment it was received according to the nature of the order mentioned in the Hundi, *i.e.*, at sight or a time specified.

*Henzada District (Third minority reply).*

405. (1) The first, second, fourth and fifth kinds.  
(2) Among the Chettyar community, promissory notes are written in Tamil and Burmese. Hundis, being commonly used among themselves, they are written only in Tamil.  
(3) More or less stationary.  
(4) Promissory notes are used for advancing loans to the customers. Hundis are used for transfer of money from place to place and allied purposes.  
(6) Herewith.
406. (1) 95 per cent.
408. (1) To avoid taking to other places a lot of cash with them. And at times, when their agents do business on a small scale here, in order to send the money to their principals at Rangoon. Hundis are also at times coming from Rangoon for purchase of paddy, bran, etc., here by agents after obtaining money from our Chettyar Firms.
411. (1) The Chettyar Firms. In Henzada.  
(2) Some three or four Firms.  
(3) Second part. The issue of hundis is limited among the Chettyar Firms to place where they have accounts with other firms. Besides Rangoon, other places hundis would be available, *i.e.*, Mandalay, Pagan, Yenangyaung, Pyawbwe, etc.
412. (1) From the Chettyar Firms to Madras, Colombo, Penang and Singapore, etc.  
(2) Two annas per cent. to Madras and to other places a rate at the requirements money.
416. (1) Yes.  
(2) By law or by usage.  
(3) As far as Burma is concerned, in English, Burmese and Tamil.  
(4) Yes.

*Maubin District.*

405. (1) All the credit documents mentioned except hundis payable after a specified period are in use in this district, but the most common are pro-notes on demand and hundis payable at sight.  
(2) Promissory-notes are commonly written in English, Tamil and Burmese, but other languages such as Urdu, Hindi, Bengali are also employed. Hundis are written in English and Tamil only in this district.  
(3) Documents of hire-purchase in English are used by commercial trading firms with a translation in the vernacular. They are not common and are confined to purchase of sewing machines, bicycles, motor-cars, gramophones and typewriters.  
(4) Promissory-notes payable on demand and hundis payable at sight are increasing : the others remaining stationary.\*  
(5) Promissory-notes payable after a specified period is used for raising loans.  
Hundis payable after a specified period are not used in this district.

one part of which is in Burmese and the other part either English or Tamil. Hundis are mostly written in Tamil or Guzrati.

(4) On-demand promissory notes are the most favourite form. Bonds are also executed in some case specially amongst the cultivating classes. The use of on-demand promissory notes are increasing daily.

406. (1) Almost all the hundis are payable at sight.

407. For the purpose of taking a loan on-demand promissory notes are executed. For the purpose of avoiding payment of postal money order commission hundis are taken. To avoid the trouble and risk of carrying large sums of money from one station to another the device of hundis is resorted to.

408. (1) To avoid the risk of carrying coins from one place to another.

(2) Increased use of hundis would be greatly appreciated by the traders.

(3) By the establishment of good banks in all towns. If the stability of the banks are assured the use of hundis would automatically increase.

(4) In our district I do not think the use of hundi would in any way displace the on-demand promissory notes.

409. (1) Non-traders use hundis in place of postal money orders.

(2) It will save them a lot of money which they are now paying to the post office as money order commission.

(3) By assuring the stability of banks.

(4) Use of hundis will not decrease the use of on-demand promissory notes.

410. (1) No.

(2) No advantage can be obtained by increasing the use of hundis amongst the cultivators.

416. (1) Yes.

(2) Standard forms ought to be introduced by legislation.

(3) In English as well as the language of the province from which it is issued.

(4) Yes.

*Henzada District (Second minority reply).*

405. (1) There are two kinds of hundis, *viz.*, hundi payable after a specified period and hundis payable at sight.

Hundies payable after a specified period is common.

(2) Hundies are written in the language of the person who issued them. Such as in Chinese by Chinamen, etc.

406. (1) As far as I know from my personal experience I use to get Hundis from Chettyars in Henzada. If I were to pay price of goods in Rangoon say about Rs. 1,000 I use to deposit by different instalment with the Chettyars and when full amount of Rs. 1,000 was completed I took hundi from a Chettyar for the amount and I took it to Rangoon and hand it over to the Agent of the Chettyars and obtained the amount I had to pay no commission as he derives some interest from the instalment I deposited with him. For outsider Chettyar charges a commission at two annas per Rs. 100 but when I bought goods in Upper Burma I had to pay a commission from six annas to eight annas per Rs. 100. As regards payment it was received according to the nature of the order mentioned in the Hundi, *i.e.*, at sight or a time specified.

*Henzada District (Third minority reply).*

405. (1) The first, second, fourth and fifth kinds.

(2) Among the Chettyar community, promissory notes are written in Tamil and Burmese. Hundis, being commonly used among themselves, they are written only in Tamil.

(3) More or less stationary.

(4) Promissory notes are used for advancing loans to the customers. Hundis are used for transfer of money from place to place and allied purposes.

(6) Herewith.

406. (1) 95 per cent.

408. (1) To avoid taking to other places a lot of cash with them. And at times, when their agents do business on a small scale here, in order to send the money to their principals at Rangoon. Hundis are also at times coming from Rangoon for purchase of paddy, bran, etc., here by agents after obtaining money from our Chettyar Firms.

411. (1) The Chettyar Firms. In Henzada.

(2) Some three or four Firms.

(3) Second part. The issue of hundis is limited among the Chettyar Firms to place where they have accounts with other firms. Besides Rangoon, other places hundis would be available, *i.e.*, Mandalay, Pagan, Yenangyaung, Pyawbwe, etc.

412. (1) From the Chettyar Firms to Madras, Colombo, Penang and Singapore, etc.

(2) Two annas per cent. to Madras and to other places a rate at the requirements money.

416. (1) Yes.

(2) By law or by usage.

(3) As far as Burma is concerned, in English, Burmese and

Tamil.

(4) Yes.

*Maubin District.*

405. (1) All the credit documents mentioned except hundis payable after a specified period are in use in this district, but the most common are pro-notes on demand and hundis payable at sight.

(2) Promissory-notes are commonly written in English, Tamil and Burmese, but other languages such as Urdu, Hindi, Bengali are also employed. Hundis are written in English and Tamil only in this district.

(3) Documents of hire-purchase in English are used by commercial trading firms with a translation in the vernacular. They are not common and are confined to purchase of sewing machines, bicycles, motor-cars, gramophones and typewriters.

(4) Promissory-notes payable on demand and hundis payable at sight are increasing : the others remaining stationary. \*

(5) Promissory-notes payable after a specified period is used for raising loans.

Hundis payable after a specified period are not used in this district.

Bills of Exchange written in English and payable after a specified period are used for payment of goods.

Promissory-notes payable on demand are used for borrowing money and payment of goods taken on credit.

Hundis payable at sight are used for transferred of money.

Bills of Exchange written in English and payable on demand are used for payment of goods.

(6) Copies of credit documents available are attached.

406. (1) 100 per cent.

(2) and (3). Nil.

(4) Hundis payable at sight tend to increase.

407. No occasion has been observed in this district in which a choice could be made between the use of a hundi and promissory-note for the same purpose.

408. (1) Hundis are used by traders for the transfer of money and payment of merchandise.

(2) Banker profits by commission and remitter secures safety.

(3) Propaganda.

(4) Not known.

409. (1) For transfer of money.

(2) Remitter secures safety and banker profits by commission.

(3) Propaganda.

(4) Not known.

410. (1) No, as facilities do not exist for cashing hundis.

411. (1) Chettyar firms and the Local Bank issue hundis payable in Burma, but they do not discount hundis or promissory-notes. There are 60 Chettyar firms and two Banks in the Maubin District, *viz.*, Dawson's Bank, Ltd., and Bank of Chettinad, Ltd. The towns in which they live are Maubin, Danubyu, Sagagyi, Yandoon and Pantanaw, but many of the Chettyar firms are located in the larger villages, such as Yele, Sitchaung, Kyonsok, Wedaung, Sangin, Alanmyo and Samalauk.

(2) See above.

(3) None.

(4) and (5). No.

412. (1) From banks in Rangoon who have branches in those particular towns.

(2) Four annas per cent. generally.

413. (1) In this district from Dawson's Bank, Ltd., through a second bank in Rangoon.

(2) About 6 annas per cent.

(3) By making same available at treasuries and sub-treasuries throughout India and Burma.

414. No such documents used.

415. No documents are discounted in this district.

416. (1) Yes.

(2) Standard form of hundi should be prescribed by law.

(3) Standard form should be drawn in English and Burmese.

(4) Yes.

#### *Amherst District.*

405. (1) Promissory-notes payable on demand, hundis payable at sight, bills of exchange written in English and payable on demand. These are more common.



- (2) Promissory-notes are written in English, Burmese or Tamil.  
Hundis in English or Tamil.
- (3) None.
- (4) Yes, the use of all the above are increasing.
- (5) For remittances.
406. (1) Almost all.  
(2) Hundis payable at sight are increasing.
407. Omitted.
408. (1) For making remittances or drawing money in another town.  
(2) Advantages are facilities for payments, remittances and drawing money.  
(3) By practice.
409. (1) For convenience in travelling.
410. (1) No.  
(2) Is not necessary.
411. (1) Chettiars and Marwaris issue and discount hundis but not promissory-notes. Chettiars are numerous and live at Moulmein and at Township headquarters.  
(3) None.  
(4) and (5) No.
413. (1) Through Chettiars.  
(2) Annas 4 per cent.
413. Yes.
415. (1) Yes.  
(2) Chettiars.  
(3) No.
416. (1) Yes.  
(2) Yes. By law.  
(3) English and Burmese.  
(4) Yes.

*Tavoy District.*

405. (1) The more common credit documents are—  
(a) Promissory-notes payable on demand.  
(b) Hundis payable at sight.  
(c) Bills of Exchange payable after a specified period.  
(2) All languages.  
(3) Bonds—Vernacular.
406. (1) A large proportion.
408. (1) For dealing with remittances of money employed in internal trade.  
(2) (a) Advantages to traders in matters of saving of costs of remittances.  
(b) Increase of Stamp revenue on hundis. Disadvantages resulting from dishonesty ending in litigation. Reduction of postal revenue.  
(3) By guaranteeing honour of hundis by authorities on taking security from indigenous Bankers.  
(4) Very little if any at all.
411. (1) Indian Merchants particularly jewellers having branches in various places in the province of Burma.  
(3) No.
416. Yes.

*Magwe District.*

405. (1) Promissory-notes payable on demand and hundis payable at sight. The former is more common.

(2) Promissory-notes are written in English and Burmese and hundis in Tamil and Chinese.

(3) No credit documents of other kinds are used.

(4) For the on-demand pro-notes, the use is increasing and for the hundis it is decreasing.

(5) Pro-notes are used for the purpose of the loans and hundis for remittance of money.

(6) Sample copies of on-demand pro-note and hundis are attached.

406. (1) Nearly the whole.

(2) None.

(3) In view of the answers to (1) and (2) this question does not arise.

(4) Please see answers to 405 (4).

407. On no occasion.

408. (1) For the purpose of remittance or transfer of money.

(2) No answer can be given.

(3) No answer can be given.

(4) Promissory notes will not be displaced by hundis.

409. (1) Hundis are not used by any persons other than traders.

(2), (3) and (4) In view of the answer to (1) this question does not arise.

410. (1) Please see answer to (2).

(2) The present practice is that the cultivators take the advances to their homes in villages in cash. If the hundis are used, dangers from thieves and robbers will be minimised to a great extent and in the case of hundis payable after a specified period or payable by instalments there would be less opportunity for spending the money for any purpose other than that for which advances have been taken. If the hundis are lost, it is easier to trace them, as well as the thief in the case of theft, and therefore the cultivators would have less chance of losing their money. These are the advantages there would be. The disadvantages of using hundis are that if there are no bankers in the locality in which the holder resides it will be inconvenient to have the hundi instead of money or if the banker upon whom the hundi is issued fails unexpectedly, the holder will lose the money or will not be able to get the required money in time.

411. (1) Chettiars and Chinese traders issued hundis payable in Burma. There are no people who discount hundis or promissory note.

(2) Two Chettiar firms and two Chinese firms in Magwe.

(3) No.

(4) Not a common practice.

(5) There is no practice of buying hundis in our locality.

412. (1) and (2) No answer can be given.

413. (1) No one in Magwe (outside Rangoon) obtain hundis payable in several places mentioned in question 412.

(2) and (3) This question does not arise.

414. No one in our locality receives hundis not payable at sight or on-demand.

415. (1) In our locality hundis and promissory notes are not discounted, as a matter of business.

(2) This question does not arise.

(3) We are not aware of any case in which hundis are sent elsewhere for discounting.

416. (1) Yes.

(2) Government should prescribe standard forms by law.

(3) The standard forms should be drawn in English and in all the vernaculars commonly used in the locality.

(4) Yes, it should be bilingual.

*Yamèthin District.*

405. (1) Promissory notes payable on demand only are used as credit documents.

(2) Promissory notes are written in Burmese and in very few cases in English. While hundis are written in Tamil, Gujarati, and Chinese.

(3) Credit sale vouchers in Burmese and Indian are also used.

(4) The used of promissory notes payable on demand and credit sale vouchers are increasing.

(5) Promissory notes for major and the credit sale vouchers for minor transactions are used.

(6) Samples of credit documents are attached hereto.

406. (1) Only hundis payable on sight are used here.

(2) No such hundis are in use here.

(3) *Omitted.*

(4) Yes.

407. No such occasions ever arose here. Promissory notes are the most common form of documents used here, while hundis are used for transmission.

408. Hundis are used by the trader for the purpose of transmission and of avoiding the necessity of having to carry cash or currency notes from place to place.

(2) The advantages are mentioned in the above answer. There could be no disadvantages.

(4) Promissory-notes could not be displaced by increased use of hundis.

409. Persons other than traders do not use hundis for any purpose.

410. They could never be used for that purpose.

411. Only the Chettiars. Pyawbye, Yamèthin, Tatkon, Pyinmana, Lewe and Ela.

(2) About 30 Chettiar firms.

(3) No. All are money-lenders.

(4) No.

(5) No.

414. Yes. They do.

415. (1) Yes.

(2) Chettiars do the discounting.

(3) They can always be discounted locally, and there is on necessity of sending them away elsewhere.

416. (1) Yes.

(2) The Government should do that by law.

(3) English and one vernacular.

*Katha District.*

405. (1) Promissory notes payable on demand are most common.  
(2) In English and Burmese languages.  
(3) Non-Judicial Stamped paper. About 10 per cent. in Burmese.  
(4) Promissory-notes payable on demand are in increasing use.  
(5) Both kinds of documents are used in taking loans.
406. No hundis are used.
- 407—17. No experience of hundis.

*Katha District (Kawlin and Wuntho Sub-committee).*

405. There is no Bank nor is there big Chettiar firm. No hundis are ever used.

*Deputy Commissioner, Upper Chindwin.*

405. (1) Promissory-notes payable after a specified period and payable on demand.  
(2) Burmese.  
(3) Nil.  
(4) Increasing.  
(5) Pro-notes are most commonly use for lending money.  
(6) No copies can be furnished.
411. (1) Indians and Burmans use Pro-notes. Indians are numerous residing at Homalin, Paungbyin, Mawlaik, Kalewa, Kalemyo and Mingin Towns. Burmans are few in the above Towns.  
(2) About ten Indians to five Burmans.  
(3) Yes.

*Mr. P. L. L. N. Narayanan Chettiar (Pyapōn).*

405. (1) Pro-notes on demand and hundis at sight are in use. Pro-notes on demand are more common.  
(2) Burmese and English.  
(3) None.  
(4) Pro-notes on increase, and hundis on decrease.  
(5) Dealings in goods, hundis, for cash, pro-notes.
406. (1) Almost all.  
(2) Practically nil.  
(3)—(4) Do not arise.
407. Pro-notes are preferred. Hundis are not in use.
408. (1) To buy goods.  
(2) Disadvantage on account of stamp duty.  
(3) Stamp duty on hundis should be reduced to the level of stamp duty on pro-notes.  
(4) To a considerable extent.
409. (1) To get money from Banks.  
(2)—(4) Same as in 408.

NOTE.—Although the pro-note is payable on demand there is an understanding that the money is to be repaid only after a certain time, therefore even now borrowers to avoid stamp duty execute pro-note although they get the same advantage as if hundis were executed.

410. (1) No.  
(2) Repayment depends upon the harvest. If a time is fixed for repayment this may fall either before or after harvest. In the former

case cultivator will be unable to pay. Whereas in latter case he would have stamped all and would have nothing to pay.

411. (1) No.

412. (1) From Bank and Chettiars and also Chinese for Malay States.

(2) Different rates ; usually same rate of commission, *viz.*, one to four annas for Bombay, Madras, and Calcutta, for Penang and Singapore the commission is Rs. 2 to 3 per 100 dollars.

413. They must obtain hundis through Banks and Chettyars in Rangoon.

414. Yes.

415. No practice in this locality.

416. No.

### Section 4.—Stamp Duty on Hundis.

#### *Akyab District.*

417. (1) Yes, on all hundis. An appreciable reduction.

(2) They would raise money cheaper.

(3) Not necessarily.

(4) Curtailment of other expenses and economical departmental working.

(5) These restrictions should be removed in order to popularise the practice.

#### *Akyab District, Chelliar Sub-committee.\**

417. The present system of sight hundy (without stamp) may be prolonged and, if not, a stamp duty to the value of one anna may be charged.

It will be advantageous to the traders if the stamp duty, on a hundi having a fixed date for payment, is reduced to a market-scale.

#### *Tharrawaddy District (Zigun Sub-committee).*

417. *Stamp duties on Hundis.*—As no loss on revenue can be avoided or replaced to make up the loss if duty on stamps is reduced, the reduction of stamp duty is not recommended.

#### *Hanthawaddy District.*

417. Nothing known about hundis in this district as they are not in use.

#### *Henzada District.*

417. (1) Hundis used locally are at sight hundis exempt from duty. As for other hundis duty is so low that it does not call for a reduction.

(2) and (3) Reduction in duty would not materially encourage the use of hundis as the commercial facility they afford would be sufficient incentive to their use.

#### *Maubin District.*

417. (1) No reduction of stamp duty on hundis is recommended as similar reduction will be claimed in the case of promissory-notes.

(2), (3) and (4) In view of above, no reply necessary.

(5) No change necessary.

*Magwe District.*

417. (1) As said in reply to the previous questions, the only hundis that are in use in this district are hundis payable at sight or on demand. Even when promissory-notes or mortgage documents are executed except in rare cases, the money due is always made payable under the document "On-demand" whatever may be the oral understanding between the lender and the borrower. This practice is not likely to be changed for some long time to come. In the case of mortgage documents, full stamp duty at the rate of annas 8 per cent. is always paid, and parties are at liberty to enter into any term as to the postponement of the date for the payment of the money borrowed or due, but the money is nevertheless payable only "On-demand". Hence no advantage will accrue to the people in these districts by the reduction in stamp duty on hundis. Therefore we do not recommend such reduction. At the same time if the hundis are introduced for payment of advances to cultivators as suggested in question 410, it will be desirable to reduce the existing rates of stamp duty on hundis to one-third if the amounts do not exceed, Rs. 1,000.

(2) It follows therefore that no benefit will be derived by trade industry or agriculture in these districts by the reduction or the abolition of stamp duty suggested on hundis alone.

(3) and (4) These questions do not arise.

(5) No alternation is suggested.

*Yamethin District.*

417. (1) Reduction of stamp duty is not recommended for any form of hundi. (2) No appreciable advantage can be derived by any one from the reduction or abolition of stamp duty. (5) No change should be made in Government of India Stamp Rule 4.

*Burma Indian Chamber of Commerce.*

417. My Committee are in favour of the total abolition of stamp duty on Hundies. The abolition would, in their opinion result in a freer adoption of usance Hundies in many commercial transactions.

*Mr. P. L. L. N. Narayanan Cheltiar (Pyaḥḥn).*

417. (1) Yes, for all hundis.

(2) They would benefit by the account. They would save stamp duty.

(3) (a) Hundis will be used extensively.

(b) No.

(4) As more persons will use hundis, the loss will be made up.

(5) No.

CHAPTER V.—CHEQUES.

Section I.—General.

*Akyab District.*

501. (1) English educated people. There is only 1 bank here, *i.e.*, The Imperial Bank of India. English. All in English.

(2) Extending slowly owing to small population and general depression.

502. (a) Yes.

(b) Yes.

503. (1) Cheques on a Government recognised bank should be accepted.

(2) Yes.

(3) Yes. Full extension.

(4) For all amounts exceeding Rs. 20.

504. (1) We are not in a position to reply.

(2) They should be issued with cheques instead of cash by the employers concerned.

505. We consider that the work entailed thereby would be excessive for Post Office employees.

506. None.

507. Allow them to draw on local treasuries. The banks so drawing should be approved by the Accountant-General.

508. No reply.

509. (1) Marwaris. Few.

(2) Four annas per cent.

(3) No delay to known persons.

(4) None.

510. (1) Marwaris. Few.

(2) Four annas per cent.

(3) No delay to known persons.

(4) None.

512. (1) Marwaris. These occasions are exceptional.

(2) Four annas per cent.

(3) No delay to known persons.

(4) None.

513. No reply. The Imperial Bank only.

514. Very few. None.

515. See answers to Chapter VII.

*Pegu District.*

501. (1) (a) All classes of people who are educated.

(b) They usually keep their accounts with co-operative banks.

(c) They write mostly in English, but Burmese is also allowed.

(2) The use of cheques is extending to all classes slowly as education is not sufficiently advanced.

502. (a) and (b) Increase in both.

503. (1) Government should accept cheques more freely from approved and well known persons.

(2) Yes, from approved and well known persons.

(3) Yes, this arrangement should be reintroduced and extended to all well known persons.

(4) Cheques should be accepted from approved and well known persons.

504. (1) Yes.

(2) (a) To encourage payment by cheques for salaries of persons employed by local bodies, it is advisable for these public bodies to invest their funds in banks, approved by Government.

505. Yes, at the headquarters Post Offices where there are Savings Bank. Languages of cheques should be restricted only to English and Burmese. The amount of cheques shall not be less than Rs. 5 in each case of drawal. Interest on balance should be 2 per cent.

506. Government should educate the public and teach them the advantages of depositing surplus cash with the banks by offering to the public sufficiently attractive interest and by issuing cheques for money orders where the amount in each case is not less than Rs. 100.

507. See answers 935 (2).

508. No suggestions as there are no dealings with Chettyars or other indigenous bankers.

509. (1) Mostly traders, not numerous.

(2) Exchange charges of four annas per hundred is made.

(3) There is not much delay.

(4) None.

510. (1) No. } As there is no Joint Stock or European  
(2), (3) and (4) No. } Firm at Pegu.

511. None.

512. (1) Such work is not common in this locality.

(2), (3) and (4) do not arise.

513. (1) Such work is not common in this locality.

(2), (3), and (4) do not arise.

514. As cheques drawn on indigenous bankers are not common in this locality, the difficulties and disadvantages in this connection are therefore unknown.

515. (708) Yes, there are many.

(709) No document in particular are give to the depositors.

(710) (1) Yes, but not many and not in a systematic manner.

(2) Bankers do not give anything, but they only note it in their own office. No.

(711) (1) Personally. Yes, not at once and delay is customary because they have to fetch the money from the other depositors and their fellow bankers.

(2) No, not easily. In most cases no interest is paid.

(3) No.

(712) Six to nine per cent. It rises and falls according to the fluctuation of the money market. Not known.

*Tharrawaddy District (Zigon, Sub-committee).*

501. Cheques are, not used by any class of people in our locality other than European, large firms and Companies, the Government or by



bodies which are semi-Government in nature, such as District Council. We cannot therefore give advice on the questions raised in Chapter V.

503. (2) The local Post Office authorities see a great possibility of fraud as persons who use the saving banks have no other bank accounts.

(3) Yes.

(4) From well-known house holders or land owners who are known to possess regular means and a fixed place of abode.

504. (1) Yes.

(2) Not known.

505. I am very doubtful if the country is ripe for this. Bilingual cheques would be necessary and probably a large additional postal staff.

507. My Committee is not able to advise.

508. Not known.

509. (1) Fairly numerous traders, urban house-holders, Government servants.

(2) Not known.

(3) Yes, depending on the status of the presenter.

(4) None.

510 to 515. Not known.

#### *Insein District.*

501. (1) Not known.

(2) Very slowly : banks are distrusted.

502. (a) and (b) Very little.

503. (1) There is an enormous waste of time in crediting small sums to Government, e.g., for arms and motor licenses, municipal taxes, etc., which all has to be done by chalan through treasuries. A similar waste of time in this district is experienced by headmen who have to make long and expensive journeys into Rangoon to collect land-revenue from non-resident landlords. If revenue could be paid by certified cheque much trouble would be saved.

#### *Prome District.*

501. (2) The Burmese people use cheques in this locality. Some use the Prome District Central Co-operative Bank, while others use the Joint Stock Banks in Rangoon. The cheques are written in English only.

(2) The use extends to Indian Community also. Yes, the extension is slow. Because Banking is not common as yet.

502. (a) The number of cheques drawn by people has been increased by the abolition of the stamp duty on cheques.

(b) The number of people who use cheques has also been increased.

503. (1) We think Government should accept cheques in all cases provided that such cheques can either be cashed locally or replaced locally by an instrument drawn by an approved Banker or other person.

(2) Yes, the Post Office should accept cheques freely for deposits in Savings Bank.

(3) The Burma Railways Company should restore the use of cheques by persons approved of by the Traffic Manager. We would recommend the extension of its use by persons approved of by the District Magistrate also.

(4) Municipal Committees or District Councils should accept cheques in all cases subject to the *proviso* to (1) above.

504. (1) Yes.

(2) (a) If there is a reliable local bank no encouragement should be necessary in view of the greatly increased convenience and safety of this method of payment.

(b) So also in the case of Companies, firms and other private employers.

505. Yes, in places where there is no local Bank the post office should open "Cheque Accounts." The languages should be in English or Burmese in writing of cheques and signature. The amount of each cheque should be Rs. 500, the minimum number of cheques should be four and the interest on the balance should be 3 per cent.

507. Government cannot provide cash except through the Currency Department or Treasuries. It should be possible for Treasuries to advance cash to banks against the deposit of Government paper, or on telegraphic instruction from Accountant-General on security furnished in Rangoon. It might be possible also to advance cash up to value of a portion of the banks capital, but safe-guards would then be difficult to advise.

508. The establishment of clearing House.

509. (1) Cheques drawn upon the Joint Stock Banks or European banking firms are cashed by the Prome District Central Co-operative Bank, Ltd., Prome, usually after receipt of intimation about their collection by the drawee Banks. A few European mercantile firms are also made use of for similar purposes. Comparatively few persons.

(2) European Mercantile Firms such as Messrs. Rowe & Co., Ltd. and Messrs. Whiteaway Laidlaw & Co., Ltd. branches in Prome usually make no charges. Prome District Central Co-operative Bank, Ltd. charges one-third per cent. on the amount collected to both (a) and (b).

(3) The maximum period is four days for the cheques cashed by the Prome District Central Co-operative Bank, while Mercantile Firms cash them at once.

(4) Delay in the case of the Bank, and uncertainty in the case of firms. Improvement will only be possible when Banking is more fully developed.

510. (1) Chettiers cash such cheques for those only who have very close dealing with them. Such Bankers are few.

(2) (a) No charges are made to their approved customers.

(b) No cheques are cashed by such persons.

(3) There is no delay in case of approved customers.

(4) None.

511. Details for 509 are the same as in 509. No indigenous bankers cash cheques drawn upon co-operative banks in other towns.

512. (1) Some eleven Chettiar firms only cash orders on Chettiers in the same town, (b) and (c) Hundis on Chettiers in Rangoon and elsewhere.

(2) The charges are as follows :—

(a) Nil.

(b) Between two annas and four annas.

(c) Minimum four annas and Maximum twelve annas.

(3) Within three days from the presentation of the instrument.

(4) No difficulty arises.

513. (1) The District Central Co-operative Bank is the only bank in Prome and it does not collect for its customers money due for cheques drawn upon indigenous bankers, etc.

(2), (3) and (4) No answer is required.

514. No suggestion is necessary.

*Bassein District.*

501. (1) (a) The following classes of people in Bassein District use cheques :—

Indians	...	...	75 per cent.
Anglo-Indians	...	...	15 per cent.
Chinese	...	...	7 per cent.
Burmans	...	...	3 per cent.

(b) At Joint Stock Banks and Agricultural Banks such as Imperial Bank and Dawson's bank.

(c) English.

(d) Cheques are only written in English.

(2) The extension in the use of cheques is not feasible by these classes or other classes. Probably the cause of the slow extension is due to the feasibility with which the people can obtain loans from chetties and on account of the higher rate of interest obtained from deposits.

502. The abolition of the stamp duty on cheque does not lead to any difference in the number of cheques drawn by people who use cheques before or the number of people who use cheques.

503. (1) All kinds of revenues in excess of Rs. 100.

(2) Post offices may except cheques for sum of Rs. 100 or more on local banks.

(3) The arrangements of taking cheques from persons to whom a certificate of approval had been granted may be reintroduced by the Burma State Railways.

(4) For revenues due to Municipal Committees and District Councils for a sum of Rs. 100 or more paying by cheques on Local Banks.

504. (2) Municipal Committees and District Councils, Companies, firms and other private employers who have accounts with the local banks should be paid by cheques if they so desire.

505. No.

506. Already answered in 504.

507. Having regard to the lack of banks outside Rangoon, Government should encourage Joint Stock Banks and others to take over Currency and Treasury Departments at all Treasuries and Sub-Treasuries thus opening out local banks all over Burma which are found so necessary. The same restrictions as imposed on the Imperial Bank could be imposed.

508. Does not arise.

509. (1) Other than Chetties, Traders who have get dealings with firms in Rangoon. Fairly plentiful all over Burma.

(2) Charges vary from 2, 4 to 8 according to the demand on the money market.

(3) There is no delay.

(4) The difficulties and inconveniences experienced by the public are dependent on the tightness of the money market, where they are able to get money from the traders when they present their cheques they can be removed by encouraging the opening of local banks.

510. (1) Chettiers. Such banks are numerous.  
(2) (a) Nil.  
(b) Charges vary from 2 annas to 4 annas per cent.  
(3) As a rule no delay ; occasionally slight delay on account of the tightness of money market.  
(4) The difficulties and inconveniences experienced by the public are dependent on the tightness of the money market.
511. It is not the experience in this locality that the Co-operative Societies would not accept cheques in other towns.

512. (1) (a) All Chetties.  
(b) All Chetties.  
(c) They also gave credit with cheques in other places in Burma and Madras.  
(2) Charges vary from 2 to 4 annas per 100 according to the demand of the money market.  
(3) There will be no delay.  
(4) No difficulties are experienced by the public or bankers in this matter.

513. (1) (a) Yes.  
(b) In Rangoon, yes.  
(c) If there is a branch of a Joint Stock Bank.  
(2) From 2 or 4 annas per 100.  
(3) No delay in getting credit after presenting a cheque if he is an approved customer of the bank and there may be a delay of one or two days for persons who are not approved customers.  
(4) No difficulty for approved customers for the collection of cheques by bankers in Rangoon. There may be a delay of two to three days by bankers elsewhere.

514. Some chettiers make a fuss about date and time of presentation of the cheques for payment.

515. (708 and 712). These have been answered by the chettiers.

*Henzada District.*

501. Cheques are used here by a few educated Burmans, in English. There is only one bank here doing a small current account business. Payment by cheque is unknown here to ordinary people.

502. No.

503. (1) In all cases where the payment exceeds one rupee.  
(2) Yes.  
(3) Yes to well known traders only.  
(4) Same as (1).

504. (1) Yes.  
(2) Obviously by establishing banking firms in rural areas where these cheques could be cashed.

505. Yes. The cheques should be printed bilingual. English knowing persons would use the English portion and the Burmese public the Burmese portion.

506. None.

507. Government must help these rural banks. It is not possible here to outline limitations or restrictions to such help. The question involves difficulty.

508. to 515. There being no such bankers here as stated above, these questions have no applications to this place and hence require no answer.

*Maubin District.*

501. (1) People belonging to the legal profession and educated persons of means use cheques on accounts kept in Dawson's Bank, Limited, a Joint-stock Bank, which is the only bank in the district. Cheques are written in English only.

(2) Yes, but slow on account of ignorance of banking system.

502. (a) and (b) Yes.

503. (1) Government should accept cheques freely in payment of revenue or other moneys due to it from approved persons, who can give a bank reference and well-known commercial firms.

(2) Yes, subject to the conditions that withdrawals against un-cleared effects cannot be made.

(3) Yes. None.

(4) In all cases subject to acquittance on clearance.

504. (1) The proposed modification would be an improvement and acceptable to Government servants.

(2) (a) All salaries of rupees one hundred and above should be made compulsorily payable by cheque.

(b) Companies, firms and others may not be able to comply as not all of them have banking accounts.

505. No.

506. Not known.

507. (1) A few shopkeepers cash such cheques to oblige customers, but their number is not numerous.

(2) No charge is made as far as known.

(3) No delay.

(4) Not known.

510. (1) Some Chettiar firms only. No.

(2) Usually none as transactions are confined to approved customers.

(3) No delay.

511. No cheques on Co-operative Banks are known here.

512. }

513. } Indigenous bankers in this district do not use cheques and the  
514. } questions do not arise here.

515 (708). A few do.

(709) A manuscript memorandum in the following form is generally given.

စောင်ပြုထံမှစေကြအပ်ထားသောငွေ ၇၀၀ ကိုအက်ဒ်ရရှိထားပါကြောင်း  
(ထက်မှတ်)

(1) A few do.

(2) A note is made on the same memorandum of additions and withdrawals.

(1) By surrender of the manuscript memorandum by the depositor himself. The deposit is usually paid up at once and the memorandum cancelled.

(2) No. No printed forms. Cheques not used. No delay. No interest is paid on demand deposits. No current accounts kept.

(3) No.

No interest allowed and no changes in custom have taken place in the last ten or twenty years.

*Amherst District.*

501. (1) Traders and persons following different profession and Higher Government officials.

Imperial Bank of India, Moulmein.

In English.

(2) The use is extending.

504. (1) Yes.

505. and 506. No.

507. By requiring Currency Department and Treasuries to help. Up to a fixed total.

510. (1) Yes. Chettiars. No.

(2) As. 8 per cent.

511. There is no practice.

512. (1) Such instances are very rare.

513. (1) No cheques are drawn upon indigenous bankers.

*Magwe District.*

501 (1) None (other than Europeans and large firms and Companies) use cheques in our locality.

(2) In view of the answer to (1) this question does not arise.

502. No answer can be given.

503. (1) Government could accept cheques more freely in the case of private persons or firms of known standing who have to pay money to Government provided the cheques are drawn on banks supported by Government.

(2) No, in the present state of efficiency of the Post Office staff in the district.

(3) No answer can be given.

(4) Municipal Committees of District Councils could accept cheques only in the case of approved persons and firms who pay the taxes and other moneys and where there are approved Banks in the locality.

504. (1) No answer can be given.

(2) We are unable to suggest what can be done.

505. Post Office should not open "Cheques Accounts."

506. No answer can be given.

507. To assist either the Co-operative banks or joint stock banks Government should allow them to draw the cash from the Currency Department. The amount to be drawn should be limited to three fourths of the face value of the securities of Government of India deposited with the Imperial Bank or the Treasury. We do not think that the Treasury can help, because Treasury balances are usually too small.

508. No answer can be given.

509. (1) As a matter of business, none in our locality other than indigenous bankers cash cheques.

509. (2) (3) and (4) In view of the answer to (1) this question does not arise.

510. (1) As a matter of business, none cash cheques in our locality.

(2) (3) and (4) In view of the answer to (1) this question arise.

511. None in our locality cash cheques drawn upon Co-operative banks situated in other towns.

512. (1) There is no indigenous banker of any kind in our locality who gives to perrous who have accounts with them credit for cheques drawn upon other indigenous banker.

(2), (3) and (4) In view of the answer to (1) this question does not arise.

513. (1) In our locality there is not a single joint stock bank, co-operative bank or bank managed on European lines.

(2) (3) and (4) In view of the answer to (1) this question does not arise.

514. In view of the answers to the foregoing questions this question does not arise.

515. Please see answers to questions 708 to 712.

*Mandalay District.*

501. (1) Indians, Burmans and Chinese.

Joint Stock Banks and Chettiars.

Usually text in English, signature in the vernacular. Proportion unknown.

(2) Extending very slowly to all other classes on account of language difficulties and the objection by banks to accept cheques in any other language.

502. (a) Yes, undoubtedly.

(b) Yes.

503. (1) Yes, in many ways.

(2) No. Not recommended.

(3) Yes, and should be extended to all people of standing who are known to the Railway Authorities.

(4) District Councils and Municipalities should accept cheques in payment of taxes and other dues from people of standing known to them, provided the drawer of the cheque agrees to bear cost of discounting.

504. Large employers of labour, Municipal Committees and other public bodies should be allowed to give their employees the option of being paid in cheque or cash.

505. We do not consider the time opportune for this to be done.

506. By allowing cheques to be written in different languages—Burmese, Urdu and Tamil.

507. Omitted. Banks should be asked to answer this question.

508. Omitted. It is for the Banks to make this suggestion.

509. (1) European Firms and other large traders, if drawer is known to them. None. No differentiation, charges are same.

(2) Usual discount charged.

(3) Generally speaking, no delay.

(4) No difficulty.

(5) They do not exist.

510. (1) Chettiars.

(2) Annas 8 per cent.—no distinction.

(3) None.

(4) No difficulty is known if drawer is known to the banker.

512. (1) Chettiars give credit to their own clients for cheques drawn upon other indigenous banks in the same town, Rangoon and elsewhere.

- (2) Usual rate of discount.  
 (3) No delay.  
 (4) None. None.
513. (1) Yes. Practice is to credit only after realisation.  
 (2) Banks would only refuse when they had certain knowledge that the cheque will not be honoured. Usual Bank charges.  
 (3) See answer to sub-question (1).  
 (4) The same remarks apply.
514. No other difficulty or disadvantage exists.
515. Mostly Chettiers.  
 Pass Books.  
 - (1) Yes. (2) Usual Pass Book.  
 (1) All indigenous bankers. No, he can issue cheques. If the amount to be withdrawn is large the Chettiar may ask for a day's time before paying out on the cheques presented but this practice is not common.  
 (2) Yes, if he is willing. Yes, cheques. Yes, generally speaking. See answer to question 711, sub-question (1) when money is paid. Never heard of this being done.  
 (3) No.  
 Chettiers Banks used to allow from As. 8 to As. 12 but now it is very difficult to get anything ; they have adopted the English system of banking and they pay the same rates prevailing in Joint Stock Banks.

*Commissioner, Sagaing Division.*

501. Cheques are accepted in Mogok by Chinese and Burmese stone merchants and a few shops in the headquarter towns throughout the Division will accept cheques in payment now-a-days. The use of cheque is certainly extending slowly.

502. The abolition of stamp duty has made little difference as far as I know.

503. Government could accept cheques in all places where a Branch of the Imperial Bank has been opened in paying of revenue in excess of a certain sum. I do not think a Post Office could accept cheque for deposit in its Savings Bank unless a Branch of the Imperial Bank is open and used as Government Treasury.

The concession made by the Burma Railways was confined to a few well known residents. It could hardly be extended.

Municipal Committees and District Councils could accept cheques only when they bank with a branch of the Imperial Bank.

504. The suggestion would be useful to so few people that it is hardly worth adopting. The payment by cheque for salaries of Municipal and District Council servants would similarly be possible in very few cases.

505. The objection which occurs to me is that in big towns with banks the Posts Offices should not compete with banks, and in small towns it is not easy to see how the requisite supervision could be provided.

506. Until people grow accustomed to use banks I can suggest no means of increasing the use of cheques which presuppose a banking account to the credit of the person using cheques.

507. Co-operative Banks in Upper Burma are obviously unsuited to the present state of development. If it has been necessary to wind up



the Upper Burma Central Co-operative Bank, no other is likely to be successful.

509. A few traders only in the headquarters towns of each district will cash cheques. Charges depend upon the convenience caused to the traders cashing cheques in being able to remit money to Rangoon. In Lashio I used to be able to cash my cheques with the trader from whom I purchased some of my stores for nothing. In Maymyo the Upper Burma Bank used to charge me As. 8 per cent. on cheques drawn on Messrs. Thos. Cook & Sons, Rangoon. In Sagaing the trader from whom purchase a small quantity of stores monthly charges me Re. 1-4 per cent. whereas in Myitkyina and Katha I can cash cheques with traders owning general stores at from As. 8 to As. 12 per cent. but it is necessary to give a day's notice generally if a cheque for more than Rs. 100 or Rs. 150 is required to be cashed.

510. There are no indigenous bankers in the Division.

*Katha District.*

501. (1) Both Indian and Burmese Ruby Merchants. They keep accounts with Joint-stock Bank. In English only.

(2) The use of cheques in extending to more people and to Chinamen. The extension is quick.

502. I do not think it has had any effect in this District.

503. (1) In the case of land revenues, royalties on forest produce from big traders, income-tax, moneys due from registered firms.

(2) No.

(3) It should be re-introduced. I cannot see how it could be extended.

(4) In all cases but the difficulty would be to prevent fraud.

504. Omitted.

507. The Banks should keep branch offices or Accountants at important Sub-Treasuries and should arrange to use the Government moneys in honouring cheques. But a limit should be placed on the amount that can be so used.

509. (1) Traders. No, very limited.

(2) (a) No charge (b) As. 8 per Rs. 100.

(3) No delay.

(4) Nil.

510. No Banks.

511. No Co-operative Banks.

512. No such arrangements.

513. No indigenous Banks.

514. }

515. } The questions do not arise.

*Katha District (Kawlin and Wuntha Sub-committee).*

501. No one in this Subdivision use cheques nor do they keep any accounts with any bank. The only cheque used is by Government in payment of dues to contractors and others.

No Co-operative Society cash Cheque in this Subdivision nor is there any Co-operative Bank.

*Lower Chindwin District.*

501. (1) The only use of cheques of which I know is the cashing of cheques by certain shops in order to facilitate the sending of money to Rangoon or the payment of Bills in Rangoon.

For example one Indian oil merchant comes to me personally at times and asks for cheques on my account in lieu of cash to pay small bills in Rangoon.

(2) No. There is little occasion for the use of cheques in the district. One Township Officer goes so far as to doubt whether 90 per cent. of the rural population have ever handled a hundred rupee note. The amount of silver which comes into the treasury is an indication that notes are not common amongst the people. This is not because of prejudice of against notes, but an indication of the small amount of cash in the hands of the ordinary rural resident.

502. (a) Not in this district.

(b) Not in this district.

503. (1) None in this district.

(2) There is little in the way of Savings Bank deposits in this district, except compulsory contributions as security from clerks responsible for money. The chief obstacles to progress in depositing savings in Post Offices by the public is, in my opinion, the fact that difficulties and delay are experienced in withdrawing. The root cause is the fact that a consideration is expected for everything done in public offices.

(3) Unnecessary in this district.

(4) This depends entirely on how much the cheque system is general and could not be applied in this district.

504. (1) Not applicable in this district. I think the modification unnecessary. There are few places in which a Government Officer who keeps a banking account cannot cash a cheque on some local firm or Chettiar. The system by which a banking agent draws an officer's salary in Rangoon and places the sum to his account is adequate for all ordinary needs.

(2) Salaries of men employed by Municipal and District Councils, or non-European Firms are so small in this district that payment by cheque would probably be considered a nuisance.

505. The scheme is sound, but I am doubtful whether it would be welcomed generally. The language and signatures at present should be in English. The amount of cash, cheques, etc., are questions to be decided by the Post Office authorities, having regard to the cost to them of the transactions. I am inclined to think that in few cases would there be any credit balance in an account. This system might appeal as far as remitting by money order is concerned. Charges would, however, have to be made for remitting unless there were a credit balance remaining over and above a specified sum up to the normal time of encashment by the recipient.

506 to 508. No suggestions.

509. (1) Burma Oil Company and Indo-Burma Petroleum Agencies, Branch of Rowe Company, an oil merchant by the name of Teluram. They will, of course, cash cheques only of people known to them personally or in their official capacity, as a matter of convenience.

(2) (a) Nil.

(b) As. 2 per Rs. 100.

(3) and (4) Nil.

510. (1) Chettiers as a matter of convenience.  
(2) (3) and (4) As for 509.
511. No cases known.
512. (1) Two Chettiers in Monywa if they know the parties.  
(2) On hundies Rs. 2 per Rs. 1,000.  
(3) Nil in the ordinary course.  
(4) None revealed.
513. Nothing of this sort in Monywa.
514. Nothing revealed.

*Accountant-General, Burma.*

503. (1) At present cheques in payment of revenue or other moneys due to Government are accepted at places where treasury business is conducted by a branch of the Imperial Bank of India in accordance with the provisions of Article 6, Civil Account Code, Volume I. At these places cheques could be received more freely if the restriction "cheques on banks which have clearing accounts with the Imperial Bank" were removed under the sanction of competent authority.

(4) Revenue due to a local body is payable by the parties direct into the Treasury except in cases in which, under the authority of Article 14 of the Burma Local Fund Accounts Manual, revenue is collected by departmental officers. In view of the provisions of Article 6, Civil Account Code, Volume I, cheques on banks which have clearing account with the Imperial Bank can be received in payment of such dues only at places where the treasury business is conducted by a branch of the Imperial Bank. At such places the use of cheques could be more freely extended as indicated in my reply to question .

504. (1) Under existing arrangements Gazetted Government servants are allowed to draw a fixed portion of their salaries at Rangoon, the remainder being drawn at their headquarters stations. In such cases the payments in Rangoon are made by means of cheques while payments at headquarters stations are made in cash. The latter portions represent the amounts required by the Government servants for immediate expenditure and no advantage will arise if such portions are paid by means of cheques. It is always open to the Government servants to alter from time to time the amounts payable to them at Rangoon. The alternative suggested in this question can be given effect to subject to the remark that salaries are drawn partly at Rangoon and partly at headquarters stations of the Government servants concerned.

Part payment of their salaries at places other than their own headquarters or Rangoon will lead to complications and might not be acceptable to Government. It is also hardly likely that demands of this nature will arise to any large extent. It is always open to the Government servants concerned to arrange with their bankers in Rangoon for any remittances that may be required at any other place.

(2) Salaries of employees of Municipal Committees and District Councils are paid more or less in the same manner as those of Government servants. In such cases the Treasury acts as a Bank and the Municipal Committee or the District Council whenever it has any payments to make draws a cheque on the Treasury. At stations where branches of the Imperial Bank have been established such cheques are drawn on the Imperial Bank. It is always open to the Municipal Committee or the District Council to pay individual persons employed

by it their salaries by means of cheques and where such a procedure is not already followed, steps might be taken to extend it to such cases. The same remarks apply equally to persons employed by commercial firms and other private employers. In such cases the possibility of making payments of salaries of employees by means of cheques necessarily depends on whether there are banks at the stations where such payments have to be made.

507. Facilities by way of Telegraphic Transfers and Supply Bills are afforded by Government at all District Treasuries and at certain Sub-Treasuries to Banks firms and others requiring funds there. The method of obtaining such facilities by the public together with the orders relating thereto are given in my reply to questions 601 and 602 below.

*Agent, Burma Railways.*

503 (1). So far as this Railway is concerned, for payments other than for freight and fares, cheques are never refused and payment in cash demanded.

(3) The Burma Railways used to accept cheques in payment of freight from a few people only. In lieu of cheques a number of firms are allowed to pay freight by credit notes. These credit notes are sent to the Accounts Office with the earnings of the day and are sent to the firms by the Accounts Office for redemption. In both cases the Railway insist that cheques for redemption of credit notes must be issued on a Bank in Rangoon. In most cases the firms, who are allowed to pay freight by credit notes, are of good standing. In cases of firms of doubtful stability they are required to place a security deposit with the Accounts Office.

There appears to be no great advantage in the credit note system over payment by cheque. In fact the latter is probably quicker in that, instead of sending the collected credit notes to the firm and then receiving a cheque in payment, the original cheque issued in payment of the freight at the station would be sent to the Bank and cleared in the ordinary way. If it were not met the Railway would be in no worse a position than if the cheque it had collected for the redemption of credit notes had not been met.

It would be a great mistake to extend the payment of freight by cheque to any great extent. We have, on several occasions, been caused considerable anxiety by the insecurity of firms who have had the privilege of paying freight by credit notes and have gone in for speculative business transactions. Fortunately, in most of these cases we have been forewarned and have been able to take steps to secure our credit, but if the privilege were extended to cheques on banks in other stations than Rangoon the delay in realizing cheques presented in payment may result in a loss to the Railway.

The extension of the privilege of paying freight or fares by cheque or credit note would have to be watched very carefully. Probably we would have to demand security in a good many cases, before the privilege could be given. To give the privilege to parties approved by the District Magistrate, as has been suggested, would be to run considerable risk of loss to the Railway. As regards the suggestion that the privilege be given to persons guaranteed by firms and persons of standing, unless such guarantee amounted to an agreement to indemnify the Railway against loss, it is unlikely the suggestion would ever be accepted.

Permission to certain approved people to cash cheques at stations was stopped by the Government of India (Railway Board) and it is very unlikely that they would agree to its re-introduction, probably on a much larger scale than before.

504 (1) At present, payment other than by cash, of salaries, is only made in respect of Gazetted Officers and certain approved senior subordinates. In these cases, payment is almost always made direct to the employee's bankers. Such payments have never been asked to be made to other than a Rangoon Bank. It is considered that the proposal to allow subordinates to receive their pay partly by cheque and partly by cash would not have any appreciable effect, if introduced. From enquires made, it would not appear to be desired by the subordinate staff. The only way in which the extension of the use of cheques for payment of Railway salaries might be extended is in the case of more senior subordinates, but the benefit to such staff of payment by cheque would be somewhat doubtful. Further to make the concession effective, it would seem that the privilege of cashing cheques at stations would have to be extended to such staff.

*Charge Officers (Co-operative Department), Henzada and Prome.*

516. (1) It may be true but it is not reliable.

(2) Specimen signatures should be obtained and compared and verified thoroughly. It is only a matter of experience to find out whether the signature is genuine or not. Thumb impression may, if necessary, be taken.

(3) With better experience it may not be difficult to detect forgeries.

(4) It depends on the cleverness of the bankers.

(5) In the case of the English educated people they should be required to sign in English, and in Burmese in case of those who know only Burmese.

(6) The only inducement that can be offered to Bankers is by explaining to them that it is best to use the language which one knows thoroughly:—

(i) No charge should be made.

(ii) We do not think it is fair to charge anything for not signing in English because Burmese is the mother language of the country.

(7) We do not think that it is necessary.

(8) Thumb impression may, if necessary, be taken.

517. (1) We do not think that it is necessary.

(2) No suggestion is necessary in the light of the preceding answer.

(3) No inducement is necessary.

(4) We think that Burmese should be preferred to any other languages in Burma.

518. (1) No difficulty can be anticipated if it is written in Burmese.

(2) No.

(3) Indians who know Burmese are not likely to encounter any difficulty. No preference should be given over Burmese language. Indian language may be used as a subsidiary to help Indians.

(4) They should be similarly treated like Indians.

519. Yes, it will be difficult even if he has a will to learn it unless he is well taught. It may not look so easy even with the help of the hand book suggested in this query. I think it is safest to write in the language which one knows well.

520. We think that Burmese should predominate as it is the universal language of the country. English bankers should try and qualify themselves in Burmese if banking is to spread all over Burma.

521. Please see above answer.

*Committee of Officers of the Co-operative Department.*

501. (1) In Mandalay, Akyab and the larger towns of Lower Burma the larger traders and brokers use cheques. They ordinarily keep their accounts with Joint Stock Banks but also with certain District Central Co-operative Banks, such as Pegu and Promé. The cheques are almost invariably written in English.

(2) The use of cheques is extending to people in these classes fairly quickly.

502. (1) Yes.

(2) Yes.

503. (2) Yes, because it need not credit the amount until the cheque has been duly cleared.

(3) Yes. No extension can be recommended.

(4) Where the local authority keeps its balance with a Joint Stock or Co-operative Bank and has also facilities for clearing cheques or where the cheque is drawn on a bank situated in the same place as the headquarters of the authority concerned.

504. (1) No remarks.

(2) No real advance as regards payment by cheques can be made until there has been a considerable extension of banking facilities by the opening of banks whether Co-operative or Joint Stock (or branches of Joint Stock) Banks in which the public have confidence.

505. This appears to be a matter for the post-office department in view of the practical difficulties involved.

506. See answer to question 504 (2).

508. We have no experience of this problem.

509. (1) Traders and shop-keepers, ordinarily Indian, on a fairly large scale, are usually prepared to cash cheques drawn upon Joint Stock Banks which have no local office.

(2) Such traders are usually glad to have cheques for purposes of their remittances and usually do not make any charge for cashing cheques. Chettiers who do this class of business charge from 2 to 8 annas per cent.

(3) Little or no delay.

(4) No experience of this matter.

511. Practically no persons having current accounts with Co-operative Banks live elsewhere than the headquarters of the bank.

512. No experience of this matter.

513. So far as Co-operative Banks are concerned the question is in the negative.

514. No. experience.

- 516. (1) This is true on the whole.
- (2) No experience of this problem.
- (3) No experience.
- (4) No experience.
- (5) Burmese only.
- (6) No remarks.
- (7) No remarks.
- 517. No experience.
- 518. No experience.
- 519. No.
- 520. Yes.

*Postmaster-General, Burma.*

503. The paying of depositors into the Post Office Savings Bank by cheque does not seem to be a very practical proposition. It would imply that the depositor already had a banking account, and it is unlikely that a person with an ordinary banking account would make much use of the Post Office Savings Bank. It would result in a considerable increase in work in the Post Office. I do not support the proposal.

505. I do not support this proposal which would enormously increase the work of the Post Office and throw work on it which I am afraid could not be entrusted to the staff employed in small office. The Post Office Savings Bank is at present worked on the simplest lines and is first and foremost a Savings Bank. It takes over and hands out money on the production of the pass book. To introduce a system by which it would "receive money on deposit and pay it out and remit by money order as directed by the depositor's cheques" would mean substituting for the existing simple procedure an intricate system which I doubt if even regular banking establishments would encourage in the case of small accounts.

*Burma Buildings and Loan Association, Ltd.*

Paragraph 503. (1) It would certainly be a convenience if Municipalities outside Rangoon were allowed to accept "Cheques" in payment of Taxes and other dues. Just now all payments have to be made in cash.

(3) This should be restored with proper safeguards.

Paragraph 504. (2) In small offices it would be convenient to pay salaries by cheques but not in large establishments. On the Burma Railways all officers are paid by cheques which, in most cases, go direct to the Bank, but the Clerical and other staffs are paid in cash.

Paragraph 510. (3) It just depends on the particular Bank. Thomas Cook & Son Bankers, Ltd., for instance, pay within a few minutes of the presentation of the cheque, but some of the other Banks keep you waiting a quarter of an hour or longer.

Paragraph 513. (1) Yes.

(2) No charge is made if drawn on a Bank of the same town.

If drawn on a Bank in another town a small charge is levied amounting to one-quarter per cent. on the amount drawn.

*Burma Indian Chamber of Commerce.*

The cheque habit has grown considerably and hasn't been helped by the abolition of the stamp duty on cheques. But, owing to the prevailing depression in trade and industry and the downward trend of the prices of all commodities the growth is not reflected in the Clearing House returns. The classes who mainly use the cheques are businessmen and the higher salaried officials of the Government and the business houses. With regard to the questions, as to suggestions for further means to increase the use of cheques my Committee would suggest that employees drawing salaries of more than Rs. 100 should be paid by cheques as is now being done in the State of Baroda. The Post Office should also be authorised to open cheque accounts. In addition, City Banks should open Postal accounts for the convenience of people residing in the mofussil. In interesting Booklet on the procedure adopted by the Westminster Bank, Ltd., London, in this respect is enclosed herewith. The use of the vernaculars of the districts should be encouraged for signatures on cheques as well as for the form of the cheques.

*Mr. A. D. Kiernander.*

502. Not the slightest.

503. (3) Might be permitted for approved Government Officers and those guaranteed by Firms.

516. (1) Cheques written and signed in English are only accepted.

(2) Very unsafe to cash cheque of signatures in a non-English script.

*Mr. P. S. Subbaya, B.A., A.I.B. (Rangoon.)*

501. (1) Chettiars, Guzarathis and Burmans. Chettiars keep their accounts with the Imperial Bank of India, Chartered Bank, Central Bank of India, Ltd., and the Mercantile Bank. Guzarathis keep their accounts with the Central Bank of India, Ltd., and the Allahabad Bank.

Burmans bank with almost all banks but more especially with Dawsons Bank and formerly with the Burma Provincial Co-operative Bank, Ltd. Indians who knew to read and write favoured no particular bank, but those who do not know the English language banked with Chettiars.

The Chettiars draw upon their Banks and those who bank with Chettiars write their cheques in Tamil; the Guzarathis draw in their Guzarathi language and the Burmans in the Burmese language.

(2) Yes; but not quickly enough. Bank charges, the low rate of interest allowed on current accounts the restricted conditions for allowing such a rate and the fear that the Bank might close its doors any day have generally stood in the way of more people having Bank accounts and consequently of using cheques.

502. The abolition of stamp duty has led to the increase not so much in the number of people as in the number of cheques drawn by people who used cheques before.

503. (2) Yes.

(3) Yes. The Burma Railways arrangement should be re-introduced.



504. (1) This would not be a useful modification unless banks have been established all over the province. At present the bankers for up-country people are in Rangoon, and the present arrangement enables the banks to collect the salaries of their clients on the 1st or the 2nd of the month. On the strength of this collection the up-country clients can issue cheques for their monthly bills and by the time these cheques are presented in Rangoon the part salaries would have been collected.

(2) Co-operative savings banks should be formed for salary earners and the accounts of the employees of municipal committees, firms, companies, etc., should be directly credited by the employers.

505. Yes. The language of the cheque should be English, Tamil and Burmese. The amount of each cheque should be not more than Rs. 300 in the district towns and Rs. 100 in the village parts. The interest allowed should be 4 per cent.

506. The use of cheques can be increased by the formation of more banks, information to the public on banking matters generally, and absence of charges for keeping a banking account in the shape of bank charges or indirectly insistence on a minimum balance.

The banks should be as equally accessible to the poor as the rich and no pains should be spared by the bank employees in giving the poor all the information about the rights and privileges of a banking account. When, once, the majority of the populace have understood the advantages of entrusting their family finances with banks they would naturally not grudge to remunerate the bank for its services in the shape of bank charges, etc.

Few people at present know that a bank does anything more than keep current, savings bank and fixed deposit accounts and pay the cheques on current accounts. Instruction should therefore be given free of charge periodically on what banks do and what they can do and how with the co-operation of the people, the bank could be able to do considerably better business to their mutual advantage.

507. Government should undertake on the deposit of securities with them by the Banks to advance the Banks the percentage of which can be fixed according to the nature of the security. The treasuries in the places where the Banks are situated should be previously informed of the limit up to which it can advance.

508. One representative from the Chettiar bankers should represent on the Clearing House all the Chettiars and other indigenous bankers, or rather one of the big Chettiar firms be asked to arrange with the other firms to represent them, and that firm should be a Clearing banker. Cheques presented by the Clearing banker and returned unpaid by any of the other banks should be returned direct to that firm, who will take the responsibility of returning to the banker on whom it is drawn. An extra time of half an hour, *i.e.*, until 4-30 p.m. can be allowed for the purpose of such cheques.

509 and 510. These two questions relate more to a place outside Rangoon than Rangoon itself. In Rangoon the only upcountry bank which has no local office is the Bank of Upper Burma, Ltd., Maymyo. Their bankers in Rangoon are the Mercantile Bank of India, Ltd., and payments into the Bank can be paid to the latter Bank. \*But cheques drawn upon them have to be sent for collection.

513. Yes. They collect cheques drawn upon indigenous bankers.

(2) If in Rangoon the gharry-hire to and fro, the indigenous bankers place of business in addition to usual collecting commission is

being charged. If elsewhere which can be served by post the postage and registration charges in addition to the collecting charges is being made.

*U Shwe Tha, K.S.M.*

501. Trading classes and educated classes who have spare money use cheques. They usually keep their accounts at the Chettyar banks and they write their cheques mostly in English, but they can also write in Burmese or other Indian language to which the Chetty bankers have no objection.

90 per cent. of the cheques are written in English.

The use of cheques is extending to more people in those classes, but the extension is very slow.

502. The abolition of stamp duty on cheques has not led to much increase in the number of cheques drawn by people who have used cheques before or in the number of people who still use cheques.

503. (1) Government could accept cheques in payment of land revenue, income-tax and license fees from wellknown people.

(2) Yes. I think the Post Office should accept cheques, for deposits in its savings banks.

(3) Yes. I think the Railway system should be introduced with regard to deposits made by cheques in the savings bank.

(4) In case of wellknown persons Municipal or District Councils could accept cheques in payment of taxes or other money due to them provided they pay charges incurred in the encashment of the cheques at the local banks. The usual charge is As. 8 per cent.

504. (1) Yes. It will be a useful modification of the system and acceptable to Government servants concerned and pensioners as well.

(2) It will be an improvement on the present system if the salaries of persons employed by Municipal Committees and District Councils Companies, Firms and other private employees, are paid by cheques. Under the present system in the case of Municipalities and District Councils, the Secretaries distribute salaries and in the case of firms, the cashier does the disbursement. Complaints have been heard that either full salaries are not paid or deductions are made on account of loans or debts alleged to be due to other people in whom the distributing officers are interested. Some of the acts will have to be amended to permit of working of this system.

505. Yes. Post Offices should open cheque accounts. Lloyds Bank allows withdrawal by cheque of money from its saving banks. Cheques should be written in English and the signature also should be in English. In other matters the existing savings accounts rules should be made applicable.

509. (1) Large shops such as Whiteaways, Rows and other Indian big shop keepers and some Marawari traders do cash cheques at As. 8 per cent. if the holders of those cheques are known to be men of good standing.

(2) They charge 8 per cent. No distinction is made whether any business is done with them or not.

(3) There is no delay to cash a cheque.

510. (1) Chettyar Bank do cash such cheques from people who are known to them as of good position. They do not deal with men who are not known to them as of good position.

(2) As. 8 per cent. No distinction.

(3) No delay.

(4) No difficulty is experienced to get money for the cheque if the holder of the cheque is known to the banker to be a man of good position.

512. The Chetty bankers do give credit for cheques drawn upon other indigenous bankers whose office is (a) in the same town or (b) in Rangoon or (c) elsewhere.

(2) They charge As. 8 per cent.

(3) No delay.

(4) No difficulty is experienced if the holder of the cheque is known to be a man of good standing.

*Nattukkollai Chettiars' Association.*

*Cheques.*—The abolition of stamp duty on cheques has been very helpful to the public and the habit of issuing cheques has very largely increased resulting in a larger number of people who use cheques and in a larger number of cheques drawn by people who used cheques before.

*Mr. P. L. L. N. Narayanan Chettiar (Pyaon).*

501. (1) Traders, usually in Dawson's Bank. In English.

(2) Yes, extending slowly.

502. Yes.

503. (1) In no case.

(2) No.

504. (1) Yes.

(2) Increased use of cheques.

505. Post Office should not open cheque accounts as much delay in payment exists even now.

507. The treasury should be converted into Bank as in Rangoon.

508.

509. None.

510. (1) Dawson's Bank and Chettiars.

(2) 4 annas per 100 rupees.

(3) No delay.

(4) If they are in Rangoon money and time is wasted in going to Rangoon and cashing them.

511. No experience.

512. (1) Giving creditor for cheques drawn upon other banker is very rare here.

**Section 2.—Languages of Cheques.**

*Akyab District.*

(1) Yes, quite true.

(2) Many. We cannot recommend it.

(3) Undoubtedly.

(4) We are unable to state.

(5) English only.

(6) None. Unnecessary.

- (7) English only.
- (8) Nil.
- 517. (1) Hardly possible.  
(2) to (4) None.
- 518. (1) Warranted uncertainty as to their genuineness.  
(2) to (4) No.
- 519. No.
- 520. English only recommended.
- 521. None.

*Pegu District.*

- 516. (1) to (3) No.  
(4) Due to unskillfulness in writing.  
(5) The bankers should be asked in Burma to accept for cheque signature in Burmese and English only.— English should be held prominent.  
(6) No inducement can be offered.  
(7) Yes.  
(8) Thumb impression of the depositors should be taken.
- 517. (1) It is not necessary.  
(2), (3), and (4) blank (no suggestions).
- 518. Difficulty to understand the language.  
(2) Yes, by studying Burmese.  
(3) No.  
(4) Nothing can be done as it is the most difficult language.
- 519. No difficulty.
- 520. No further arrangements necessary, as we can legalize the use of both vernacular and English scripts in Burma.
- 521. No.

*Insein District.*

- 516. (1) Yes.  
(2) Most educated Burmans' signatures are equally illegible. The risk of fraud is very great.  
(3) (4) (5) (6) (7) (8) We are unable to answer.
- 517 and 518. See 516.
- 519. Not really no alternative suggests itself.
- 520 and 521. This is a question for experts with a knowledge of banking—

*Prome District.*

- 516. (1) Yes.  
(2) No difficulties.  
(3) No.  
(4) Not known.  
(5) In the case of the English educated people they should be required to sign in English and in Burmese in case of those who know only Burmese.  
(6) No inducement should be necessary, if the business involved is with the banker's while. If it is not with his while, no inducement is likely to be useful. (i) and (ii) No such charge should be made.
- (7) No.

(8) English and Burmese signatures only should be allowed in other cases, and possibly also in the case of Burmese signatures during the period of development, thumb impressions may be taken.

517. (1) No.

(2) All cheques in English and Burmese could be dealt with together at one clearing.

(3) Nil.

(4) Burmese.

518. (1) None known.

(2) and (3) Omitted.

(4) Omitted.

519. The method indicated does not appear to be a practical basis for any financial operation. Persons who wish to draw cheques should learn sufficient English and Burmese to enable them to do so.

520. As already indicated, we see no great difficulty in arranging that cheques may be in Burmese, as well as English, in Rangoon and elsewhere.

521. None.

516. (1) This is true.

(2) The signatures on cheques by persons who write a non-English Script have to be written in the presence of a bank official who initials the cheques at the time of signature.

(3) No, these would be equally difficult to detect.

(4) Mainly due to the unskilfulness of the writing.

(5) Script should be written in English or Burmese.

(6) The only inducement is to protect the Banks from forgers.

(7) Stamps in English.

(8) No suggestions can be made.

517. (1) Necessary but not feasible.

(2) Unable to suggest any plan.

(3) and (4) Preference should be given to Burmans.

518. (1) Burmese figures and Burmese dates.

(2) The difficulty may be overcome provided that the Banks keep staff for speaking Burmese.

(3) English.

English.

Yes.

(4) Nothing.

519. There is no great difficulty if he has a will to learn. Can suggest no other plan.

520. It would serve the needs of the public well enough if Banks outside Rangoon accepted cheques drawn in either Burmese or English upon Banks in the same town while in all other cases only cheques in English should be accepted. No further arrangements could be made.

521. We regret we can see no other method of dealing with the cheques except in English.

*Henzada District.*

516. (1) Almost true.

(2) None whatever.

(3) No.

(4) Same extent as in last case.

(5) Facsimile specimen signature should be kept for comparison.

(6) Same as last answer.

517 to 521.

I have no experience on this subject to enable me to give useful suggestions on this point.

*Henzada District (Minority reply).*

516. (1) I have seen some of my clients who are ignorant of English language sign their names in English. It is very easy to learn with reasonable ease to sign one's name in English.

516. (3) No, the difficulty is the same.

519. I do not think there can be very great difficulties. If a man possessing large sums of money desires to learn the art of signing his name in any language he can easily learn it.

*Maubin District.*

516. (1) Yes.

(2) Signatures in the vernaculars do not retain any similarity and seem to vary with the man's mood at the time of signing. Forgeries are thereby made easy and almost undetectable.

(3) Yes.

(4) Due mainly to kind of script.

(5) Burmese. Tamil.

(6) No inducement can be offered and no commission can reasonably be charged in either case.

(7) No.

517. (1) Not necessary.

(2) No other suggestion.

518. (1) Dating of cheques according to various eras would be a stumbling block.

(2) Yes, if dating of cheques according to English Calendar is made compulsory.

519. The use of punching machines giving amount in words and figures in English would be a useful adjunct to an illiterate drawer of cheques who could learn to sign uniformly. The entry of the payee's name in the cheque is not indispensable and can be filled in by a clerk.

521. The use of other languages than English would be most unpopular with bankers, but a start might be made with one vernacular, *viz.*, Burmese.

*Amherst District.*

516. (1) No.

(3) Yes.

(4) To a great extent.

(5) There should be a seal in English, in addition to the signature.

(8) An English seal will do.

517. (1) Yes.

(4) Yes for Burmese.

*Magwe District.*

516. (1) True to a large extent.  
(2) If the mother tongue of the banker's cashier who examines the signatures is different from the language in which the signatures are written it will be hard for him to detect forgery. This is the only difficulty we can think of.  
(3) He would not once he had been trained to detect forgeries.  
(4) No answer can be given.  
(5) Bankers should be asked to accept Burmese script. English and then Burmese.  
(6) No inducement need be offered to the bankers to persuade them to try an experiment with Burmese script where the large majority of customers are Burmese.  
(7) English signature should be required in addition to the other.  
(8) An experiment may be made by taking thumb impression in the case of those who do not sign the cheques, in English.
517. (1) It would be necessary and feasible to have a subsidiary clearing for Burmese cheques.  
(2) to (4) No answer can be given.
518. No answer can be given.
519. No. An alternative plan we would suggest is that arrangement should be made for instructing the people how to fill in English cheque form at some institutions.
520. We think it would serve the needs of the public well enough, if Banks outside Rangoon accepted cheques drawn in either Burmese or English, upon banks in the same town.
521. No answer can be given.

*Mandalay District.*

516. (1) Yes, generally speaking, this is true, but doubtful if this would be a true signature since the signal is illiterate.  
(2) Great difficulties. Most bankers would refuse if any doubt exists, but this difficulty could be removed if bankers insist on the drawer to fill in the whole of the cheque in his own handwriting.  
(3) Yes.  
(4) To a very small extent.  
(5) Burmese, Hindus and Tamils.  
(6) If inducements as enumerated in this sub-question are offered to bankers it would result in the Banks becoming popular.  
(7) & (8) If Joint Stock Banks wish to make banking more popular it is up to them to devise ways and means, but we do not recommend that they should be allowed to take commission on cheques issued.
517. (1) We do not see why Banks could not employ special Munshis to deal with cheques in different vernaculars.  
(2) Bankers are the best people to suggest plans.  
(3) We think the increased business should be sufficient inducement to bankers to persuade them to try this plan.  
(4) A start should be made in Burma for the Burmese, if successful, it could be extended to other nationalities.

518. (1) With proper arrangements for clearance we do not see any further difficulties.

(2) Sub-section (1) answers this.

(3) Most Indians both read and write Burmese and we do not suggest any other language should be given preference over Burmese for this purpose for the present.

(4) Most Chinese can read and write Burmese.

519. We do not see any great difficulty ; plan suggested is quite feasible. We have no other alternative plan to suggest.

520. We think it would serve this need if cheques were accepted by all bankers in Burmese or English, but as we have previously stated the expense should not be paid by bankers' customers.

521. No.

*Commissioner, Sagaing Division.*

516. There is no great difficulty for any person likely to need to write cheques in learning to write his name in English, but such signatures could probably be forged with ease.

I think that the difficulty of using other scripts than English would be insuperable. Banks would have to increase their staff and pay increased salaries to the staff responsible for passing cheques.

*Katha District.*

516. (1) True.

519. Many in practice. The main one would be the case with which the signature could be forged.

*Lower Chindwin District.*

516. (1) The Monywa Committee considers that if notes can be forged by men almost entirely illiterate, the question of mere signing of a name should not be one of great difficulty.

516—521. No helpful suggestions.

*Range Officer, Co-operative Department, Insein.*

509. People in Insein District deal with the Joint Stock Banks in Rangoon.

(2) }  
(3) } These questions do not arise.

510. (1) No.

(2) }  
(3) } Not known.  
(4) }

511. Done.

*Charge Officers (Co-operative Department), Henzada and Promé.*

501. (1) The Burmese people use cheques, in this locality. Some use the Promé District Central Co-operative Bank while others use the Joint Stock Banks in Rangoon. The cheques are written in English only.

(2) The use extends to the Indian community also. Yes, the extension is slow. Because banking is not common as yet.



502. (a) The number of cheques drawn by people is increased with the abolishing of the stamp duty on cheques.

(b) The number of people who use cheques also increases.

503. (1) We think Government should accept genuine cheques in all cases.

(2) Yes, the Post Office should accept cheques freely for deposits in Savings Bank.

(3) The Burma Railways Company should restore the use of cheques by persons approved of by the Traffic Manager. We should recommend the extension of its use by persons approved of by the District Magistrate also.

(4) Municipal Committees or District Councils should accept cheques in all cases.

504. (1) Yes.

(2) (a) Municipal Committees and District Councils should deposit their funds with a Local bank so as to enable them to encash their cheques freely.

(b) So also in the case of companies, firms and other private employers.

505. Yes, the Post Office should open "Cheque Accounts". The languages should be in English, Burmese and other more universal Indian languages in writing of cheques and signature. The amount of each cheque should be Rs. 500, the minimum number of cheques should be four and the interest on the balance should be 3 per cent.

506. Cheques should be encashable anywhere at any time. The forms of cheques used should be one and the same thing.

507. The Government should finance either Co-operative Banks or Joint Stock Banks in the shape of fluid resources. Yes, to a very great extent because the people at large have more confidence in the Government Treasuries. These banks should be financed according to their own capital.

508. On receipt of the cash order the Chettiars or other indigenous bankers in Ranggon upon whom the cheque is to be drawn must refer to an English-speaking man if they do not know English.

509. (1) The cheques drawn upon the Joint Stock Banks or European banking firms are usually cashed by the Prome District Central Co-operative Bank, Ltd., Prome, after receipt of intimation about their collection by the drawee banks. A few European mercantile firms are also made use for similar purposes. Comparatively few persons.

(2) (a) The branches of European Mercantile firms such as Messrs. Rowe & Co., Ltd., and Messrs. Whiteaway Laidlaw & Co., Ltd., in Prome make no charges.

(b) Prome District Central Co-operative Bank, Ltd., charges  $\frac{1}{2}$  per cent. on the amount collected.

(3) The maximum period is four days for the cheques cashed by the Prome District Central Co-operative Bank, while mercantile firms cash them at once.

(4) In both cases difficulty is experienced when funds are running short. It is up to the Government to finance the Co-operative Bank up to the limit of maximum borrowing limit.

510. (1) It is not usually allowed to outsiders except to those who have very close dealings with them. Such bankers are few.

(2) (a) No charges are made to their approved customers.

(b) No answer is necessary for this question.

(3) There is no delay in case of approved customers.

(4) There is no difficulty or inconvenience since there is no delay. No answer is necessary for this question as no inconvenience or difficulty is experienced by approved customers.

511. Please see answers to questions Nos. 509 and 510.

512. (1) There are about 15 money-lenders (Chettiar and Burmese). Out of these 15, 11 Chettiar firms use—

(a) Cash order in the same town.

(b) } Hundis.  
(c) }

(2) The charges are as follows :—

(a) Nil.

(b) Between 2 annas and 4 annas.

(c) Minimum 4 annas and maximum 12 annas.

(3) Within three days from the presentation of the instrument.

(4) No difficulty arises. No answer is necessary as there is no difficulty.

513. (1) There is only one District Central Co-operative Bank in Promé which does not collect for their customers money due for cheques drawn upon indigenous bankers, etc. Because there is no running account between them.

(2) }

(3) } No answer is required.

(4) }

514. No suggestion necessary.

*Mr. P. S. V. Nambi (Rangoon).*

516. (1) Yes.

(2) Many leading Banks get the signatures other than in English attested by their Cashier or Shroff.

(3) & (4) I know of 2 or 3 cases where English signatures have been forged and language will not be the only test for forgery.

(8) The non-Burmese bankers should be encouraged to learn Burmese and a small monetary reward may be given to those who have passed the Elementary Burmese Examination held by the Local Board of Examiners. Similarly passing the examination in the vernacular of the Presidency in which the Bank is situated should be rewarded. I knew of some Chettiars who have learnt the Burmese language fluently enough to carry on correspondence.

521. I would for the present confine the language of cheques to English and Burmese and leave the multiferious Indian languages alone as each community will begin to clamour for recognition of their own script the Tamil, Gujaratee and Urdu, English has answered the purpose hitherto and many of the leading Chettyars have their own English clerks to help them out where they have not learnt English themselves.

*Mr. P. S. Subbaiya, B.A., A.I.B. (Rangoon).*

516. (1) Yes. I know of one who knew to sign his name in English, but not to read or write in that language. But he talked English fluently and like an Englishman. He is a businessman and had a confidential trustworthy stenographer who read out all the letters for him and typed all letters for him.

(2) The signatures in non-English script will have to be made out.

(3) Rather difficult except with a fairly thorough acquaintance.

(4) The difficulty would not be insurmountable. People have been able to differentiate in a non-English script one handwriting from the other. When it will have to be done, it will be done.

(5) Burmese, Tamil, Hindi, are the only scripts which bankers can be expected to recognize cheque signatures in and the order of importance is as given above.

(6) The charge on such non-English cheques would only frustrate the growth of the cheque habit rather than extend it. Government can undertake to pay the charges on the number of such cheques paid in a month.

(7) Yes. Such clients can be asked to have their names in English printed with a rubber stamp on the cheques. These would indeed facilitate the Bank clerks to check the genuineness of the drawer's signature.

519. No. It would not be difficult to learn to fill in a cheque in English esp. with the help of handbooks that might be printed and circulated for the purpose. Seeing the number of languages that claim recognition the best thing would of course be for people to learn to fill in a cheque form in English. At any rate in Rangoon this is the most feasible method but in the up-country cheques in one or two languages may be introduced.

*Mr. P. L. L. N. Narayanan Chettiar (Pyawon).*

516. (1) Yes.

(2) Since every clerk in the Bank understands English difficulty will arise if signatures in other than English is allowed. 10 67

(3) Unless the banker is acquainted with the particular language he cannot detect forgeries.

(4) Difficulties are more due to unskilfulness of the writing.

(5) Burmese.

The following order is suggested English, Burmese, Tamil, Nagari.

(6) More men will deposit in Banks. No commission should be charged.

(7) Yes.

517. (1) Yes.

(4) Burmese.

518. (1) They have to engage a shroff who knows different languages.

(2) and (3) No.

519. No.

520. Yes.

521. No.

CHAPTER VI.—REMITTANCES.

*Akyab District.*

601. (1) (a) By T. T. & M. O. remittances, Hundis, etc.  
(b) do.  
(c) do.  
(d) do.  
(2) It is not possible to state.  
(3) The usual charges.  
(4) No exceptional delay.  
(5) To a very small extent.
603. Commission on M.O. should be reduced. Yes.
604. Yes, would be quite suitable. Yes, there is less formality as regards postal money orders. Yes. By registering the covers to addresses as is usually done when adopting other methods of transfer.
605. We do not think that it would be practicable. We think that it would lead to complications and possibly fraud.
606. No.
607. (1) Reduce commission charges to an absolute minimum.  
(2) We think that the best method would be to concentrate on improving the present facilities offered by the Post Offices.

*Akyab District (Chettiar Sub-committee).\**

601. (5) Remittance of money is through bank, Marwaris, and Nagudabs.  
Remittance from Rangoon is not in a great scale for Chettyars.
603. The postal money-order commission is considered to be too large. We recommend to reduce a little. We consider that by reducing the value of a postal card to 3 pies instead of being 6 pies, the poor people will feel it a great convenience and the revenue to the Government will increase.

*Tharrawaddy District.*

601. (1) (a) By money order, registered insured letter, hundi, remittance transfer receipt.  
(b) Same as abovewith the exception of remittance transfer receipt sometimes by messenger.  
(c) Money-order, registered insured letter, hundis, cheques and drafts  
(d) Same except cheques and drafts.  
(2) Money-order to a great extent by general public when the amount remitted is small, say below Rs. 500. Registered insured letter to a considerable extent when the amount involved is large. In the case of all mofussil millers remittance is done by messengers.  
Remittance transfer receipt, cheques, hundis, drafts are used to a very small extent among Burmans.  
The use of all the methods is increasing.  
(3) and (4) *Omitted.*

\* Translated from Tamil.

(i) Bankers take part in this business to a very small extent between this district and Rangoon but to a large extent between Rangoon and places outside Burma.

603. Cannot suggest any. Yes, the commission is little too large. Satisfactory.

604. We do not think the system would be of any advantage in Burma.

605. We do not think the system will be practicable or useful in Burma.

606. It would be advisable to institute the issue by Post Offices of letters of credit payable at other Post Offices.

*Tharrawaddy District (Zigon sub-Committee).*

601. (1) By means of money orders, supply bills and currency transfer for (a) by money orders for (b). By telegraphic transfers and postal orders for (c). By postal orders for (d).

(2) When big sums are involved special messengers for the transport of cash from one place to another are employed. All the methods of remitting money mentioned above are becoming popular day by day.

(3) Money order fees for Rs. 100 is Re. 1. On any sum not exceeding Rs. 10 As. 2. On any sum exceeding Rs. 10 but not exceeding Rs. 25 four annas. For sums exceeding Rs. 25 up to Rs. 600 four annas for each complete sum of Rs. 25 and four annas for the remainder provided when the remainder does not exceed Rs. 10 commission will be two annas only.

(4) No delays.

(5) No other bankers besides Chettyars.

602. Rates of commission may be reduced.

603. Commission charged at present on money orders considered a bit too high. They may be reduced. The forms should be both in English and Burmese together (Bilingual).

604. The use of Postal Orders as in England will not be as popular here as it is in that country as it involves more trouble to buy and cash them than to remit money by money order system.

605. The system embodied in this question will be both practicable and useful in Burma.

606. Yes.

607. No suggestions can be made.

*Insein District.*

601. and 602. Not known, my committee is of opinion that until education extends to the masses, the present system is adequate the commission is not excessive and the language question is satisfactory.

604. This system is at present in force in this country. It is little used and the local post master anticipates a serious fall in the revenue from money order commissions. He also anticipates fraud by theft of envelopes on a large scale.

605. Yes, the present money order system is on similar lines.

606. This would involve an expensive increase of staff and is really transforming a Post Office into a bank.

607. None at present.

*Henzada District.*

603. Every attempt should be made to expedite the delivery of money by the Post Offices. Present system is very dilatory. Practically it takes nearly a week for a money order from Henzada to reach the payee at Rangoon. Even telegraphic money orders are not free from this blame.

If the present rate of commission be reduced and delivery be expedited I think the postal money orders will increase greatly.

The present arrangement about language is quite satisfactory.

604. I do not think it will be cheaper and safer than money order at reduce rate of commission. It will not be safe at all unless such postal orders are sent by registered covers.

605. It seems to be a very good device. I am in favour of giving it a trial. It will tempt many persons to open accounts with his local post office.

*Myaungmya District.*

601. (1) (a) Between Rangoon and other places in Burma.

By Money Order,

By Insured Post,

By Hundi System,

By Supply Bills and Telegraphic Transfer.

By Messenger (in rare cases).

(b) Between two places in Burma, both of which are outside Rangoon.

As stated above.

(c) Between Rangoon and places outside Burma by money order, by insured post, through banks.

(d) Between a places in Burma outside Rangoon and a place outside Rangoon.

By Money Order.

By Insured Post.

Through a bank.

No restriction.

(2) Messengers are sent only to places near by. Usually reliable friends or relatives are asked to convey money. The use of messenger system is decreasing. The other methods are being used to a greater extent.

(3) Money order and insured post fees as prescribed by the Post and Telegraph Guide.

Supply bills and telegraphic transfers in accordance with the Resource Manual.

(4) As far as is known no delays are experienced.

(5) No banks exists in the Myaungmya District with the exception of a branch of Dawson's Bank at Moulmeingyun so that banks take little parts in this business as far as this district is concerned.

602. No modifications appear to be necessary.

603. The present system appears to be suitable. It is thought that money order commission may be reduced with advantage.

No complaints as to the language in which the orders must be written have been heard.

604. The money order system appears to be safer than postal order. It is not clear that the latter would give the public any additional facilities worth considering.

605. The system depends on signatures being reliable and recognizable. In the present state of illiteracy the system may be dangerous.

606. Recommended provided that very adequate safeguards are adopted, e.g., thumb impression, photograph (signed and stamped at office of issue to prevent replacement) should be required as well as signature on the two forms to be carried separately, as is normally done by banks.

607. The Committee is unable to suggest any new methods.

*Maubin District.*

601. (1) (a) Small amounts by postal money order : large amounts in currency notes by insured post. Hundi from Banks and Chettiar firms to places where they have branches. Treasury supply bills, cheques, telegraphic transfers through Treasury, Banks and Chettiar firms.

(b) As above, provided branches of Banks and Chettiar firms exist in those places and there are Post Offices and Treasuries. Otherwise remittances are made by special messenger.

(c) By bank drafts and telegraphic transfers, also by money Orders and currency notes by insured post.

(d) By postal money order if there is a Post Office or by draft or telegraphic transfer purchased from a bank in Rangoon or local treasury to India only.

(2) Not known.

(3) Usual postal or treasury charges and Bank commission.

(4) No delay occurs in case of remittances to Rangoon, but remittances from Rangoon to an outstation is sometimes delayed by lack of money in the Post Office to meet the money order.

(5) To a small extent as far as this district is concerned.

602. No modifications seems necessary.

603. Postmaster should be authorised to issue pay orders on Treasuries and Sub-treasuries to meet money orders. The money order commission is high and should be reduced to As. 4 per cent. subject to a minimum of An. 1 especially as supply bills may be bought for As. 2 per cent and the rate of postal insurance is also As. 2 per cent. Banks and Chettyars also issue hundis at cheap rates. The present arrangements as to language is satisfactory.

604. Postal orders as described would be popular. The advantages over the money-order system are that they come direct from the payer and can be cashed by the payee when convenient. Dangers if any are outweighed by advantages.

605. No.

606. Yes.

*Thalon District.*

601. (1) (a) Between Rangoon and other places in Burma money is ordinarily remitted money order. The business man and Chettiars as a rule have a more convenient and cheaper system, viz., that of depositing the money in a Chetty Bankers Firm in Rangoon and taking a hundi payable in the Mofussil by another banker and *vice versa*. The method of remitting by money order is only resorted to when small

sums are to be remitted. The actual transport of Currency Notes or coin by messenger is very common between Rangoon and other places in Burma. Postal order is rarely resorted to. Treasury supply bills are also rarely resorted to except in cases of European business men or others who are familiar with European methods of doing business.

(b) The same answer is more or less applicable here but may be modified that in very many cases Money Order is resorted to.

(c) The money order system is the most prevalent one with regard to remittances between Rangoon and places outside Burma, but Mercantile Firms and business men do not take to the system as it is expensive and often in cases where Banks have branches, drafts and cheques are resorted to.

(d) Answer to (c) applies.

(2) Where large sums are remitted actual transport of currency. Notes by messenger is usually resorted to by Chetties and business men. It is less expensive though in many cases it may not be safe. There is less delay in actual transport and one does not meet with the annoyance of having to wait in Banks or for the convenience of Postal Authorities.

As far as Thalton District goes, actual transport by messenger is increasing with people engaged in trade and with the Chetties.

(3) Expenses in actual transport when large sums are involved are much smaller by actual transport than by money order system. But in the case of small sums, money order system is more convenient.

Hundi system is also less expensive, than the money order system, and ordinarily one finds it the most convenient methods of remitting cash and perhaps the least expensive.

(4) In actual transport there is no delay at all but in the case of Money Order there is sometimes a little delay owing to slackness on the part of Postal Authorities and the delivery system.

(5) In many remittance Bankers other than Chettiers do not seem to take any part and if they do such parts is not in any consequence.

602. Telegraphic transfers convenient in urgent cases but big sums can not be transferred except in several Telegraphic transfers. When that is so the expense is rather prohibitive. Generally even in urgent cases when big sums are involved and places accessible by rail and steamer in a short time actual transport seems to be the most convenient and less expensive.

Supply bills cannot be obtained without passing through the cumbersome Red Tape of the Treasury Office and in certain cases without the delay caused by subordinate clerks who can never get through any place of work without some kind of gratuity. The supply bills are not convenient for those sending remittances of under thousand or for fractions of hundred when the remittance is over a thousand. The supply bills should not be made available for any sum and a single remittance by one telegraphic transfer should be made available for any sum of money.

603. The commission is too large and should be reduced considerably. The present arrangements otherwise are satisfactory.

604. Postal orders for any sum must be sold at the Post Office. A small commission can certainly be charged when selling them and any one buying it must have the advantage of sending it to any other person in the same manner as cash would be sent. But a necessary safeguard is that payment in cash is to be made available only to the person



mentioned in the Postal Order or to his nominee as otherwise it would lead to fraud. This system should be introduced into Burma and its advantages over the Money Order system are that the Postal Order is in available for a longer period and can be cashed at any time when one is in need of money. Or the Postal Order may be sent to the Bank for collection and deposit. There is saving in the commission also, the danger of fraud being perpetrated can easily be avoided by introducing payment only to the nominee or his Order.

605. The system in France mentioned in this question may be amalgamated with the Post Office Savings Bank Department and cannot see anything impracticable about it, but on the other hand, it appeals to one as very convenient and safe. It also increases one's opportunities to carry on a large portion of his business through the Post Office.

606. Yes. Such a system will give better convenience for the public especially in places outside Rangoon.

607. (1) Along with the answers some suggestions have been made above for making facilities in the matter of remitting money.

(2) Cannot suggest any new methods.

*Thalón District (Pa-an Sub-committee).*

601. (1) Generally by Money Order and Telegraphic Money Order and Insurance.

(2) Seldom.

No. Not increasing.

(3) Delays are not frequent.

(4) Usual Money Order, Telegraphic Money Order and Insurance charges.

(5) Nil.

602. Nil.

603. Yes by enlarging the acknowledgment slip and to make it more valuable and its return speedier than at present.

Yes.

No. It must be in English if it is outside the Province and in Burmese or English if it is within the Province.

604. No.

No.

Yes.

By temptation in transit.

605. No.

606. Yes.

607. No.

*Amherst District.*

601. (1) (a) By Postal Money Order, by Hundis, by Bank Draft, by Currency Notes per Registered Insured Post, by messenger, by Remittance Transfer Receipt between Co-operative Banks, by cheques.

(b) By Money Order, by Currency Notes per Registered Insured Post, Hundis where there are Chettians, by bank draft where there are banks at both ends, by messengers, by Remittance Transfer Receipt where there are Co-operative Banks at both ends.\*

(c) By draft, by currency notes per Registered Insured Post with India.

(d) Same as (c).

(3) The usual commission charged.

(5) Small extent.

603. Yes some improvement may be made such as better facilities, higher maximum remittance, etc.

Yes the commission is too much. It should be fixed at present rates up to Rs. 100. and on a gliding scale from Rs. 100 to Rs. 1,000, and at As. 4 per cent. above a thousand.

604. Yes. Yes. No.

*Tavoy District.*

601. (1) Mostly through Postal Authorities employing both Money Orders and insurance methods.

Merchants through Banks if there is a Bank where the money is to be remitted.

(2) Transport by messenger is decreasing.

604. No, not under existing circumstances.

605. Yes. This will be beneficial to a large number of people with moderate means who find difficulties in their way of dealing with Banks.

606. Yes.

*Mergui District.*

601. (1) (a) By Hundi.

(b) By Hundi.

(d) By Hundi, Insurance and bank drafts. Bank drafts are limited to remittances to foreign countries.

(2) Hundis and insurance to a great extent. Hundis increasing considerably.

(3) Postal registration fees.

(4) Seven days' grace is ordinarily allowed.

(5) To a very small extent.

602. Yes. Telegraphic transfers and supply bills should be allowed for Rs. 500 also.

603. The amount of remittance should be raised to Rs. 2,000 and to reduce the fees by half. Language is satisfactory.

604. Yes. Suitable and more advantageous. There would be no danger.

605. Yes.

606. Yes.

*Magwe District.*

601. (1) Between Rangoon and other places in Burma, money is remitted by postal money orders, telegraphic money orders, postal insured registered parcels, cheques issued on joint-stock banks, hundis, steamers, messengers, telegraphic transfers and supply bills issued by the Treasury.

Between places in Burma, both of which are outside Rangoon money is remitted by Postal Money orders, Telegraphic money orders, Postal insured parcels, hundis, messengers, steamers, telegraphic transfers and supply bills issued by the Treasury.

The method of remitting money by cheques issued on joint stock banks is restricted to the case of remittance from "other places" to Rangoon.

(2) No answer can be given.

(3) In the case of postal money orders, insured registered parcels and Treasury Transfer, the remitter has to pay the charges at the prescribed rates. In the case of remittance by hundis sometimes he has to

pay nothing and sometimes at the rate of two annas per Rs. 100 for amount below Rs. 1,000 and Re. 1 per Rs. 1,000 for Rs. 1,000 and more. In the case of remittances by steamer, the cost is four annas per hundred and two annas per hundred if the remittance is accompanied by an escort.

(4) No delays are experienced in the case of remittance by telegraphic transfers and supply bills issued by the Treasury, by hundis and by steamers but in the case of remittance by Postal money orders and insured registered parcels delays occur when the addressee miss the postman, when the money orders are paid and insured parcels delivered to the wrong persons, when it is necessary for the addressee to find witness to identify him and when the addressee happens to reach the Post Office, to get payment of the money order or take delivery of the insured registered parcel, before or after the fixed hours.

(5) Banker other than Chettiars take no part in this business.

602. Modification of the rules are desirable in order that the premium for the telegraphic transfers and supply bills may be fixed at the uniform rate of one anna per Rs. 100 and to fix the minimum amount for both telegraphic transfers and supply bills at Rs. 600. The amount up to which postal money orders and telegraphic money orders can be remitted is Rs. 600 only.

603. We cannot suggest what improvements can be made in the post office money system. Yes, we consider the rate of the money order commission too high. The present arrangements as to the language in which the orders must be written are not satisfactory, because the post office does not allow the orders to be written in any language except English.

604. The system of "Postal Orders" should be suitable for use in Burma. It would have many advantages over the money order system, because the "Postal orders" can be taken by the purchaser himself to the office of payment at any time he likes. Its dangers are the same as in the case of cheques on banks. No particular remedy can be suggested to meet these dangers.

605. This system would be useful but not practicable in small town.

606. It is advisable to experiment the system in large towns.

607. (1) No answer.

(2) No answer.

*Commissioner, Sagaing Division.*

601. (a) Currency notes under insured covers, money order by post or telegraph and occasionally cheques.

(b) Similarly.

(c) By money order or postal order or by transfer to a Bank in Rangoon.

It is noticeable that insured covers are frequently insured for a considerably less sum than the value of the contents.

603. The limit up to which money orders could be sent should be increased. The Post Office loses considerable sums owing to parcels of notes being insured for less than their face value. Probably the commission is too high and might be decreased in the case of larger sums.

604. The postal order system is not suitable for Burma and its introduction would probably result in rural postmen being frequently dacoited or robbed.

605. I think that the introduction of the system of deposit accounts at local post offices in Burma would result in much dishonesty among the establishments of the small post offices.

606. No. The staff is not yet sufficiently reliable.

*Bhamo District.*

601. (1) (a) Money is remitted from Bhamo to Rangoon by :—

- (i) Postal Money Order.
- (ii) Telegraphic Transfer.
- (iii) Supply Bills.
- (iv) Insured Post, and
- (v) Telegraphic Money Order.

(b) From Bhamo to outside Rangoon, *i.e.*, District Headquarters also by the above methods ; and to places where there are no treasuries by :—

- (i) Postal Money-Order.
- (ii) Insured Post, and
- (iii) Telegraphic Money-Order.

(c) None known.

(d) Bhamo to outside Burma by :—

- (i) Postal Money Order.
- (ii) Insured Post.
- (iii) Supply Bills (rarely).

(2) Invariably by the above mentioned methods which are increasing. The transport of currency notes or coin by messenger is decreasing.

(3) Expenses incurred are as follows :—

(a) Postal Money Order—One per cent.

(b) Telegraphic Transfer, Insured Post and Supply Bills two annas per cent. plus postage and telegraph charges.

(4) No delays are experienced by the above mentioned methods.

(5) There are no bankers in this District.

602. No modifications are desirable in the rules or arrangements for currency telegraphic transfers and supply bills.

603. Improvements can be made in the Post Office Money-Order system by reducing the commission to eight annas per Rs. 100. The present arrangements as to the language in which the orders must be written are satisfactory.

604. This system will not be suitable for use in Burma because it will have no advantages over the money-order system, because in the latter the Post Office is responsible for delivering the money to the receiver whereas in the case of Postal orders the receiver is put to the trouble of having to go to the Post Office.

605. This system also might be tried in Burma. It however appears to convert the Post Office into a Bank and would entail a great deal of extra work and added responsibility.

606. It is inadvisable to institute the issue by Post Offices of letters of credit payable at any one of a number of post offices unless Post Offices are to be constituted as Banks.

607. None unless Post Offices become Banks and accept cheques for clearance.

*Katha District.*

601. (1) (a) Money order, insured post, cheques drawn on joint-stock Banks and Chettiar's Banks.

(b) Money order, currency notes under insured covers. Occasionally cheques.

(d) From Mogok to places outside India money is sent by Postal Orders. To India money is sent by Money Order, and insured covers and *vice versa*. From places outside Burma and India money is sent by telegraphic transfer to one of the Banks in Rangoon; the Bank then sends the money by insured covers. Annexures A, B, C, D, give the complete history of remittance from Europe to a payee in Mogok.

(2) Sending currency notes under insured parcel is most commonly used. Money Order comes next, then Cheques and then actual transport of currency notes or coin. The last method is decreasing while the use of cheques is increasing.

(3) Please see Annexures C and D for expenses in connection with remittance of £118-9-0.

(4) The Bank in Rangoon asks for instructions. Hence a delay of seven days.

(5) No Chettiars take part in this business.

602. No suggestions.

603. The limit should be extended up to Rs. 2,000, The Commission is too large. Satisfactory.

604. Not suitable for Burma. It has no advantage over the money order system.

605. Yes.

606. Yes.

607. No suggestions.

*Katha District (Kawlin and Wuntho sub-Committee).*

601. No answer. The only remittance is of small amounts by Postal Money Order.

*Deputy Commissioner, Upper Chindwin.*

601. (1) By money-order.

(3) Usual money-order commission.

(4) and (5) Nil.

602. Not desirable.

603. Present system quite satisfactory; no need of any further improvements; commission not considered too large and the present arrangement as to the language is satisfactory.

604. I think that this system will be suitable.

605. This system will be useful if practicable.

606. Advisable.

*Lower Chindwin District.*

603. It was strongly urged that the Commission on money orders of the smaller denominations is too large.

*Accountant-General, Burma.*

601. (1) (a) Remittances between places where there are branches of the Imperial Bank of India are made by the Bank. The information furnished below refers to remittances between places where there are no branches of the Bank and to remittances from places where there are branches of the Imperial Bank to places where there are no branches and *vice versa*. Remittances between these places are generally made as shown below :—

(i) By Telegraphic Transfers and Supply Bills under the rules given in the answer to Question 602 below.

(ii) By Post, *i.e.*, by money order or by Insurance under the rules of the Postal Department.

(iii) By actual remittances of notes or coin by messengers, rail or steamer.

(b) As in (a) above subject to the limitation that treasuries can issue telegraphic transfers to the extent of Rs. 20,000, and supply bills Rs. 10,000 at a time without reference to this office. For amounts in excess of this limitation previous sanction is to be obtained from this office.

(c) As in (a) above. Approval of the Deputy Controller of the Currency of the Circle concerned has to be obtained to the issue of Telegraphic Transfers and Supply Bills on places outside Burma other than Calcutta, Bombay, Madras, Cawnpore, Lahore and Karachi.

(d) As in (a) above. This office is approached by the Treasury concerned when a Telegraphic Transfer or Supply Bill is required at a place outside Burma other than Calcutta, Bombay, Madras, Cawnpore, Lahore and Karachi and the approval of the Deputy Controller of the Currency of the Circle concerned is obtained before the Treasury is allowed to draw thereon.

(2) (a) The method of obtaining money by Telegraphic Transfers and Supply Bills is used by the public to a large extent as it is a safe, economical and convenient method of obtaining their cash requirements. As this method is being made use of considerably, remittance of notes through the post is decreasing correspondingly and that of coin is resorted to in rare cases.

(b) As in (a) above but not to such a large extent.

(c) As in (a) above, but to a larger extent than in (a) above.

(d) To a small extent.

(3) (a) (b) (c) and (d) The expenses incurred for obtaining Telegraphic Transfers and Supply Bills are the premium fixed as in Rule 6 in the answer to Question 602 below and the telegraphic charge for a telegraphic transfer as in Rule 7:

(4) (a) (b) (c) and (d) As regards Telegraphic Transfers and supply bills no delays worth mentioning are experienced. No information is available in this office as regards delays experienced in remitting through the post or by messenger, rail or steamer.

(5) (a) (b) (c) and (d). Bankers do not ordinarily use this means of obtaining their cash requirements. In stray cases they act as agents to obtain Telegraphic Transfer for their up-country constituents.

602. (a) (b) (c) and (d) No modification of the existing arrangements for telegraphic transfers and supply bills is considered desirable or necessary. The existing arrangements are as follows.

Telegraphic transfers are issued on currency chests and supply-bills on treasuries.

The work in connection with the issue and payment of telegraphic transfers and supply bills from Rangoon (which was previously done by the Currency Office, Rangoon and the Accountant-General's Office) has been transferred to the Rangoon Branch of the Imperial Bank of India with effect from the 15th August 1929. That branch may issue to any extent telegraphic transfers and supply bills payable at any district headquarters in Burma, provided that the balance is not reduced below a total of two lakhs of rupees for notes and coin. The other branches of the Imperial Bank of India do not issue telegraphic transfers and supply bills on one another. Through the Treasury Officer located there they issue telegraphic transfers and supply bills on treasuries where there are no branches of the Imperial Bank of India and also pay telegraphic transfers and supply bills drawn upon them by such treasuries.

Treasuries can issue telegraphic transfers and supply bills on one another up to Rs. 20,000 and Rs. 10,000 respectively without the previous sanction of the Deputy Controller of the Currency (Accountant-General, Burma).

Telegraphic transfers and supply bills at and on sub-treasuries are not generally allowed : but permission is granted in special cases, the principle observed being whether the sub-treasury concerned is deficit or surplus. If deficit, the rate of premium to be charged is determined with reference to the actual cost of the remittance of the funds required; if surplus, the usual rate of premium is charged, *viz.*, two annas per Rs. 100 for amounts less than Rs. 10,000 and one anna per Rs. 100 for sums of Rs. 10,000 and above. For telegraphic transfers a telegram charge of Rs. 2 or Rs. 3 must be paid in addition to the premium.

A list of treasuries and sub-treasuries in Burma on which telegraphic transfers and supply bills are permitted to be drawn by the Imperial Bank of India, Rangoon, is furnished to the Bank every week, with figures of the maximum limits up to which both can be issued during the week. During the busy season when the demand for telegraphic transfers is brisk, the amount shown as available at the beginning of the week is sometimes not sufficient to meet the public demand for telegraphic transfers on sub-treasuries. When such cases arise, the bank enquires of this office if further funds are available, and if a sufficient amount of revenue has come in to cover the additional amount required, the telegraphic transfer is authorized.

The following is the essential part of a copy of a public notice issued by the Accountant-General for general information and stating the rules for the grant of facilities to the public for the transfer of funds :—

#### NOTICE.

##### Telegraphic Transfers and Supply Bills within Burma.

1. No telegraphic transfers or supply bills will be issued by Treasury Officers between places where there are branches of the Imperial Bank of India, *viz.*, Rangoon, Akyab, Moulmein, Mandalay, Bassein and Myingyan. Remittances either by supply bills or currency telegraphic transfers between such places and treasuries where there are no branches of the Imperial Bank, as well as between other district

treasuries and currency chests will be arranged by Treasury Officers where necessary, in communication with the Accountant-General.

2. Supply bills will generally not be issued for sums less than Rs. 1,000. They must be in even hundreds of rupees only.

3. No telegraphic supply bills will be issued by the Treasury Officers, but telegraphic currency transfers will be arranged for.

4. In Rangoon, telegraphic transfers (except on Akyab, Moulmein, Mandalay, Myingyan and Bassein) which were previously issued by the Currency Office and supply bills formerly issued by this office are at present issued by the Imperial Bank of India.

5. No currency telegraphic transfers for sums less than Rs. 5,000 will be issued. They should be in even thousands of rupees only.

6. Premium will be charged at one anna per cent for amounts of Rs. 10,000 and over, and at two annas per cent for amounts less than Rs. 10,000.

7. In the case of telegraphic transfers, telegram charges will be paid by the remitter in addition to the premium. There will be two flat rates of Rs. 2 and Rs. 3 for a transfer according as the applicant desires the transfers to be intimated by an ordinary or express telegram irrespective of whether the transfer is within or without the circle of issue, or is issued, on a Currency Office or Chest.

8. The amounts of remittances applied for may be tendered in rupees or notes at the option of the remitter, but all transfers will be payable in legal tender currency, *i.e.*, in notes or rupees, at the convenience of the officer making payment. The payee's requirements will be met as far as possible, but he will have no right to demand payment in any particular form of currency.

9. Currency telegraphic transfers and supply bills are also issued at and on sub-treasuries, where it can be arranged, under special instructions from the Deputy Controller of the Currency. In such cases it may be necessary to enhance the premium, but information on this point will be gladly given to anyone who makes enquiries at the Accountant-General's Office.

#### Telegraphic Transfers and Supply Bills beyond Burma.

Currency telegraphic transfers and treasury supply bills, subject to the above minima, and at rates of premium specified in paragraph 6, may be arranged on application at any treasury in Burma. They will be made payable to any person named by the remitter.

In all the above cases payment will be made only after proper identification of the payee by the paying office.

#### Deputy Director of Agriculture, Irrawaddy Circle.

601. (1) (a) Between Rangoon and other places in Burma.

By money order.

By insured post.

By hundi system.

By supply bills and telegraphic transfer.

By messenger (in rare cases).



(b) Between two places in Burma, both of which are outside Rangoon.

As stated above.

(c) Between Rangoon and places outside Burma by money order.

By insured post, through banks.

(d) Between a place in Burma outside Rangoon and a place outside Burma.—

By money order.

By insured post.

Through a bank.

No restriction.

(2) Messengers are sent only to places near by. Usually reliable friends or relatives are asked to convey money. The use of the messenger system is decreasing. The other methods are being used to a greater extent.

(3) Money order and insured post—fees as prescribed by the Post and Telegraph Guide.

Supply bills and telegraphic transfers in accordance with the Resource Manual.

(4) As far as is known no delays are experienced.

(5) No banks exist in the Myaungmya District with the exception of a branch of Dawson's Bank at Moulmeingyun; so that banks take little part in this business as far as this district is concerned.

602. No modifications appear to be necessary.

603. The present system appears to be suitable. It is thought that the money order commission may be reduced with advantage.

No complaints as to the language in which the orders must be written have been heard.

604. The money order system appears to be safer than postal order. It is not clear that the latter would give the public any additional facilities worth considering.

605. The system depends on signatures being reliable and recognizable. In the present state of illiteracy the system may be dangerous.

606. Recommended provided that very adequate safeguards are adopted, e.g., thumb impression, photograph (signed and stamped at office of issue to prevent replacement), should be required as well as signature on the two forms to be carried separately, as is normally done by banks.

607. The Committee is unable to suggest any new methods.

*Deputy Registrar (Co-operative Department), Mandalay charge, and Myoök (Co-operative Branch), Myinmu Range.\**

601. (1) (a) By money-order, by hundis, by supply bills, by postal insurance.

(b) Same as (a).

(c) Money-order, postal insurance, hundis, British postal orders.

(d) Same as (c).

603. The commission is large and should be reduced. The money order forms should be bilingual, viz., English and Burmese.

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\* Joint reply: relates to Sagaing, Mandalay and Kyaukse districts.

604. The use of postal orders would be suitable for use in Burma and it will have advantages over the money-order system though it may be fraught with dangers which can be met as in the case of currency notes.

605. Yes.

606. Yes.

607. The systems mentioned in questions 604, 605 and 606 may be introduced by Co-operative Societies and Banks.

*Postmaster-General, Burma.*

603. Our existing money orders system will stand comparison with any in the world as far as safety and the studying of the convenience of people in urban areas is concerned. There is room for improvement perhaps in rural areas, *i.e.*, in respect of the payment of money orders by village postmen. The aggregate amount of money a village postman can, under existing regulations, take from an office for the payment of money orders is limited to Rs. 100.

The objection to raising this limit is the risk the Department runs in entrusting large sums of money to comparatively low paid itinerant officials. If we could count on the co-operation of the District authorities this risk might be reduced. For example, we might arrange for cash and paid money orders in the possession of village postmen to be checked by the Headman of every village they visit. Were Headmen held responsible for this check being efficiently carried out and not treated as a mere formality the risk of entrusting comparatively large sums to village postmen would be materially reduced.

I do not think the commission can be regarded as excessive when it is remembered that it covers the whole of India, and that at the present rates a sum of money can be safely remitted over such distances as Bhamo to Karachi. If Burma controlled its own Postal System it might be possible to introduce a lower rate of commission for remittances within the Province.

604. I see no reason why the system of Postal Orders should not be introduced. It will, however, be realized that Postal Orders are easily negotiated and their use would always be risky. If the public cared to take the risk I should let them do so. They could be crossed when desired so as to be payable only through a banking account.

605. This proposal might be tried in a few selected Post Offices. It would certainly be in the interests of people living in rural areas who, provided they had Savings Bank account, could hand to village postmen money orders they wished to have issued.

In respect of the payment of money orders, if the practice of crediting to Savings Bank accounts the value of money orders received became widely popular, the risk referred to in my answer to Questions 603 would be materially reduced.

606. I could not say that it would be advisable for this Department to issue letters of credit, but I do not see any serious objections to its being tried if it is thought to be desirable. A trial might be made in large offices such as Mandalay, Bassein, Moulmein and Rangoon in Burma, and between these offices and Calcutta, Bombay and Madras in India.

607. I have no suggestions to offer at present.

*Mr. P. S. V. Nambi (Rangoon).*

602. I would suggest that receipt of money at a local sub-treasury for remittances to Rangoon or to any headquarters treasury be permitted freely without previous sanction of the Deputy Controller of the Currency though withdrawals may have the present check.

603. I would suggest that the rates of Rs. 100 and upwards should be reduced to As. 8 per cent, and the despatch of larger sums be encouraged where the Chetty charges 4 annas per cent. for sums the Government charges Re. 1 per cent. The Government should be more liberal.

604. I very strongly recommend this as this will help the illiterate population a great deal in remitting money. The language should be bilingual Burmese and English. Then the people would not be at the mercy of the petition writer. The use of currency notes for small remittances will be minimized provided the commission to be charged is not large. As there is a danger of this being tampered with in the post as notes are at present sometimes similarly tampered with I would suggest the provision for the name of the payee on the document who can easily get himself identified locally.

605. This and the plan suggested in Question No. 604 would go a long way to help the semi-literate agriculturist and the labourer to remit his savings easily to the proper quarters.

*Mr. P. S. Subbaiya, B.A., A.I.B. (Rangoon).*

601. (1) (a) Post Office money orders, insured notes, and Telegrams money orders, Banks and Chettiers Drafts and Hundis, and Telegraphic treasuries—Remittance. Transfer receipt.

(b) Same as above.

(c) and (d). Remittance Transfer Receipts are not used generally.

Place not served by banks or treasuries the remittance of notes by insurance is the only method as even money orders for big amounts are not accepted at the Post Office.

(7)  $\frac{1}{2}$  per cent to  $\frac{1}{4}$  per cent is charged by banks and chettiers.

603. The commission charged is a bit too large. The former scale might be revived.

604. Postal orders would no doubt be a better substitute so long as people have to pay somebody to write out their money orders and so long as different languages are prevalent. But it has the same dangers as an open cheque.

*Mr. P. L. L. N. Narayanan Chettiar (Pyawon).*

601. (1) Money is always remitted through the Rangoon Bankers and Chettiers to other places. Money is paid into banks and a memo or receipt is obtained and this is sent by registered post to whichever place the money is to be sent. If there is no bank in any place money is sent by insured Post.

(2) The above method is the most common.

(3) Commission to Bankers and the cost of registration.

(4) No delay.

(5) All bankers.

602. No.

603. Commission is too large; send small number of money orders.

604. Yes; it will be a great boon to Burma.

605. Yes.

## CHAPTER VII.—INDIGENOUS BANKING.

## Section 1.—General.

*Akyab District (U Shway Tha's Sub-committee).\**

701. (1) Money lending by Arakanese, Chettyars and Hindus.  
 (2) (a) Arakanese, Chettyars and Hindus supply money for agriculture.  
 (b) Arakanese, Chettyars and Hindus supply money for trade.  
 (c) Arakanese, Chettyars and Hindus supply money for industry. Security of moveable and immoveable properties.
702. Yes. Trade in goods to small extent. Subordinate.
705. Yes. Owing to failure of crops and fall in the price of paddy.
707. Samples : Promissory Notes and Mortgages.

*Akyab District (Mr. Bishop's Sub-committee).\**

701. (1) Marwaris and Chettyars and Arakanese.  
 (2) They all lend money on pronotes and mortgage deeds.  
 (3) Some issue Hundis and telegraphic transfers.
702. Some do paddy business. Generally the subordinate business.
703. (1) By a reference to their accounts.  
 (2) We are not in a position to do so.
704. We are not in a position to do so.
705. A considerable portion. . Crop failures and business losses.
706. Not here. Not enough business.
707. Hundies Pro-Notes, etc., as used in Rangoon.

*Akyab District (Chettiar Sub-committee).†*

701. Of the business people here, Chettiars are few while Burmans bank to a large extent, and Marwaris, people from Bombay, and Muslims do much business.

707. When a payment is received, as a part of principal or towards interest, it is duly endorsed on the on-demand or on the mortgage deed. In some cases receipts are issued.

*Pegu District (Chettiar Sub-committee).\**

701. (1) Chettiars, Marwaris, Mooltanis, Chinese and Burmese.  
 (2) (a) Agriculture (b) Trade (c) Industry. Chettyars finance the above three to a great extent.  
 (3) Chettiars accept deposits, have current and overdraft accounts, accept safe deposit of valuable jewellery from their clients. A few of them buy Government security bonds, and War bonds.
702. Besides banking some Chettiars own and work saw mills, rice-mills, and also do export, import, rice and timber business and store and sell paddy, but they are all secondary to banking.

\* The Deputy Commissioner has reported that Mr. Bishop's sub-committee may be taken to represent the business-men while U Shway Tha's represents the non-Chettiar financiers.

† Translated from Tamif.

703 ; 704. Accounts submitted to the Chettyars Association.

705. There are many bad debts for indigenous bankers. The chief reasons for them are:—(1) Floods. (2) Social expenses like races and gambling. (3) Increasing taxation.

706. None except the indigenous bankers accept hundis and other exchange bills.

*Tharrawaddy District (Zigón Sub-committee).*

701. (1) Chettyars, although to call them indigenous bankers, would be a misnomer.

(2) Chettyars not only played an important part in the banking business of this Province but they are almost everywhere on the field on finance.

702. Chettyars don't do any other business as a rule besides lending money. There are cases where some of them speculate on paddy as a side line.

703. (1) Broadly speaking one Chettyar firm has from one to four lakhs always out at loans. If the number of firms and the size of their business are known a fair estimate is possible, not otherwise.

(2) About 100 lakhs in Zigón Subdivision.

704. We have never heard of other people's estimate.

705. Indigenous Bankers occasionally have loans under recovery when there is a bad house or trade depression. Cases also occurred when the principal plus interest leaps over the value of security. In such cases also loans are not recovered.

706. No.

707. No samples can be supplied.

*Hanthawaddy District.*

701. (1) Chettyars.

(2) (a) They supply all the credit needed by agriculturists either to the cultivators, who cultivate their own land, or to the landlords who lend money to their tenants.

(b) Ditto.

(c) there are no industries in this District except the oil industry and the Sub-committee has no knowledge of their affairs.

See note to 2, 14.

(3) They lend money to anyone who can furnish security on the same terms as to the agriculturist.

702. Chettyar engages in all sort of occupations forced on him by taking over property as a bad debt such as saw milling, rice milling, cultivation, etc. In all cases he puts in a tenant to run the concern and sells the concern if he can get what he considers a suitable price. Such business is subordinate to his money-lending business.

703. (1) From the Tamil Assessor of Income-tax for the District.

(2) Quite impossible.

704. Never heard any estimate.

705. A few, owing to faulty security due generally to the intricate inheritance law.

706. None in this District.

707. The ordinary on-demand pro-note is the most common.

*Iusein District.*

My Committee regrets its inability to answer most of the questions in Chapter VII. The Chettyar's Association somewhat belatedly promised half but their representative has so far failed to supply any.

701. (1) Chettyars.

702. Many Chettiars are now landlords and farm their own land as a subordinate business.

703. (1) By asking the Tamil Income-tax Assessor.

705. No.

*Bassein District (Chettiar Sub-committee).\**

701. (1) Business is done with and without security and on mortgage of jewellery.

(2) (a) Half for agriculture. (b) One-fourth for trade (c) and a little for industry.

702. Storing and milling of paddy. This is a business of minor importance.

703. (1) Can be estimated through the amount of contribution given to the temple yearly.

(2) Rs. 1,44,00,000 in Bassein according to the above method.

(3) Can also be estimated through the Chettiar Association in Rangoon.

705. There are arrears of collections, when loss is encountered to those who are financed by borrowing. The present high expenses and the bad notions created in the minds of the borrowers also form part of the reason for such arrears.

706. There are, but not many. Many do not do so fearing loss.

707. Mortgages are written according to the taste of the persons, and those documents are returned to the parties when money is recovered.

*Pyapôn District.*

701. (1) They are—

Chettyars.

Burmans.

Chinamen.

Maiman Mohamedans.

(2) The part played by Chettyars is principally concerned with agriculture but they are ready to advance money for trade and rice milling.

Much the same applies to Maimans.

Chinamen specialize on trade.

Burmese money-lenders are principally concerned with agriculture.

Chinamen usually advance money on security of gold and jewellery. Burmans, Chettyars and Maimans usually advance money on security of mortgage on land but occasionally on pro-notes only. Burmese money-lenders do not take money on deposit but Chettiars do frequently. Maimans do not take money on deposits, nor do Chinamen.

702. In the case of Burmese money-lenders their banking and money-lending is usually subsidiary to other occupations. They are usually landowners. In the case of Chettyars to a small extent they carry on buying and selling land. But their principal business is banking and money-lending. The same applies to Maimans. In the case of Chinamen their principal business is trade of various descriptions. The money-lending that they do is a subsidiary line of business.

703. Only an approximate estimate can be given. The Committee was of opinion that the total loans of indigenous bankers in each township of the district would be a hundred lakhs, possibly somewhat more at Pyapón and Bogale. P. L. L. N. Narayanan Chettyar said that he could form a rough idea of the loans made because of the system prevalent among Chettyars of giving Re. 1 in every thousand rupees lent to a temple. But for the rest the estimate given by the Committee was based on the general knowledge of the Committee members of conditions prevailing.

704. No members of the Committee were aware of other people's estimates of the total loans of the indigenous bankers.

705. Few loans made by indigenous bankers are not recovered. The usual causes of losses are trade depression, deaths of cattle and failure of crops. Absconding is rare.

706. None.

707. U Tun and Mr. P. L. L. N. Narayanan Chettyar kindly promised to give a few samples. But receipts for interest paid and instalments of principal money and reassignment of mortgages are not in use.

*Thatón District (Kyaikto Sub-committee).*

701. (1) Chettiars only.

(2) For all the three purposes by the Chetties. Money is lent on pronote and on pledges by registrations.

(3) No.

702. They transact paddy business, paddy and timber milling besides banking and money-lending. This is made possible by the mortgaged property coming into their possession.

703 and 704. Chettiars have sent a consolidated amount to the Chettiars' Association in Rangoon.

705. Many loans are not recovered owing to paddy-fields being destroyed by erosion and crops destroyed by floods and to early cessation of rains. The extravagance of the people also leads to loss.

706. None.

707. Furnished.

*Amherst District.*

701. (1) Chettyars, Burmans and Marwaris do business as Indigenous Bankers in our locality.

(2) The Chettyars lend the major portion of the money required for agriculture trade and industry.

(3) The Burmans also do co-operative Banking business.

702. Yes. Paddy or timber or rice or rubber business. Banking is the principal business.

703. (1) We are of opinion that it is not practicable for such an estimate to be taken.

(2) Does not arise.

705. Only a few loans are not recovered by Indigenous Bankers. The usual causes are loss in trade, depression in the land market and the decrease of the price of paddy and paddy lands.

706. We are not aware of the existence of any such people.

*Pakókhú District.*

701. (1) There are three kinds of indigenous bankers that do business in our locality, viz. :—

(a) Ordinary lending money on interest.

(b) Lending money on daily interest called “*ခေပုဒ်ဝိဇ္ဇာ*”

(c) Lending money to be re-paid at harvest in kind.

The first kind plays in supplying and transmitting money for agriculture by 50 per cent., for trade by 37½ per cent. and for industry by 12½ per cent.

The second kind plays a very negligible part.

The third kind is wholly for agriculture. The methods of doing this business are ;

(a) On simple on-demand pro-note and on mortgages of immoveable properties.

(b) Without pro-notes or securities but interest is usually charged at 4 per cent. per mensem and the loan and interest are re-paid daily in 30 equal instalments.

(c) Without accepting any mortgage property or securities.

(3) They do not transact any other kind of banking business.

702. Yes, the indigenous banker does all other kinds of business in which he is conversed. It is generally the principal business.

703. (1) The Committee cannot suggest any useful methods of estimating the total loans of the indigenous bankers.

(2) This part needs no answer in view of the answer to the first part.

704. The estimate of the total loans by Chettyar bankers is about 20 lakhs of rupees and we think it is nearly correct.

705. Yes, about 25 per cent. of the loans by indigenous bankers are not recovered. The usual causes of their losses are :—

(1) failure of crops, and

(2) depression of trade.

706. There are none who regularly buy or sell hundis or bills of exchange. This is due to want of agencies. Buyers and sellers of hundis and bills of exchange are not sufficient in our locality.

707. Samples of hundis and promissory notes only are available and they are attached. There is no regular form for mortgages ; receipts for interest are not given ; receipts for instalments of principal money are not given but the fact of payment of the instalments of principal is simply recorded on the back of the document. There are no regular forms of re-assignment of mortgages.

*Yaméthin District.*

701. (1) Only Chettyars.

(2) They play an indispensable part in supplying and transmitting money in agriculture, trade, and industry which would be at a stand still for want of capital, if these bankers do not exist.



To their approved customers, they lend money on promissory notes payable on demand. But in other cases, they insist upon sufficient security of jewellery and land. With regard to the security of land, a registered simple mortgage is effected.

(3) Nil. The only method they adopt in banking is the Nattakottai Chettiar method.

702. Yes. Besides banking which is the principal business, some have saw-milling, grain-corning, and land-owning business as subsidiary ones. The saw mills and land which they now own were thrust upon them by their borrowers who could not repay the loans.

703. This estimate could be obtained from the Income-tax office, if it is approached through the Government. Chettiars are not reluctant to furnish this information.

The total capital of all the Chettiars in this district is estimated at 60 lakhs of rupees according to the information given by the Chettiars.

705. Yes. The causes are failure to take sufficient security in the beginning and the loss in trade on the borrower's part.

706. No one sells or buys hundis or bills of exchange.

707. The sample copies are attached hereto. (Not received.)

*Commissioner, Sagaing Division.*

701. Except for a few Chettiars there are no indigenous bankers in the Division. Money-lenders of the kind found everywhere are not bankers in any sense.

*Shwebo District.*

NOTE.—The Committee did not have the assistance of the Chettiars, who were invited to attend, in framing replies to the questions in this chapter.

701. (1) Chettiars, and the other kinds of money-lenders mentioned in the reply to question 206 (2).

(2) (a) The Chettiars alone arrange for money to be remitted from Rangoon and other places to Shwebo. All classes of money-lenders alike lend money to any person, irrespective of the purpose for which the money is required, provided that the security is adequate.

(b) *Methods*—interview the borrower; investigate the security offered; execute a pro-note or other document, and have the document registered if this is necessary. They issue the money in the form of cash. They keep their cash reserves in their personal custody in their houses. They do not send out agents to tout for business but wait for customers to come to them.

(3) Chettiars, only, issue hundis in Rangoon or other places, where they have their agents or branches. They also accept current deposits at eight annas per cent. per mensem. They provide pass books for current accounts but not cheque books.

No other kinds of indigenous bankers do any business except plain money-lending and they operate with their own money only.

702. Yes. Chettiars acquire and work rice-mills and, acquire and rent out land and houses. Other money-lenders acquire and rent out land and houses. Some trade as well. Some combine money-lending with rice-milling, or with their business as lawyers and traders. In most cases, money-lending is the principal business but in the case of rice-millers and lawyers it is a subsidiary, although important, business.

703. (1) By compulsory registration of all transactions relating to loans. (The fee should be nominal in the case of loans made on simple promissory notes.) A standard printed form should be used and registered in a special Volume of Register Book 1, in the same way as printed documents are registered in the Additional Volume, Book 1.

(2) Cannot make an estimate.

704. Never heard of any.

705. (a) Not many. (b) The operation of the Insolvency Act—periods of trade depression—bad agricultural years—dishonesty (five per cent.).

706. (a) Not many. (b) Ignorance. (c) Last part of the question is not understood—perhaps a word has been omitted.

707. Specimens of various forms used by local Chettians are attached.

*Shwebo District (Chettiar Sub-committee).\**

701. (1) Marwaris, Chettians, Burmans, Vakils and Punjabis.

(2) Money advanced for agriculture and trade. Cannot be estimated.

(3) All are doing money lending and banking and giving on mortgage and on on-demand promissory-notes.

702. Some are dealing in paddy and in other crops. It is subsidiary, but Chettians do not do this kind of business.

703. (1) Can be estimated by examining the accounts of every banker.

(2) As the accounts of every banker are not known this cannot be answered.

704. We do not know of any one who has made such an estimate.

705. Yes, there are. Loss of trade, dishonesty in borrowers, and the defective laws.

706. There are no such transactions here.

*Katha District.*

701. (1) Burmans, Punjabis and Chinese.

(2) These lenders simply lend out money on pro-notes to agriculturists and traders. Punjabis supply 50 per cent. of the loans; Burmans 30 per cent., and Chinese 20 per cent.

702. All the money-lenders trade in gems, paddy and rice, timber, and miscellaneous goods. These are subordinate businesses except in the case of paddy and rice which are wrapt up in the money-lending.

705. Yes; the principal cause is the failure of a borrower's harvest.

706. No.

*Assistant Commissioner of Income-tax, Western Range.*

701. (1) Burmese and Chettiar money-lenders.

(2) and (3) As stated in my answers to Chapters I and II. I have no further remarks to make.

702. Besides money lending, some of the above people do business in paddy and rice trade. Some of the Chettiar money-lenders also own

rice-mills and timber-mills. The above business is, however, subordinate to their money lending business which is the principal business.

705. The indigenous bankers have loans which are not recovered but these loans are not many. The general cause is failure of the borrowers in their business.

706. I am not aware of any person who regularly buys or sells hundis or bills of exchange.

707. I am not in a position to furnish samples of the documents required.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu Districts.*

701. (1) Locality is the Riverine tract of Burma, i.e., Pakôkku, Myingyan, Minbu, Thayetmyo and Magwe.

The only kinds I have observed are :—

1. The Chettiar.
2. The Burmese money-lender.

The Chettiers' business can be best answered by the members of the Chettiers' Associations so I propose to confine myself to the Burman.

(2) (a), (b) and (c) The system is the same and amounts to pure money lending, devoid of other attributes of recognized banking.

There are loans upon security and loans upon personal character and reputation (without security or with inadequate security).

703. So far as Burmans are concerned no estimate of any use could be made, as apart from dodging a correct declaration of income—inconvenient to many because of income-tax—there is a natural reluctance to disclose the value of a man's possessions on the part of Burmans. The Burmese money lending is mostly a personal matter between the parties.

705. Yes, among Burmans there is invariably difficulty in recovering loans because of—

1. Prevalent irresponsibility.
2. Total disregard of the future.
3. Dishonesty.

Very few Burmans at the time of taking a loan give any thought to repaying it. It is to their minds—living continually in the present—too remote a contingency to consider ; they habitually postpone thoughts of repayment until the demand becomes insistent, they then look about for ways and means of avoiding responsibility.

The usual causes of these losses are the above combined with the facilities which exist for fraud owing to the backward state of society and its inability to recognise any moral ties such as duty to one's community or to one's country or State. The Upper Burman appears to be an individual of the most stubborn conservatism for the simple reason that he has found it easier to be so than to be progressive. He is willing to accept modern conveniences and luxuries, but loth to recognize any form of the modern attitude in regard to duty towards his fellows.

*Nattukkottai Chettiers' Association.*

701 to 707. The indigenous bankers doing banking business in Burma are Chettiers, Chinese, Burmese, Multanis and Marwaris. The Chettiers play a predominant part in supplying and transmitting money for agriculture, trade and industries.

They receive deposits from the public and pay interest ; lend money to the public on overdraft or current accounts ; advance money with or without security or on on-demands ; receive jewels and other valuables from customers for safe custody and return the same to them whenever demanded. Occasionally Chettiars purchase for their customers War bonds, Government and other securities.

In Rangoon and some of the larger towns, Marwaris and Multanis do some business in supplying and transmitting money for trade and commerce and in the shape of discounting hundies. But their operations are small when compared with the operations of Chettiars. A few of the bigger Marwari and Multani firms lend to Chettiar firms.

Besides banking business, some of the Chettiars own saw mills and rice mills. A few of them do export and import business. Some do business in timber or rice or both. Some of them purchase paddy and other produce, store them in godowns and sell at a favourable market. But all these occupations are subsidiary to their banking business.

The Chettiars have some but not many loans which are not recovered. Such loans have been somewhat on the increase during recent years. The main reasons for such losses are the frequent floods and the consequent failure of the crops in many parts of Burma, prevalence of gambling, luxurious habits of the people involving unnecessary expenditure in social matters, failure of rains in some parts at proper seasons, heavy taxation beyond the paying capacity of the people ; general depression of trade and last but not least the unduly low price of paddy.

Besides the indigenous bankers, there are none who regularly buy or sell hundis or bills of exchange. The indigenous bankers are able to cope with the existing demand. There is no necessity for other classes of people to do this work.

*Mr. P. L. L. N. Narayanan Chettiar (Pyapon).*

701. Chettiars, Burmese, Chinese, Mohamedans.

702. Buying and selling land ; agriculture only a subordinate business.

703. (1) Through the Income-Tax Office.

(2) In this District loans to extent of over three crores.

704. No.

705. Yes ; on account of failure of crops.

706. No.

*Mr. V. C. T. N. Ramanathan Chettiar (Shwebo).*

701. (1) Chettiars, Burmans and Marwaris.

(2) There is no industry in this locality. Money is supplied for agriculture and trade. It is not possible to estimate the amount.

(3) The above mentioned bankers do only banking and money lending business. They lend money through on-demands and on mortgages.

702. Besides the banking and money lending business, they deal in paddy and other grains. This is a secondary business.

703. (1) Not known.

(2) As there are no authorities of any kind it cannot be answered.

(3) Not known.

704. We do not know of such estimates being made by anybody.

705. There are. The causes for the same are losses in trade and the Insolvency Act.

706. Nobody, because there is no such kind of business to any large extent.

707. Copies of hundies, promissory-notes, cheques, are given to the Deputy Commissioner. There are no forms for others.

## Section 2.—Demand Deposits.

### *Akyab District.*

708. Very few.

709. Pass books.

710. (1) Yes.

(2) Pass books.

711. (1) Depositors go to bankers with pass books and payments are made without delay.

(2) If the messengers are known payments are made. No printed forms are supplied by Bankers.

(3) No.

712. Six to seven and half per cent. per annum. Steady. No changes.

### *Pegu District (Chettiar Sub-committee).\**

708. Some Chettiars accept demand deposits.

709. Depositors are given pass books. In some cases pro-notes are also given.

710. (1) Some Chettiars accept deposits on current account.

(2) Pass books are given.

711. It is not necessary that the depositor must appear personally every time money is given to any one who presents the documents given by the banker.

(1) Demand deposits are paid immediately on demand.

(2) Yes. They are given.

Chettiars give cheque-books to depositors. If two seals are stamped, that cheque should be paid on presentation. Usually cheques are paid one day after sight. Interest is calculated to cease either from the day the cheque is drawn or after the cheque is paid. It differs according to the original understanding by the parties. If there is sufficient deposit Chettiars never refuse payment for their cheques. The depositors have always a right to take action in cases where money is refused even when sufficient deposit is found.

(3) No commission or any fee is charged if deposits are with drawn, but in some places a small commission is charged (1½ annas per Rs. 1,000) if 100 Rs. notes are given for payment of cheques, and even that is not charged by those when banks and European firm's present these cheques. The commission mentioned above is charged since all the depositors on current account give us small coins and cash which has to be changed in the currency at some expense.

712. Interest of half-anna, one-anna, or two-annas less than Chettiar current rate or at current rate is allowed on demand deposits. It fluctuates according to the Chettiar current rate. There has been no special change within the last 10 or 20 years.

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\* Translated from Tamil.

*Tharrawaddy District (Zigon Sub-commillee).*

708. Yes.

709. No document except a bare note in a book somewhat like a Treasury Pass Book.

710. (1) and (2) No.

711. (1) Depositor has to go the Banker to get back his money and the latter pays him at once.

(2) The Banker will not pay to any other person except the depositor under any circumstances.

(3) No charge.

712. About eight annas per hundred per mensem. Rates do not fluctuate. There has been no change within the last ten or twelve years.

*Hanthawaddy District.*

708. Yes, they do.

709. For small sums, an entry is made in the Chetty's cash book and that is all.

710. (1) Yes.

(2) Not to cultivators but to shop keepers who have daily transactions a book is given in which deposits and withdrawals are entered.

711. (1) They pay on demand. The depositor need not go himself for sums of say less than Rs. 1,000, the banker will pay to any known agent of the depositor or to anyone provided that the banker is quite certain that he knows the signature. The banker expects a few days notice for withdrawal of a large sum. Chettiars will not pay cheques till after 3 p.m. to save the day's interest and in the case of large sums will seek to delay payment for 2 or 3 days as the interest ceases from the date of drawing the cheque, but they never fail to honour a cheque save for sufficient reason.

(2) Answered above.

(3) None.

712. The usual rate is 6 per cent. but 9 and 10 per cent. have been paid in some cases.

It varies on the tightness of the market and the "Chetty rates" fixed by the Chetty Community on the 16th of every month (Tamil). There has been no change in the last ten or twenty years.

*Prome District.*

708. Yes, Chettiars only.

709. An account in the nature of the Pass Book. It is a pass book form.

710. (1) Yes, Chettiars only.

(2) Yes, all the transactions are shown in the pass book.

711. (1) By drawing a cash order. It is not necessary to go. Yes, the money is paid at once. No delay is customary.

(2) Yes, printed forms are provided. Yes, cheques are paid with the least possible delay. No interest is allowed on demand deposits. No such refusal has been experienced here.

(3) No.

712. No interest is allowed for demand deposits. No answer is necessary.

*Bassein District (Chettiar Sub-committee).\**

708. Yes.

709. Either pass-books or receipts are given according to the wish of the party.

710. (1) They allow to deposit and withdraw.

(2) Pass-books are given.

711. (1) Can be drawn personally or through persons with pass-books.

(2) Payment will be made to a third person according to the order. Cheque-books are given ; cheques are paid at once ; interest will not be allowed from the date of payment of the cheque. Suit will be filed, when payment is refused for the cheques.

(3) No change at Bassein.

712. Interest from 6 to 12 per cent. is given according to the value of money in the market. The rate will rise and fall. No changes in the last ten or twenty years.

*Pyapón District.*

708. Demand deposits are common practice among Chettiars. But the practice does not exist with other types of indigenous bankers.

709. Chettiars give the depositors simple receipts. (P. L. L. N. Narayanan Chettiar promised to give a sample).

710. This is a common practice among Chettiars and Pass Books are given to the depositors.

711. The depositor must ordinarily go to the Chettiar himself with his pass book. A Chettiar will pay part of a demand deposit to another person if the depositor writes an order. If the depositor is well known to the Chettiar, the order may be carried out without further enquiry, but the Chettiar frequently sends or goes to the depositors to verify the orders. Nothing in the form of a cheque is in use in this connection.

(2) Chettiars pay money from demand deposits at once when asked to do so. If the money is not immediately available they will obtain it from another firm.

Interest ceases accruing when the deposit money is paid.

The Committee have heard of no case in Pyapón District of a Chettiar refusing to pay out money deposited on current accounts.

(3) No charge is made.

712. It is rare for any interest to be allowed on a demand deposit. Occasionally there may be an oral agreement for interest to be paid but the prevailing practice is for a demand deposit to bear no interest. In December and January the rate of interest is highest and during the rest of the year the rate of interest remains much the same. Any change which has occurred in the last ten or twenty years is very slight.

*Thaton District (Kyaikto Sub-committee).*

708. Yes.

709. Pass book in which deposits and withdrawals are grouped on a single page is issued. For long-term deposits pro-note is issued in addition to pass book.

710. (1) Yes.

(2) Pass book issued in which deposits and withdrawals are recorded.

711. (1) On presentation of pass book by the depositor or his agent. At once, no delay.

(2) No. No. The latter part of the question and question (3) do not arise.

712. In some cases interest is allowed and in others not allowed.

*Amherst District.*

708. Yes.

709. Pass books and pro-notes.

710. (1) Yes.

(2) Pass book. Yes.

711. Payments are made on memos or on production of the pass book when an entry of payment is made therein. Not compulsory. Yes. The pass book and the Banker's accounts books are the proof of the transaction.

(1) Yes. Yes. Memo books are supplied. The practice for payment of memos is payment on the next day after presentation unless the memo is marked *Urgent* in which event it is paid on presentation. The money payable on the memo or cheque is debited against the depositor's account on the date of the memo. When there is a deposit, it is not the practice to delay or refuse payment. In such an event, legal proceedings are taken.

(3) No.

712. The Chettiars allow from six per cent. per annum to ten per cent. per annum. These rates rise during the paddy season and fall during the rainy season.

*Magwe District.*

708. Not many but a few only accept demand deposits of money.

709. In some cases, receipts sometimes stamped and sometimes unstamped, are given for the demand deposits and in others a pass book something like the Post Office Savings Bank Pass Book are given to the depositors. In the pass book the banker enters the sum credited from time to time but they are not receipted by the banker with his initial or signature. The fact that the deposits are payable on demand is not mentioned on the receipt or in the pass book, but it is understood that they are payable on reasonable notice. The name of the banker is printed or written in manuscript at the top of each page of the pass book.

710. (1) Very few indigenous bankers let customers have demand deposits on a current account.

(2) The banker gives the depositor a pass book in which he shows all credits and withdrawals.

711. (1) The indigenous banker allow money to be withdrawn on presentation of the receipt or the pass book by the depositor himself or his messenger approved by the banker. Therefore it is not necessary for the depositor to go to the banker himself. The banker generally pays the money at once.

(2) The banker will not pay part of the demand deposit to another person on the written order of the depositor. The banker does not provide printed forms for written "pay order".

(3) No charge is made when the depositor asked for re-payment.



712. The rate of interest indigenous bankers (Chettiers) allow on demand deposits is about eight annas per Rs. 100 per mensem. The rate of interest rises in November to May (both months inclusive) and falls in other months of the year. In the last ten or twenty years the following changes have occurred, namely, that formerly the banker paid no interest at all or paid a lower rate of interest than at present on demand deposits, while at present the people who make demand deposits are fewer in number. More people have now learnt to appreciate the system of making demand deposits.

*Pakokku District.*

708. No ; only Chettiar bankers accept demand deposits.

709. No receipt is given to the depositor for the deposit but the banker enters them in a sort of a pass-book kept in the custody of the depositor. A sample of pass-book is attached.

710. (1) No ; except Chettiar bankers who keep deposits on current account.

(2) He maintains a pass-book in the custody. It is signed by both parties.

711. (1) The deposit money can be withdrawn either by the depositor himself or by his nominated agent. The money is paid at once and there is no delay in payment.

(2) Yes, but no printed form is provided, cheques are paid at once when brought to the banker. Yes, interest does cease when the money is paid. There has been no instance in which a banker refuses to give money for a cheque although he has enough money deposited on current account.

(3) No charge is made when the depositor ask for a payment or when a cheque is presented.

712. No interest is allowed for demand deposit and there is no change.

*Yamethin District.*

708. Almost all the Chettiers do that.

709. The Chettiers are prepared to do everything to satisfy their depositors. If insisted upon a promissory note will be given. But ordinarily, a printed pass book is all that is needed.

710. (1) Yes. (2) Ordinarily, a pass book ; and if insisted upon a pro-note.

711. It all depends upon the arrangement. Usually the depositors go to the banker for withdrawal. Prompt payment is customary.

(2) On written instruction, the banker pays the deposit to another person.

Some have printed cheques.

Cheques are promptly honoured.

Interest ceases accruing when the money is paid.

No such refusal ever took place here.

(3) No charge is made on withdrawals.

712. On such deposits, Chettiers allow a rate known as Chettiers Nadapu rate of Rangoon according to which a rate of interest of about  $8\frac{1}{2}$  per cent. to  $8\frac{1}{2}$  per cent. per annum is allowed.

From September to December the rate allowed usually is  $8\frac{1}{2}$  per cent. per annum.

About ten years ago the rate used to be 5 per cent. per annum.

*Shwebo District.*

708. Only Chettiars.

709. No samples available.

710. (1) None do so. Chettiars receive money only when convenient to them but let a depositor withdraw money when he wants to—a modified form of current account. If a Chettiar only needs at the time say, Rs. 2,000 and the client wishes to deposit Rs. 5,000, the Chettiar will accept the Rs. 5,000 but will not pay interest on the amount in excess of Rs. 2,000.

(2) Nothing beyond a pass book.

711. (1) (a) On a written request, accompanied by the pass book.

(b) Not necessarily.

(c) Usually at once, but not always. If short of ready cash the Chettiar may delay payment for a day or two.

(d) Delay is not customary—only incidental.

(2) (a) Yes, if the pass book is sent.

(b) Yes. The Shwebo Chettiars do so. These are generally known as "cheques". The Ye-U Chetties do not provide cheque forms.

(c) Yes, if the Chettiar has the cash available. If not a short delay occurs.

(d) Delay is not customary.

(e) Interest ceases accruing when the money is paid.

(f) No cases of such refusal are known. Delays occur, occasionally, as mentioned above.

(3) Not in Shwebo.

712. (a) Chettiars allow annas eight to annas twelve per Rs. 100 per mensem (6 to 9 per cent. per annum).

(b) Yes, rates rise in period *Nadaw* to *Waso* and falls in period *Wagaung* to *Tasaungmon*.

(c) None.

*Shwebo District (Chettiar Sub-committee).\**

708. Yes.

709. Pass-books are given.

710. (1) They allow it.

(2) Personally, by post, by cheques and by subordinates.

(3) Yes. Cheque-books are given. Paid at once. Interest ceases from the day when the money is paid. When there is sufficient money in deposit no refusal of payment is made.

(3) No.

712. Interest is allowed from eight annas to fourteen annas. Interest will rise from January to June and fall during other months.

*Lower Chindwin District.*

708. Two Chettiars in Mōnywa.

709. Only a Pass-book.

710. (1) The same two Chettiars.

(2) Pass-book.

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\* Translated from Tamil.

711. (1) A depositor can send an agent provided that agent is known. Sums up to Rs. 1,000 are paid at once; and for larger sums there may be a delay of 3 or 4 hours.

(2) Yes, if the payee is known personally. Printed forms or cheques are not in use. Cases of refusal do not arise.

(3) No charge made.

712. Rates of interest of the two Chettiars are fixed by the Chettiars' Association in Rangoon on the 15th of each month. Interest varies from 6½—4 per cent. per annum, calculated daily, but, a Chettiar who has been in Mōnywa for 20 years states there have been no differences in rates for the past 20 years.

There are with this Chettiar about 140 persons dealing with huncies and some 25 depositors. The other firm has about the same number.

*Assistant Commissioner of Income-tax, Western Range.*

708. I think only the Chettiar bankers accept such deposits, but I do not think that there are many such bankers in the districts.

709. Chettiar pass books are issued. I am unable to furnish samples of such books.

710. (1) I think Chettiar bankers have current accounts with certain customers.

(2) I think pass books are issued to customers having current accounts with bankers.

711. I am unable to note on this question.

712. From what I have heard the interest allowed on deposits is between 8 and 9 annas per cent. per month. The rate of interest varies in particular months.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu Districts.*

708. Some Burman money-lenders accept deposits from bazaar sellers who really use the money-lender as a safe deposit in preference to keeping the money in their own insecure dwellings. Such deposits do not ordinarily carry interest.

709. No documents are given and very few bazaar sellers have any record of their affairs.

711. (1) The depositor must go himself or send some person whom the money-lender knows is authorised by the depositor generally, through practice or custom.

(2) No. Delay is frequent if the amount is large. The money-lender generally requires time to meet a large amount and he does it by going round and collecting sufficient of his dues to meet it. Repayments are almost invariably overdue and the lenders are often lackadaisical about it and only make serious attempt at recovery when the need for money arises.

(3) Interest counts up to the date of repayment.

712. It is not usual to allow interest. Interest might be regarded as the cost of safe deposit.

*Charge Officers, Co-operative Department, Henzada and Prome.*

708. Yes.

709. An account in the nature of the pass book. It is a pass book form.

710. (1) Yes.

(2) Yes, all the transaction are shown in the pass book.

711. (1) By drawing a cash order. It not necessary to go. Yes, the money is paid at once. No delay is customary.

(2) Yes. Yes, printed forms are provided. Yes, cheques are paid with the least possible delay. Delay is not customary. No interest is allowed on demand deposits. No such delay is experienced here so far as considerable time is always given.

(3) No.

712. No interest is allowed for demand deposits. No answer is necessary.

*U Shwe Tha, K.S.M*

708. Yes. They accept demand deposits.

709. They grant a simple stamped deposit receipt. No sample in hand.

710. (1) Yes. They open current accounts with depositors.

(2) They give a pass book like Joint Stock Banks. Receipts and withdrawals are noted in this pass book.

711. (1) They supply cheque books. There is no delay in getting payment on presentation of cheques.

(2) Yes. Yes. They provide cheque books for this purpose. Yes.

(3) Yes. The cheques are paid at once. There is no such refusal as indicated in the question.

712. Annas 8 to annas 10 per cent. per month. The rates rise or fall in some months of the year.

*Nattukkottai Chettiars' Association.*

708 to 712. Several Chettiars have demand deposits. Depositors are given pass-books, deposit-receipts and in some cases on demand promissory notes.

Several Chettiars have current deposits. A pass book is invariably given in which all moneys deposited or withdrawn from time to time are shown.

The Chettiars do not insist on the depositor going to the banker himself for the withdrawal of money. If the vouchers given by the Chettiars are sent through their assistants by depositors or if cheques are issued, moneys in deposit are paid. Demand deposits are promptly repaid on demand by the depositors. There is absolutely no delay in payment. The Chettiars always pay part of a demand deposit to another person if the depositor issues a cheque or memo. on the banker. To facilitate this the Chettiars issue cheque or memo. books to depositors. Cheques are promptly paid if the depositor puts on a double seal \* or if the cheques are marked "urgent." Generally cheques are paid on the next day after presentation. This is due to the fact that generally the traders and merchants issue cheques for amounts over and above their deposit-money with Chettiars and would only be able to make up the deficiency at the eve of the day's business. This is

\* Note by the Nattukkottai Chettiar's Association :—

Along with the name of the drawer, the seal of the firm of which he is the authorised agent is generally affixed to a cheque. If it is the wish of the drawer that the cheque should be honoured at sight he fixes the seal of the firm in two places.

therefore conducive to the advantage of the depositor. Interest generally ceases to accrue on the cheque amounts from the date of the cheque, and in some cases from the date of the payment. This depends upon the arrangement between the parties when the account is opened. The Chettians never refuse to honour a cheque if the depositor has enough money in deposit. In such cases, it is always open to the depositor to take appropriate legal proceedings for dishonouring cheques.

When demand deposits are repaid in full, no charges are made. In the case of cheques, in some cases a small charge called "vattam" is made. But for the cheques presented by banks or companies no charges are collected. For a thousand rupees, if payment in the shape of hundred rupee notes is made a sum of one and a half annas is charged; if ten rupee notes are given, one anna is charged; if paid in silver nothing is charged. Depositors generally pay in small changes, silver rupees and small notes; and charges are incurred in having these collections changed into big notes at the currency and hence these charges. But this going out of fashion.

For demand deposits either the Chettiar current rate of interest or half anna, one anna or two annas less than the Chettiar current rate of interest is paid according to the arrangement at the time of deposit. The rates rise or fall according to the fluctuations of the Chettiar current rate in particular months. This has been in vogue during the last ten or twenty years. There have been no changes worth noting

*Mr. P. L. L. N. Narayanan Chettiar (Pyapon).*

708. Yes.

709. Receipts are given.

710. (1) Yes.

(2) A pass book is given for current account.

711. (1) The depositor must come and the money is paid immediately.

(2) Yes, the banker pays. No printed forms, interest stops when money is paid. In case of refusal legal steps are adopted.

(3) No.

712. Seven and a half per cent. to 9 per cent. per annum. They rise or fall in particular months.

*Mr. P. C. T. N. Ramanathan Chettiar (Shreebo).*

708. Yes. Accept deposits.

709. Receipts or pass-books are issued.

710. (1) Allowed.

(2) Pass-books are given.

711. (1) Withdraw personally, or through persons with authority to deal with a pass-book, and at other times by cheques and through the post.

(2) Yes—cheque-books are given—paid at once, no delay is caused. Interest is paid till the date of payment of the cheque. No refusal when there is sufficient deposit.

(3) No.

712. (1) Interest at the rate of from eight annas to one rupee per cent. per mensem. Interest is high from December to April and falls in other months. No changes worth noting.

### Section 3.—Fixed Deposits.

#### *Akyab District.*

713. (1) Not generally.  
(2) Up to 9 per cent. per annum.  
(3) None.  
714. Pro-notes and pass books.  
715. Yes.  
716. No.

#### *Pegu District (Chettiar Sub-committee).\**

713. (1) Chettians accept fixed deposits.  
(2) The above interest is paid on them too. (*See answer to question 712.*)  
(3) No change within these ten or twenty years.  
714. Pass books and pro-notes are given for fixed deposits.  
715. If required by depositors fixed deposits are paid immediately on the due date. There is no delay. If both agree the deposits are invested with the same banker for a further period.  
716. Chettians discount hundis in banks only. Other people do not discount.

#### *Tharrawaddy District (Zigon Sub-committee).*

- 713 to 716. Such deposits are not in use. Answers do not arise.

#### *Hanthawaddy District.*

713. (1) Yes.  
(2) The interest is paid at the rates of from 6 per cent. to 9 per cent. for fixed deposits.  
(3) None.  
714. In most cases only entries in their cash books and no receipts at all. If receipts are demanded only ordinary receipts.  
715. They always do.  
716. Not in this district.

#### *Bassein District (Chettiar Sub-committee).\**

713. They receive fixed deposits. Interest is paid from 6 to 12 per cent. No changes in the last ten or twenty years.  
714. Written and given on a pro-note or in a pass-book.  
715. Paid at once when it is due.  
716. No.

#### *Pyapon District.*

- 713 (1) Chettians accepted fixed deposits. (2) Rs. 6 to Rs. 9 per cent. interest is paid for fixed deposits. No fixed deposits are accepted for more than one year. This applies to Chettians only. (3) The Committee was unaware of any change in the way of determining these rates in the last ten or twenty years.

714. Simple receipts are given to depositors.  
715. Chettiars always repay fixed deposits at once on expiry of the period. There is no customary delay.  
716. Hundis are not in current use in this district.

*Thalon District (Kyaikto Sub-committee).*

713. (1) Yes.  
(2) Rates vary from annas 12 to annas 14 per cent. per month.  
(3) No change.  
714. Same answer as 710.  
715. Yes. No delay.  
716. No.

*Amherst District.*

713. (1) The Chettiars do. They allow interest from 6 per cent. per annum to 9 per cent. per annum. The changes cannot be stated approximately.  
714. Pass books, on-demand and receipts.  
715. Yes. Does not arise.  
716. We are not aware of such a practice here.

*Pakokku District.*

713. (1) Yes, they accept fixed deposits.  
(2) Interest is paid at the rate of Re. 0-10-0 per cent. for six months' fixed deposits and Re. 0-12-0 per cent. for periods over six months.  
(3) No changes.  
714. The indigenous bankers give pass-books to depositors to show that they have made fixed deposits. Sample attached.  
715. Indigenous bankers always repay fixed deposits at once.  
716. There is no such practice of buying and selling hundis from bankers.

*Yamethin District.*

713. (1) Yes. (2) 9 per cent. per annum. (3) Ten years ago, it was 6 to 6½ per cent. per annum.  
714. Promissory notes.  
715. Yes. Delay is not customary.  
716. No such practice exists here.

*Shwebo District.*

713. (1) Chettiars only do this. Usual period is for one year.  
(2) 9 per cent. per annum.  
(3) None.  
714. (a) Rather a plain receipt or a pro-note.  
(b) not hundis.  
(c) Form of promissory note attached.  
715. (a) Yes, unless they have gone into liquidation.  
(b) Not customary.  
716. There is no business in hundis in Shwebo.

*Shwebo District (Chettiar Sub-committee).\**

713. Yes. They give interest of from twelve annas to one rupee.  
714. Either receipts or pro-notes are given at the option of the party.  
715. Paid at once when due.  
716. No.

*Joint Registrar. Co-operative Societies, Pakokku, Myingyan and Minbu Districts.*

713. There are no fixed deposits.

*U Shwe Tha, K.S.M.*

713. (1) Yes. They accept fixed deposit.  
(2) Re 0-8-0 to Re 0-10-0 per cent. per month.  
714. They give fixed deposit receipts like other European Banks.  
715. Yes.

*Nattukkottai Chettiars' Association.*

713 to 716. Chettiars accept fixed deposits. The same rates of interest as in question 712 are paid to depositors. During the last ten or twenty years, there have been no changes in the way of determining these rates for fixed deposits.

Depositors are given pass books, deposit receipts and promissory notes.

Chettiars promptly repay fixed deposits when the period expires. In many cases, when both the parties agree, the deposits are renewed.

People who want to earn interest with their money do not buy hundis which Chettiars have bought from other people. The Chettiars rediscount their hundis with banks.

*Mr. P. L. L. N. Narayanan Chettiar (Pyapon).*

713. (1) Yes.  
(2)  $7\frac{1}{2}$  per cent. to 9 per cent. per annum.  
714. Receipt.  
715. Yes.  
716. No.

*Mr. V. C. T. N. Ramanathan Chettiar (Shwebo).*

713. (1) Yes.  
(2) Interest varying from twelve annas up to one rupee is paid.  
(3) No charges.  
714. Receipts or pass books are given. No particular form.  
715. When the due time expires, the money is repaid without delay.  
716. No.



## Section 4.—Provision of Cash

### *Akyab District*

717. (1) Cash is kept available for the purpose.  
(2) By studying their liabilities.  
(3) No reply.

### *Pegu District (Chettiar Sub-committee).\**

717. (1) Chettiars are able to pay demand deposits immediately since they have overdrafts in banks, current accounts among themselves and businesses in other places in the East.  
(2) Cheques and fixed deposits are also easily paid owing to the same reason.  
(3) We don't see anything wrong in these customs.

### *Tharrawaddy District (Zigon Sub-committee).*

717. Demand deposits are accepted only in the case of small sums. Hence no special arrangements are necessary to enable the Banker to repay any or all of them on the demand.

### *Hanthawaddy District.*

717. (1) They pay out of their current receipts and borrow from each other when necessary. They can get money from Rangoon in 24 hours in most places in this district and do not keep large sums by them.  
(2) Explained above.  
(3) It has worked well and no improvement is called for.

### *Bassein District (Chettiar Sub-committee).\**

717. (1) They have overdrafts in other banks. They keep money at hand and in other Chettiar's firms.  
(2) Answer given in 717 (1).  
(3) Depositors should be allowed to ask for payments only between 10 a.m. and 3 p.m. and not during holidays.

### *Pyapon District.*

717. (1) Chettiars are not in the habit of keeping a reserve fund. If cash to pay depositors runs short at any time it is their practice to obtain what is required from other firms. They obtain funds locally and subsequently adjust their accounts by obtaining funds from Rangoon.  
(2) Same applies in the case of fixed deposits.  
(3) In practice customers or clients of Chettiars never experience any difficulty from a shortage of cash occurring.

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\* Translated from Tamil.

*Thalton District (Kyaikto Sub-committee).*

717. (1) & (2) Kept cash and when no ready cash is available loan from fellow banker is taken to pay off.

(3) No change to be suggested.

*Amherst District.*

717. (1) Generally sufficient money is available and in the event of deficiency money is at once acquired by drawing hundis and demand hundis.

(2) Same as above.

(3) There are no defects in these systems if there are no unexpected and simultaneous calls within a very short period or calls before the due date. If demands were made on the due date and according to the usual course of business there is no difficulty.

*Pakokku District.*

717. (1) The amount of demand deposits is not large and there is always sufficient cash ready to pay the depositors.

(2) If the banker has no sufficient current cash to repay fixed deposits, he gets the money by order from his head office at Rangoon, in time for payment.

(3) No defect has been detected in this system and no improvement is necessary.

*Yamethin District.*

717. (1) They keep cash apart from the current account they have with the bankers of the same locality.

(2) The same as above.

(3) There are no defects in the system.

*Shwebo District (Chettiar Sub-committee).\**

717. (1) They have cash ready at hand, and have deposits with other bankers.

(2) They have cash ready at hand, and have deposits with other bankers.

(3) Loss of interest will be incurred by having cash in hand.

717. (1) Payment is made from cash in hand and from the deposits lying with other indigenous bankers.

(2) They keep deposits with other indigenous bankers.

(3) Loss of interest will be incurred by having money in hand. No other defects except this.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu Districts.*

717. There is no system, demands are usually met by collection of sufficient due debts—there are always plenty of overdue debts. It takes time. Sometimes one money-lender will borrow from another to meet a pressing demand, but such borrowing is not co-operation between the

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\* Translated from Tamil.

lenders ; they have no standing arrangements and such a borrowing is regarded as purely a private loan.

The defect is obviously that each money-lender is an individual on his own and no combination of resources to meet an emergency is possible.

Burman money-lenders would not co-operate as they do not trust one another except as borrower and lender in a personal way.

No form of co-operation is possible between them as they merely carry on the money lending as a private concern.

They would probably discontinue the business rather than accept any form of co-operation between each other. In the strict sense of banking the Burman money-lender is not in any respect a banker.

He probably has a little capital available and gradually gains a reputation for being willing to give credit until eventually he comes to be regarded as a regular money-lender. These lenders are usually successful traders or persons in possession of land let out to tenants. The money lending is usually not the origin of wealth but merely the natural outcome of being a capitalist in a society in which it is an established custom to borrow up to the hilt and live on credit.

Improvement cannot be expected out of a system of this type and it is best left to itself. If good banking facilities develop, this system of money lending will gradually die out.

*U Shwe Tha, K.S.M.*

717. (1) They have cash daily, out of their daily transactions. If they have no cash in hand, they collect from their trader customers, the surplus money they have for their temporary use.

(2) They know on what date the repayment of the fixed deposit is due and they arrange before hand to get cash for repayment on that date.

*Nattukkollai Chettiars' Association.*

717. The Chettiars are always able to promptly repay deposits and honour cheques issued, as the Chettiars have current accounts with each other, overdraft accounts with banks, and credit facilities from Madras, Ceylon, Federated Malay States and other parts. For the same reasons, the Chettiars always find cash to repay fixed deposits as they fall due. The present arrangements are satisfactory.

*Mr. P. L. N. Narayanan Chettiar (Pyapon).*

717. No sufficient cash on hand always. The lenders borrow here and there. They roll the money and money is available at all times.

**Section 5.—Advances.**

*Akyab District (U Shwey Tha's Sub-committee).*

718. (1) For agricultural purposes.

(2) to (6) See answers to Chapter I. Purposes of crop loans to cultivators.

721. (1) and (2) Yes.

(3) No. But payment is endorsed on the document.

*Akyab District,* ( 436 ).  
*Shway Tha's Sub-committee.]*

722. If loans are obtained from large banks on easy terms.

723. (1) By increasing the amount available for loan, by creating facilities to take loans from Government and large banks.

(2) Yes.

*Akyab District (Mr. Bishop's Sub-committee).*

718. (1) Agriculture and trade.

(2) Small proportion. Not usually.

(3) Pro-notes and mortgages.

(4) Sometimes.

(5) 18 per cent. to 24 per cent. per annum.

(6) Repayable at harvest time (January to March).

719. At the discretion of the banks to selected customers.

720. Yes. By examining their pass books.

721. (1) and (2) Yes.

(3) Yes, on the reverse of documents and sometimes separately.

722. By cheaper finance from the Imperial Bank.

723. (1) Co-operative Societies, Land Mortgage Banks, etc., under Government support.

(2) All would benefit.

*Akyab District (Chelliar Sub-committee).\**

718. Loans are granted to cultivators, several times from the beginning of the season up to the harvest, on on-demands, on securities of immoveable properties, and on jewellery. They take such loans for the purpose of purchasing seeds, cattle and other expenses. Loans are also granted to traders, both retail dealers and merchants of good standing, on personal security, on on-demands, on security of immoveable property and jewellery.

These transactions are being done by every community here.

*Pegu District (Chelliar Sub-committee).\**

718. (1) Chettians finance any good business. They finance all the needs of agriculture, trade and industry beside the personal expenses of clients.

(2) Cannot be said definitely. They don't take loans for anything else.

(3) Promissory notes, mortgages, gold pledge, bonds, etc.

(4) Lands, houses, mills, jewels, diamonds, etc., are accepted as security. Personal guarantees are also accepted.

(5) From 9 to 24 per cent., according to the security, and the client and the money market.

719. Overdrafts are allowed by previous arrangement.

721. (1) They accept payment on due dates.

(2) Differences in interest are always adjusted.

(3) Such receipts are not generally demanded. If asked for, receipts are granted. Sometimes they are endorsed on the back of the pro-note.

722. Branches of the Imperial Bank or any Government bank may be opened in all district centres and advances may be made to indigenous bankers at low rates of interest. These banks may advance

on securities of pro-notes, and mortgage deeds obtained by the indigenuous bankers from their clients for loans granted to them.

723. (1) No artificial means can reduce the general rate of interest. Owing to competition among Chettiars the rates are going down. When more money is available than demanded the interest falls of its own accord. If co-operative societies are strengthened and money advanced at low rates, the rate of interest will go down.

(2) If interest is reduced, agriculturists and traders who have direct dealings with Chettiars will have all the benefit, and those who have not direct dealings will have a part of it also.

*Tharrawaddy District (Zigbn Sub-committee).*

718. (1) For trade and agriculture.

(2) About 25 per cent. They generally tell the banker the correct purpose for which they require the loan.

(3) Pro-notes and mortgage bonds.

(4) Both moveable and immoveable property is taken as security. The guarantee by other persons also accepted.

(5) Rs. 1-8 to Rs. 2-8 per mensem.

(6) Nothing.

719. No current accounts common in our locality. Overdrawals are rare.

720. No checking is possible unless it is done on the accounts kept by the banker himself because no pass books or copies of accounts are supplied to the borrowers.

721. (1) Yes.

(2) At once.

(3) No receipts ever paid nor they are demanded for.

722. No suggestions.

723. (1) Direct issue of loans by banks to landowners instead of to Chettiars as at present.

(2) All will get benefited.

*Hanthawaddy District.*

718. (1) They grant loans for all purposes.

(2) The landlords borrow to lend to their tenants. Borrowers do not have to state the purpose of the loan.

(3) See answer to 214.

(4) Land, gold and jewels and sometimes personal security. Land security is out of favour at present.

(5) The same for each class of loan.

(6) See answer to 214.

719. Never.

720. No check is made. The Chettiar will give a statement of account if asked but no one but themselves can understand the Chettiars' account. The Chettiars give pass books to traders who bank with them in which daily receipts or issues are recorded.

721. (1) and (2) Yes.

(3) If asked for a receipt for the payment is given. They generally endorse the re-payment on the back of the document.

722. It is not necessary as they can grant all the loans which are required.

723. (1) We do not recommend any.

(2) All concerned would benefit.

*Bassein District (Chelliar Sub-committee).\**

718. Money is supplied for all purposes.

719. They allow overdrafts if security of property is taken.

720. Pass-books are given.

721. (1) Yes.

(2) They reduce the amount of interest.

(3) Given to those who ask for.

722. Power to grant loans will be increased when the rate of interest is less.

723. (1) We take interest which will pay us. If we can borrow at a low rate we can lend at a low rate of interest.

(2) Cultivators, traders and all in general will be benefited by the reduction of interest.

*Pyapôn District.*

718. (1) Indigenous bankers granted loans for the purpose enumerated in question No. 1 of Chapter I.

(2) The Committee was of opinion that about ten per cent. of the loans are made to subsidiary money-lenders. Such money-lenders do sometimes conceal the object of the loans taken by them.

(3) Mortgage deeds and pro-notes.

(4) Land and jewelleryes and guarantee by other persons are accepted.

(5) The rate of interest runs from Rs. 1-4 to Rs. 2 for all classes of loans.

(6) No other terms for loans are usual.

719. An overdraft is only allowed on a pro-note and if the person concerned is trusted by the indigenous bankers.

720. Persons who take loans have to keep their own accounts. No pass book or copy of accounts is given. If a person wants to check his accounts he must go to the Chettiar or other bankers and ask how he stands.

721. (1) Payments of loans by instalments are accepted.

(2) The system is as follows :—

When an instalment is paid interest due on the whole amount upto the date of payment must be first settled up. From then on interest is calculated on the reduced principal.

(3) No receipt is given for the payment of an instalment.

722. The power of indigenous bankers to grant loans could be increased by an increase of the existing facilities for obtaining money.

723. The Committee has no recommendation to make.

*Thalôn District (Kyaikto Sub-committee).*

718. (1) Loans are granted for trade purposes and for meeting expenses to be incurred in connection with purchase of seedlings and improvement of lands.

(2) 8/10. Not stated otherwise.

(3) On pro-note and registration deeds.

(4) Property security is taken. Yes.

(5) Interest varies from annas 12 to Rs. 2 per cent. per month.

(6) Except the period for which interest is payable there is no other term.

719. On furnishing security more money than is credited is allowed to be withdrawn. Nothing more is known.

720. Entries of interest and part payments are recorded on the documents and these can be checked. No.

721. (1) Yes.

(2) Yes.

(3) No. Never asked.

722. If Government open a bank in each district and distribute loans to money-lenders on security, the power to grant loans will be increased.

723. (1) The opening of a bank in each district by Government will tend to reduce the rate of interest.

(2) It will benefit cultivators and traders generally.

*Amherst District.*

718. (1) For cultivation, trade and industries.

(2) We are not in a position to say.

(3) Pro-notes, mortgages and current accounts.

(4) House and grounds, garden and paddy and jewellery. Yes.

(5) Re. 0-12-0 to Rs. 0-14-0 per cent. per mensem for current account and Re. 0-14-0 to Rs. 1-8-0 per cent. per mensem on pro-notes and mortgages.

(6) No other terms.

719. When the customer carry on a substantial trade and when he is trustworthy, such withdrawals are entered in the pass book kept with him.

720. The account books of the banker are always open for inspection and checking by the depositor. Pass books are given. No copies of accounts furnished

721. (1) Yes.

(2) Interest calculated on the balance of the principal.

(3) For payment of an instalment a receipt is granted and if the debt be on a pro-note an endorsement of the payment is made thereon. Yes, if no endorsement is made on the document.

722. If overdrafts are granted to bankers without security.

723. (1) If big bankers other than indigenous bankers grant loans on lesser rate of interest the indigenous bankers can give loans at a reduced rate.

Traders would get all the benefit of reduction. Cultivators would get the benefit only if they deal directly with the indigenous bankers. If they do not the village money-lenders and landlords of tenants would get all the benefit.

*Pakōkkū District.*

718. (1) Indigenous bankers grant loans for all kinds of purposes.

(2) There are only a very few money-lenders who take loans from indigenous bankers to grant loans to cultivators, traders, etc. No, they never misrepresent.

(3) Pro-notes are executed for the loans.

(4) No security is taken. No guarantee is necessary.

(5) The same rate of interest as is charged to the public is charged, i.e., Rs. 1-12-0 per cent. per mensem.

(6) For loans on security, interest is charged at the rate at  $1\frac{1}{2}$  per cent. per mensem.

719. Overdrafts are allowed just to accommodate the depositor and no special circumstances are necessary.

720. They have to rely on the honesty of their bankers. The bankers do not give to them pass-book or copies of their accounts.

721. (1) Yes, indigenous bankers accept payments of loans by instalments.

(2) Yes, they reckon it at once as a reduction of the principal money on which interest is calculated.

(3) It is not customary to give receipts for payment of instalments but the payment is recorded on the back of the document. Such receipts are never asked for.

722. Their power to grant loans can be increased by borrowing from other bankers.

723. (1) Reduction of the rate of interest can be effected by establishing Agricultural Banks at the headquarters of every township like Dawson's Bank in the Delta.

(2) Cultivators and middlemen will derive benefit equally.

*Yamèthin District.*

718. For all purposes, if the security offered is sound.

(2) About 50 per cent. of the loans are so taken by other money-lenders.

(3) No.

(4) Pro-notes only for loans to approved customers, and they are executed without security. In other cases, pro-notes are executed in addition to jewellery given as security. In the case of security of land, a registered simple mortgage is effected. Guarantee by persons are taken in cases of loans not covered by tangible security.

(5) There is no fixed rule for rate of interest. It all depends upon circumstances. The rate varies from 1 per cent. to  $1\frac{3}{4}$  per cent. per month.

The mortgage loans are also payable on demand according to the wording but in fact they are long-term loans.

719. The only condition is that one must be a regular approved customer in which case he is not required to sign a pro-note even for the overdrafts.

For instance, the shop keepers deposit all their earnings every evening with the Chettiars, and they are allowed overdrafts when they have to go to Rangoon to buy goods.

720. He must go to the Chettiars and ask for them. Pass book and copies of accounts are not supplied ordinarily.

721. (1) Yes. However small at it may be.

(2) Yes. (3) Receipts are neither asked for nor given. But endorsement on the back is usually done.

723. The measure recommended is reduction in bank rates.

(2) Yes.

*Shwebo District.*

718. (1) Principally for trade; for agriculture to a certain extent and to a small extent for industries or private purposes.

(2) (a) One-third (b) Yes.



(3) If the borrower is of good standing and repays a promissory note is executed. In other cases, security has to be furnished in the form of jewellery or immoveable property and a mortgage deed is executed.

(4) Jewellery and immoveable property. *Note.*—Jewellery must consist of gold or diamonds, no other precious metal or stones are accepted. Pearls used to be accepted until ten years ago when the artificial varieties came into the market. A guarantee by other persons is accepted.

(5) The rate of interest does not depend on the class of loan but on the trustworthiness of the borrower. Rates are from Rs. 1½ to Rs. 2½ per cent. per mensem.

(6) None.

719. Yes, if a promissory note is executed for the amount of the overdraft. Particulars are the same as those given in the preceding reply.

721. (a) By asking the Chettiar to show the promissory note or mortgage bond. (b) No.

721. (1) Yes. (2) Yes. (3) Endorses fact of payment on back of document but does not give a receipt nor is a receipt asked for.

722. By making money cheaper.

723. (1) By legislation fixing maximum rates of interest and by linking the local indigenous banking system with the banking system in general.

(2) All the benefit would not be passed on to cultivators and traders.

*Shwebo District (Chettiar Sub-committee).\**

718. (1) Advances are given to cultivators and traders.

(3) On pro-notes and on mortgages.

(4) Guarantees by other persons are accepted.

(5) From one to two rupees.

(6) It seems that there are no other conditions.

719. Given on the status of the persons having current accounts.

720. Pass-books are given.

721. (1) Yes.

(2) They reckon it as a reduction in the principal money.

(3) Usually receipts are given.

\* 722. If the following arrangements are made indigenous bankers will be enabled to increase their power to grant loans.

1. Joint stock banks can be asked to extend their present limit of advances at reduced rates of interest.

2. Improvement in industry.

3. Introduction of changes in laws.

723. (1) Ditto.

(2) All will be benefited.

*Katha District.*

718. (1) Mostly for expenses of cultivation, ruby mining and trade, and for domestic purposes.

(2) Seventy per cent. No.

(3) Pro-notes.

(4) No security is taken by big lenders from small lenders. Small lenders take jewellery, houses, cattle. Yes.

(5) The big lenders charge 1 per cent. to  $1\frac{1}{2}$  per cent. per mensem, small lenders 2 per cent. to 5 per cent. The rate of interest does not vary with the purpose for which the money is borrowed, but varies with the security of the loans.

(6) It is usually stipulated that borrower shall sell his crop to the lender in case of loans to agriculturists.

721. (1) and (2) Yes.

(3) Yes. Yes. It is usually noted on the back of the document.

722. By extending the activities of the joint-stock banks to Township Headquarters.

723. (1) By reducing the bank rate and reducing the risks of money-lender. The risks can be reduced by reducing the delays in the disposal of civil suits.

(2) Only a part of the benefit and in most cases none at all owing to the risk attached to making a loan to any Burman.

#### *The Nattukkottai Chettiars' Association.*

718 to 723. Chettiars generally lend for all necessary and proper purposes. They finance the cultivators generally, particularly to meet cultivation expenses. They also finance largely trade and small industries. They also lend money to constituents for expenses of marriages and ceremonies. But this last item is not large. It is not possible to say what proportion of the loans are taken by other money-lenders to enable them to grant smaller loans to cultivators, traders and others.

The documents executed for the loans are on-demand, promissory notes, bonds, mortgage deeds, hundis or chits evidencing pledge of jewels or valuables.

Loans are given on the security of lands, houses, mills, jewels, and other valuables, shares, government and other securities, launches, motor cars and other conveyances. Guarantees by other persons are also accepted. The rate of interest varies from 1 to  $1\frac{1}{2}$  per cent. per mensem according to the nature and quality of the security, according to the individual borrower's standing and credit in the money market and according to the conditions of the money market. There are some loans below 1 per cent. and above  $1\frac{1}{2}$  per cent. per mensem. In the case of loans to cultivators, the loans are repayable at harvest times. Loans made to traders are repayable according to stipulations entered into at the time of giving the loans.

The Chettiars allow a person having a current account to withdraw up to a certain amount agreed upon over and above the amount standing to the credit of the customer. Very often such withdrawals over and above the amount to the customer's credit in the account are allowed, having regard to the personal credit and status of the man. The rates of interest charged for such overdrafts vary from half anna to two annas per cent. over the Chettiars current rate.

Borrowers who want to enter payments made are allowed to endorse the payments on the documents evidencing loans. Receipts for payments are always given if desired. People having current accounts are given pass-books in which all receipts and withdrawals are entered

Chettians always receive payments of loans by instalments. When an instalment is paid between two regular dates of payments of interest, they reckon it at once as a reduction of the principal money on which interest is calculated. Receipts are always given for payments of instalments whenever desired.\*

*Rates of interest.*—The Chettians adopt a current rate of interest analogous to the Imperial Bank rate and fix it month after month in a meeting of the Nattukkottai Chettiar business men in Rangoon. The rates so determined at such meetings practically govern the current rates of interest in their operations throughout Burma. The dealings between Chettians themselves are governed on the basis of this *nadappu* or current rate. The rate varies from 6 to 12 per cent. per annum according to the demand of the money market.

There is a mistaken impression in some quarters that Chettians carry on money lending business in Burma mainly with the large funds deposited with them by the general public and moneys borrowed from the Imperial Bank and joint stock banks. Not less than 85 per cent. of the moneys loaned out belong to Chettians, and the moneys obtained by them from non-Chettians and banks do not come to even a sixth of the moneys loaned out by them. Besides their own individual capital the Chettians get from their relations and Chettiar friends of their locality in Chettinad, who do not carry on banking large amounts known as *thanathumaralpanam*. Most of these amounts are obtained at the Rangoon Chettiar current rate or one anna more or less than the current rate, or at *thavanai* rate of interest. The Chettiar current rate works out on an average at 9 per cent. per annum. Nearly one half of the amounts obtained on *thanathumaralpanam*, though generally left with the Chettiar bankers over long periods, are only obtained on the understanding of renewals every two months and the other half is subject to renewal every six months. So that on nearly one half the Chettians have to pay compound interest at bi-monthly rests, and on the rest at six monthly rests.

The Chettians in the districts rely largely on the credit facilities afforded by the Rangoon Chettiar banks and the rate of interest charged by them. This again depends upon the rates charged to Chettiar banks in Rangoon by the Imperial Bank and the other joint stock banks. The rates charged by the Imperial and joint stock banks range from 6 to 11 per cent. per annum.

Such loans are generally granted on the security of promissory notes with joint signatures of approved parties. For every loan of Rs. 20,000, the Chettiar has to find a joint signature amongst persons approved by the banks. Overdraft accounts are opened only on the security of freehold house property. Few borrowers alone will be in a good position to get securities of properties or sureties. The overhead charges of the Chettiar Banks of Rangoon and their profit add to the rate of interest. And the net result is that the Chettians in the districts get their funds at about 12 per cent. per annum. To this must be added the overhead charges of the Chettiar banker in the mofussil and provision against losses must be made as the Chettiar readily undertakes large

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\* Note by the Nattukkottai Chettians' Association.—There are no printed receipts for payments of instalments. Generally the document executed by the borrower is endorsed with payments. But if the client asks for a receipt it is written then and there and is given to him.

risks. The public banks value the property overstrictly, generally refuse extension of time to repay and insist upon the payment of interest every quarter in the case of ordinary loans, monthly interest in the case of overdraft debts and in the case of hundis take interest in advance on the date of loans. The indigenous banker must often grant loans without sureties and securities and agricultural borrowers pay interest only at intervals of a year to the indigenous bankers. Having regard to the circumstances detailed above the rate of interest charged by Chettiars in the districts ranging from 14 to 18 per cent. per annum must be considered reasonable.

In this connection it may be noted in passing that the landlords lending to agriculturists in their own villages lend at a higher rate, not to speak of *sabape* loans which perhaps may work out 80 or 100 per cent. per annum. The rural co-operative credit societies who borrow only at 10 per cent. have to charge as high as 15 per cent. on lendings according to statement B at pages 40 and 41 of the report of the working of the co-operative societies for the year ended 30th June 1928.

The rural co-operative societies have got several concessions in the shape of exemption from stamp duty, registration charges and income-tax, etc. The Government does considerable propaganda work for the co-operative societies. An elaborate and costly department (the cost of which is borne by the general tax payer) is provided for their audit and inspection. The co-operative societies are not affected by the Insolvency Act as there is the joint and several responsibility to the full extent of the indebtedness by all the members and the debts could be recovered from co-obligers. With all these and other facilities, if the co-operative credit societies have failed in hundreds as is the case in Burma it clearly indicates risks attendant on rural finances and the silent work of Chettiars in the rural development.

Rates of interest always depend upon the laws of supply and demand of cash and credit of facilities and the demands of the money market. There is a healthy competition amongst the Chettiars tending to a reduction of interest. A study of the Chettiars' current and *thavanai* rates of interest for the last three decades clearly reveals the falling of rates and its almost keeping pace with the fall in the Imperial Bank rate. Cases are not rare of some of the big Chettiar firms of Rangoon giving loans at the same rates as the joint stock banks where securities offered are of the description accepted by the banks. If the risks involved in giving loans are minimised, if the banks lower the rates of interest charged to Chettiars and if other cash and credit facilities available to Chettiars are improved, rates of interest in Burma will naturally go down. No artificial remedies will help to bring down the rate of interest. In other words the rate of interest should be left to be fixed by the free play of economic laws and natural causes.

Mr. P. L. L. N. Narayanan Chettiar (Pyaḍḍn).

718. (1) For Agriculture and trade.  
 (2) Practically no.  
 (3) Pro-notes and mortgage deeds.  
 (4) House, land, jewels ; yes.  
 (5) One and a half per cent. per mensem.  
 (6) No.
719. If the person is honest and reliable.

720. Borrower must maintain an account.

721. Not in this district.

722. By establishing banks to advance money to them.

723. None.

*Mr. V. C. T. N. Ramanathan Cheltiar (Shwebo).*

718. Bankers grant loans for cultivation and trade.

(2) As all persons doing money lending business are known as indigenous bankers, it is impossible to distinguish.

(3) Loans are advanced on on-demands (promissory notes) or on securities.

(4) Land and jewellery are accepted as securities.

(5) Interest varies from one to two per cent. per mensem.

(6) There are no other terms.

719. Allowed according to the status of the persons having current accounts.

720. Pass-books or copies of accounts are given.

721. (1) Yes.

(2) Yes.

(3) Receipts are given. Generally receipts are asked for.

722. Not known.

723. (1) Reduction of interest can be made by improvements in agriculture and by reduction of prices of goods.

(2) All would enjoy the benefit of a reduction of interest.

### Section 6.—Recoveries.

*Akyab District (U Shway Tha's Sub-committee).*

724. Failure of crop and low rates of paddy.

725 and 726. Answered in Chapter I.

727. See Court Fees Act.

*Akyab District (Mr. Bishop's Sub-committee).*

754. Poverty. Usually genuine.

725. About a year. By simplifying legal processes.

726. (1) About 2 months. Depends whether suit is contested or not.

(2) About 2 months. By dispensing with issue of notices to judgment debtors.

(3) About 2 months. By dispensing with issue of notices regarding terms of sale proclamation.

(4) At least 3 months. No reply.

(5) Land is considered precious and therefore 6 months is reasonable. Should not be reduced.

728. (a) At least Rs. 40. (b) At least Rs. 150.

728. For uncontested suits or suits settled out of court refund of court fees to the extent of 50 per cent. should be given.

*Akyab District (Chettiar Sub-committee).\**

724. When they do not get their dues on on-demands Chettiers file a suit and get a decree, and even after getting the decree the judgment-debtors say they will repay at harvest, or when they receive the current month's pay. If it is not paid at the due time, if the Chettiers take further steps, they file insolvent petitions. In the case of employees they agree to pay every month but fail to do so. So it takes many months or even a year to realise the amount.

726. To get a final decree takes 6 months after getting a preliminary decree on a mortgage, and to get an order for auction it comes to a year altogether. Meanwhile the mortgagor obtains one or two harvests and the Chettiar has to pay the tax on the property. If this is not paid the property is sold by auction for this amount. We request that the period for decree be reduced to three months and that an auction order be obtained as soon as the final decree, and the harvest of that year must be given to those who have bought the property within the period of April to January.

727. The costs are Rs. 25, Rs. 30, or Rs. 75 on a suit for Rs. 100. On a suit for Rs. 1,000 the costs are Rs. 130 to Rs. 200. It will be very convenient if the court fees are reduced.

*Pegu District (Chettiar Sub-committee).\**

725. (1) Six months on an average. If the Courts desire they could reduce the time.

726. (1) Takes 1½ years to obtain preliminary decree.

(2) Takes six months more for final decree.

(3) Four months more.

(4) Takes two months more to get money after public auction.

All these times may be shortened if judges wish.

(5) The time between a preliminary decree and a final decree may be shortened by at least three months.

727. For a pro-note of Rs. 100—Rs. 25.

Do. of Rs. 1,000—Rs. 175.

Stamp fees. Lawyers' fees. Summons and notice fees. Witnesses' fees. Travelling expenses.

*Tharrawaddy District (Zigôn Sub-Committee).*

724. Real reasons are generally given when they fail to pay their debts. Tightness of money and the gradual accumulation of interest usually render a borrower helpless to repay the loan.

725. Please see answer to Question 36.

726 (1) and (2) Please see answer to Question 37.

727. About 25 to recover 100	...	...	Rs. 7	8	0
fees stamp per Rs. 100	...	...			
Pleader's fees	...	...	5	0	0
Witness expenses and incidental charges			12	8	0
			<hr/>		
			Total	...	25 0 0

728. The reduction of Court fees can be justified for two reasons (1) it will mean less burden on judgment debtors when a decree is obtained

against them : (2) it will tend to increase the number of suits by making more people to go to lower courts and by that means the total revenue on court fees stamps will not be reduced.

*Hanthawaddy District.*

724. Failure of crops, calamity, etc. Sometimes this is true and sometimes failure is due to extravagance.

725. It took six months

Increase in the number of judges and further separation of the judicial from the executive. Also amendment of the Civil Procedure Code.

726. (1) It takes eight months at least. For measures for reduction see answer to 725.

(2) It takes fifteen days.

(3) It takes fifteen days.

(4) It takes two months.

(5) Opinions were so varied on this point that it is impossible to frame a District answer.

727. The usual expense in recovering money due on a pro-note for—

(a) Rs. 100—

Court Fee Stamp	...	Rs. 7-8-0
Process	...	Rs. 2 per defendant per summons.
Execution	...	Re. 1 to Rs. 10 per judgment debtor.
Lawyer	...	According to the grade of the lawyer.

(b) Rs. 1,000—

Court Fee	...	Rs. 75
Process and Execution	...	Same
Lawyer	...	6 per cent on contested scale and 3 per cent on uncontested.

728. This depends entirely on the cost of Civil Administration in the Country.

It is not known.

*Bassein District (Chettiar Sub-committee).\**

724. Poor harvest, reduction of price of paddy, and loss in trade are the reasons given for failure to pay. Of all of them only a few are real.

725. Takes one year. Two summons may be granted, instead of three, and if two fail a police warrant should be issued.

726. (1) It takes six months for a decree. Number of summons can be reduced, so that the decree may be passed without delay.

(2) Two months.

(3) Three months. Now, auction sales of mortgages are published twice or thrice. The property may be sold by auction without delay, after one advertisement.

(4) Two months. Payment may be ordered thirty days after the auction sale.

(5) We protest against six months. Six months is a long time. Three months time is enough.

727. It takes Rs. 27-8 for Rs. 100 and Rs. 138 for Rs. 1,000.

728. A court fees of Rs. 7-8 is charged for Rs. 100. It is justified.

*Pyawon District.*

724. Persons failing to pay when sued on a pro-note or on a mortgage deed usually say that their failure is due to the failure of crops, depression in trade and deaths of cattle. The Committee was of opinion that loan money was rarely dissipated in gambling and frivolous pursuits. On the whole reasons given for failure to pay up are genuine.

725. The Committee was of opinion that it would take about a year on an average to recover money due on a pro-note through the Civil Court.

726. (1) Speaking in averages only the Committee agreed that it would take from 3 to 6 months to obtain a preliminary decree in a mortgage suit. A great deal of time is expended in serving notices on parties and witnesses.

(2) Three months at most would be required after the expiry of 6 months following a preliminary decree. In a large number of cases about one and half months would be sufficient.

(3) About a month.

(4) The period varies a great deal according to circumstances, so much so that it is impossible to give a useful average figure.

(5) The Committee was in favour of reducing the period from 6 months to 3 months, seeing that the debtor has usually had ample time to make arrangements for repaying before a suit is filed.

727. (a) Rs. 50 at least—

			Rs.	A.	P.
Court-fee	...	...	7	8	0
Process-fee	...	...	2	0	0
Lawyer's-fee	...	...	17	0	0
For execution	...	...	22	8	0
Subpoena per head	...	...	1	0	0
Subsistence per head at least	...	...	2	0	0
Total	...	...	52	0	0

In exceptional cases mentioned by U Tun and U Ba Pe more than Rs. 100 has been expended.

(b) Rs. 200 approximately—

			Rs.	A.	P.
Court-fee	...	...	75	0	0
Lawyer's-fee	...	...	60	0	0
For execution	...	...	22	8	0
Subpoena per head	...	...	1	0	0
Each defendant : process-fee	...	...	2	0	0
Subsistence per head at least	...	...	2	0	0
Total	...	...	162	8	0

728. Only B. L. L. N. Narayanan Chettyar had experience of litigations in other countries, namely Penang and Siam. He said that in Siam the court-fee is Rs. 2-8-0 per cent, and the same in Penang.

The general opinion of the Committee was that a reduction of court-fees in suits on pro-notes or mortgages was justified in view of the expensiveness of litigation even in the recovery of small sums of money.



*Thalon District (Kyaikto Sub-committee).*

724. Bad harvests, failure of business due to bad trade, and loss of money for goods given on credit.

725. Five to six months' duration. No suggestion.

726. (1) About five to six months. No suggestion.

(2) About six months. No suggestion.

(3) About four months. No suggestion.

(4) About two months. No suggestion.

(5) The period should be shortened to two months to prevent the loss of interest.

727. Rs. 25 to 40 for Rs. 100 and Rs. 125 to 200 for Rs. 1,000.

For stamp paper, summons fees, warrant fee, pleader's fee, fee for writing plaint and travelling allowance.

728. Reduction should be made. On account of the prohibitive cost of Court-fee stamps large sums of debts are not sued.

*Amherst District.*

724. The most usual reason given is loss in trade or business. The real reasons are sometimes real loss and sometimes unwillingness to pay.

725. It is difficult to estimate. Reduction could be obtained by preventing long duration of cases in Court.

726. (1) Three months. This could be reduced only if defence are strictly scrutinized by the Court and if those that really do not raise any real defence be struck out.

(2) About 15 days. This time can be only reduced if the preliminary decree is made a final decree at the expiry of the stipulated period without having the necessity of making an application.

(3) About 10 days. We cannot suggest any method.

(4) About 2 months. This period can be reduced if the sale could be made within fifteen days after the return of proclamation of sale and sale confirmed on the fifteenth day after the sale.

(5) The period of six months granted should be reduced to one month or at most to three months. Once the borrower has become a defaulter and a decree has to be obtained against him, he must try his best to redeem within the shortest possible period.

727. The expenditure is much but it is difficult to estimate the actual expenditure as the same differs according to the position of the defendant.

728. A reduction of Court-fees from Rs. 7-8-0 per Rs. 100 to Rs. 5 per Rs. 100 and a proportional reduction for larger sums in the same proportion as now exists and also the reduction of process fees and warrant fees to the original rates.

*Pakokku District.*

724. The reasons are either failure of crops or depression of trades and they are generally the real reasons.

725. It takes on an average about six months to recover through the Civil Court money due on a pro-note.

No improvement can be suggested to reduce this time.

726. (1) It takes about three months time to obtain a preliminary decree. This time can conveniently be reduced by issuing a summons and a notice instead of three or four summons repeatedly.

(2) It does not take much time but only about 15 days in this locality to get a final decree after the expiry of six months since a preliminary mortgage decree has been given.

(3) The interval between the date of final decree and the date of publication of a sale is about one week only. No methods can be suggested to reduce this time.

(4) It takes about two and a half months to recover the sale proceeds. No method can be suggested to reduce this time.

(5) Reduction of the period of 6 months is not recommended. This gives time to the judgment-debtor to raise money to redeem the mortgage.

727. The usual expense in recovering money due on a pro-note for :

(a) One hundred rupees is Rs. 20-8-0

(b) One thousand rupees is Rs. 132-0-0.

These amounts will vary by Rs. 2 per head if the summons is to be served on more than one person.

On Rs. 100—

	Rs.	A.	P.
Amount of stamps	7	8	0
Advocate's fees	6	10	0
Petition	0	8	0
Advocate's power	0	8	0
Summons for 3 times at Rs. 2	6	0	0
Total	20	8	0

On Rs. 1,000—

	Rs.	A.	P.
Amount of stamps	75	0	0
Advocate's fees	50	0	0
Petition	10	8	0
Advocate's power	0	8	0
Summons for 3 times at Rs. 2	6	0	0
Total	132	0	0

728. Court-fees can be reduced to Rs. 5 per Rs. 100 within Rs. 1,000 for the reason that the suits are generally within Rs. 1,000 and as the fees are ultimately realized from the poorer classes.

#### Yamethin District.

724. Loss is generally the reason offered, but usually extravagance is the real reason.

725. From 2 to 3 months. High Court's pressure upon the Judges will shorten duration. However, justice should not be sacrificed to curtail duration.

726. (1) From 2 to 3 months. *Vide* reason given above.

(2) From 5 to 6 days. It cannot be reduced.

(3) About 10 days. It cannot be reduced.

(4) About 2 months. It cannot be reduced.

(5) It should be cut down to 3 months or even less. Although a long period of 6 months is allowed, mortgagers never come forward to redeem the mortgage. The longer the period allowed, the greater is the inducement to procrastinate.

## 727. (a) Expenses on suit of one hundred rupees :—

			Rs.	A.	P.
Court-fee	...	...	7	8	0
Process fee on 2 persons	...	...	4	0	0
Lawyer's fee	...	...	10	0	0
Lawyer's clerk	...	...	2	0	0
Fee for 2 witnesses	...	...	4	0	0
Chharry hire for 4 times	...	...	2	8	0
Total	...	...	30	0	0

## Execution expenses :—

Court-fee	...	...	0	8	0
Power	...	...	0	8	0
Notice to 2 persons	...	...	2	0	0
Lawyer's fee	...	...	40	0	0
Lawyer's clerk	...	...	2	0	0
Attachment warrant	...	...	5	0	0
Total	...	...	50	0	0

GRAND TOTAL ... 50 0 0

Even in an uncontested suit for Rs. 100 a sum of at least Rs. 50 must be spent.

(a) Expenses on one thousand rupees is at least Rs. 167-8-0. All the items of expenditure are the same as above except the Court-fee and Lawyer's fee which are respectively Rs. 75 and Rs. 60.

728. At any event, the process fees could be cut down to half of the present rates.

*Shwabo District.*

724. (a) Death of cattle ; bad agricultural seasons ; trade depression ; high rates of interest.

(b) Thriftlessness and irresponsibility ; high rates of interest ; increased cost and higher standard of living.

(a) One year. (b) Extend application of Small Cause Courts Act and introduce compulsory registration of promissory notes and all other documents covering loan transactions exceeding Rs. 50 in amount (Note.—Most of loans taken in villages exceed Rs. 50 but are less than Rs. 100).

726. (1) (a) Six months. (b) By amending the Small Cause Court Act and applying it ; increase the number of whole-time Judges, and their powers under the Small Cause Courts Act, as amended ; increase powers of village committees.

(2) (a) Two to three months, but the six months grace given after the preliminary decree should be reduced to three months. (b) The decree-holder should be required to assist the process-server in finding the judgment-debtor in the first instance, and substituted service should be allowed in lieu of personal service if the first attempt at personal service is unsuccessful. (Note.—There is good reason for believing that much of the delays caused in completion of civil suits is due to the dishonesty and inefficiency of process-servers, whose rate of pay is in the neighbourhood of Rs. 18 a month.)

(3) (a) One month. (b) Same remedy as is suggested in reply to preceding question.

(4) (a) Two months. (b) Reduce the periods of one month prescribed for proclamation and for making sale absolute to 15 days, in each case.

(5) Six months is more than sufficient. No reasons for not reducing this period can be thought of. Period should be reduced to three months.

727.

	Rs. 100			Rs. 1,000		
	Rs.	A.	P.	Rs.	A.	P.
Court-fee	7	8	0	75	0	0
Power of Attorney	0	8	0	0	8	0
Summons to defendant (thrice)	6	0	0	6	0	0
Summons to witnesses (six)	6	0	0	6	0	0
Witnesses expenses (six) (two appearances)	15	0	0	15	0	0
Pleader's fee	25	0	0	150	0	0
Petition Writers	1	8	0	1	0	0
Court-fee on application for execution	0	8	0	0	8	0
Notice to judgment-debtor	1	0	0	1	0	0
Power of Attorney	0	8	0	0	8	0
Pleader's fee	5	0	0	20	0	0
Petition Writers	1	0	0	1	0	0
Petition to draw money deposited by judgment-debtor Court-fee.	0	8	0	0	8	0
Petition Writer	0	8	0	0	8	0
Warrants (twice)	10	0	0	10	0	0
Total	80	8	0	288	0	0

728. (a) If it is shown that the Civil Courts regularly cost less to maintain than the total value of Court-fees Stamps sold, then Court-fees could justifiably be reduced to an amount which will balance the expenditure and no more. In any case, the Court-fees on suits of low value should be reduced and fees on suits of high value correspondingly increased, see figures given above.

*Shwabo District (Chettiar Sub-committee).\**

724. Low prices of crops, poor harvest, loss in trade, are the reasons.

725. At least one year.

726. (1) About three months.

(2) Final decree is obtained about three months after expiry of the interval of six months, after the preliminary decree.

(3) Three months.

(4) One year.

(5) We object for the following reasons : interest is increasing on the loans. Property is damaged and thus its value is going down. So it will be better to give a final decree at first.

727. (a) Expenses for the recovery of a pro-note of Rs. 100—

	Rs.	A.	P.
Court-fees	7	8	0
Fees to lawyer	20	0	0
Summons	6	0	0
Witnesses' fees	12	0	0
Incidental sundry expenses.	10	0	0

Total ... 55 8 0 + Rs. 30 for the execution of  
decree.  
85 8 0 in all

(b) Expenses for the recovery of a pro-note of Rs. 1,000.

	Rs.	A.	P.	
Court-fees ...	75	0	0	
Fees to lawyer ...	100	0	0	
Summons ...	6	0	0	
Witnesses' fees ...	20	0	0	
Incidental sundry expenses.	10	0	0	
<b>Total ...</b>	<b>211</b>	<b>0</b>	<b>0</b>	<b>+Rs. 40 for the execution of the decree, making Rs. 251 in all.</b>

728. It will be justifiable if the court charges fees on the amount which is actually realised, and not on the sued sum.

*Deputy Commissioner, Shwabo.*

725. (b) In my opinion, all loan transactions should be registered — this to go hand in hand with compulsory registration of all money-lenders (indigenous bankers). With standard printed forms, executed in triplicate, a simple form of registration of petty village loans should not be above the capacity of village committees.

*Katha District.*

724. The usual reasons are failure of mines, sudden fall in the prices of precious stones as their prices are governed by conditions in European and American markets, failure of crops due to late rains and floods. At times death of cattle from diseases is given as a cause. These are real reasons with 75 per cent. of the borrowers.

725. See answer 36.

726. See answer 37.

727. (a) For Rs. 100.

- (1) Advocate Rs. 10.
- (2) Process fees Rs. 15.
- (3) Witness fees Rs. 7.

(b) For Rs. 1,000.

- (1) Advocate Rs. 60.
- (2) Process fees and Court-fees Rs. 100.
- (3) Witness fees Rs. 20.

728. On account of the high fees money-lenders file Civil suits only when they are sure of recovery of at least 50 per cent. of the debts sued for.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu Districts.*

724. I have already mentioned some of the reasons for failure to repay (see answer to question 705).

Persons frequently misrepresent things when taking such loans and securities are often of less value than made out to be. They are also often mythical.

The Burman recognises necessity, necessity is the mother of invention. Much security given for loans is a matter of invention and much is used time and time again for the purpose of raising loans, until

it is mortgaged in all direction which leads to many claims and much litigation, until the borrower and the source of all the trouble, having lived pleasantly on his ill-gotten credit, dies full of years and williness before it is over, leaving his heirs to foot the bill.

725 and 726. Litigation in the Civil Courts is deplorably slow; partly because in Burman disputes almost every issue raises innumerable complications, giving rise to constant delays, and partly due to the difficulty of establishing proof of the facts required on the evidence produced.

A better system of the registration of land tenure is required. At present much juggling goes on between cultivators and revenue surveyors. Documentary evidence compulsorily registerable should be more insisted upon. Another source of delay is the constant appeal which is resorted to in even petty disputes. Many appeals are purely automatic, having no reasonable hope of success and being without purpose, except to swell the lawyers' fees. Arbitration should be encouraged, and frivolous or vexatious appeals in cases tried in Court should be punishable in some manner similar to the punishment available in the Criminal Procedure Code for frivolous and vexatious complaints.

This would be no hardship. The averages of the duration of different types of cases can be definitely and easily obtained by reference to the Courts. To select a few lengthy ones which have come to my notice and to omit to mention those which have been promptly disposed of would produce a wrong impression.

Without statistics it would be impossible to estimate any reliable average duration for any particular type of case.

*Burma Buildings and Loan Association, Ltd.*

727. The usual expenses are as follows : -

- (a) Seven and a half per cent. on the value of the suit.
- (b) Cost of summons and attachments Rs. 2-8 and Rs. 5-8 on each defendant.
- (c) Lawyer's fees range from two and a half to ten per cent. on the value of the suit.

The cost is excessive and a reduction would give welcome relief to Associations like mine where the interest charged is two per cent. per mensem on loans up to Rs. 600 on personal security, and one per cent. on loans above Rs. 600 on equitable mortgage. The interest is reduced to ten per cent. per annum in the case of shareholders. The expense is enhanced by the unauthorised levy of the process-servers. They have to be accompanied by a member of the plaintiff's firm to identify the defendants. For this they have to be paid, and their interest and willingness to serve the summons is in proportion to the amount of the fee.

If they are not given a fee the summons is delayed until it expires, when a fresh summons has to be obtained at further expense. Instances are known where the case has been dismissed because the summons has not been served. This entails an affidavit and application to the Court to restore the case to the file.

*Nattukkottai Chettliars' Association.*

724 to 727. When suits are filed on promissory notes the usual reasons given are trade depression, trade losses, failure to collect

outstandings, occurrences of unforeseen contingencies and misfortunes, in the case of loans to traders.

In suits on pro-notes, the cultivator generally complains of a poor turn-over of crops, loss of crops by flood, death of cattle, low price of paddy, sickness and misfortune. The reasons given in suits on mortgages are generally the same as above. There is no data available to show that the above reasons given are false.

Generally in Rangoon it takes on an average six months to recover moneys due on pro-notes through Civil Courts. Courts if so inclined can expedite recovery. Speedy recovery through Civil Courts is possible if the summary procedure laid down in Chapter 37 of the Civil Procedure is extended to all Civil Courts in Burma. If all Civil Courts are enjoined to dispose of all pro-note suits of bankers for the day before taking up other suits, recoveries of dues may be expedited. The Civil Courts should be enjoined to give only as short adjournments as possible in pro-note suits by bankers.

To get a preliminary decree in Rangoon, in a mortgage suit it takes about 18 months and it takes about 6 months to get a final decree. A further 4 months time is required for publication of the proclamation of sale. It takes generally about two months after sale to realise the decretal amount.

The period of six months granted by a preliminary decree should be reduced to three months. The Court has always the power to extend the time in genuine cases of hardship. If the judgment-debtor has reasonable chances of payment and if the application for extension of time is *bona fide*, the creditor will always consent to an extension of time. The large period of six months given by the preliminary decree leads to inertia in the debtors who only wake up to take steps for payment when the period is about to expire.

The delays in the disposal of mortgage suits and in the execution of mortgage decrees can be very well reduced. If mortgage suits are given preference in the matter of disposal over other land suits, the delay can be lessened. Shorter adjournments than at present in mortgage suits are suggested. Sales in execution may be held after publication for three weeks instead of forty days as at present.

728. *Reduction of Court-fees.*—Most of the pro-note suits and mortgage suits are simple in nature and do not occupy much of the time of the Courts. The present scale of the Court-fees on pro-notes and mortgages hits hard the borrower or lender. Bankers, traders and poor land owners suffer. It is suggested that the Court-fees ought to be ordered to be paid in three instalments. A third of the prescribed Court-fee may be ordered to be paid at the time of filing the plaint. If the decree is passed *ex parte* no further Court-fee for the suit should be collected. If there is contest, a second instalment of one-third fee may be collected before framing issues. If there is a settlement of the claim and if the contest is given up, no further fee should be charged. The third instalment may be collected before proceeding to trial. The Taxation Enquiry Committee recommended the above principle but it was in favour of collecting the fee in two instalments. It is submitted a change in the Court-fees Act prescribing the above three instalment system would be equitable.

On an average promissory note suits and mortgage suits take comparatively less time of the Courts than other suits; and a reduction of Court-fees on these suits is justified.

*Mr. P. L. L. N. Narayanan Chettiar (Pyaṣon).*

724. Failure of crops and loss in business.

725-26. See answers to 36, 37.

737. (a) Rs. 35 about.

(b) Rs. 200.

728. Reduction of Court-fee is justified because the burden falls on the judgment-debtor, who is already broken and therefore unable to pay the original loans.

*Mr. V. C. T. N. Ramanathan Chettiar (Shwebo).*

724. Poor harvest and loss in trade. They are the real reasons.

725. In a period of about six months. Not known.

726. (1) It takes about three months. Not known.

(2) Final decree is given ten months after the preliminary decree. Not known.

(3) There is an interval of from one and a half to two months. Not known.

(4) Takes one month. Not known.

(5) We are of opinion that the decree may be given finally (without any preliminary decree) in order to avoid the damage to properties, caused by insufficient care during the period of six months between a preliminary and final decree.

	Rs.	A.	P.		
727. (a) Stamp ...	7	8	0	In addition to this about Rs. 20 will be spent for the execution of the decree.	
Lawyer fees ...	17	8	0		
Summons to defendant.	2	0	0		
Expenses for witnesses.	6	0	0		
Fees for writing	3	0	0		
Other incidental and sundry expenses.	5	0	0		
Total ...	41	0	0		
(b) Stamp ...	75	0	0		In addition to this a sum of Rs. 20 will be required for the execution of the decree.
Fees to lawyer ...	60	8	0		
Summons to defendant.	2	0	0		
Expenses for witnesses.	6	0	0		
Fees for writing and other expenses.	8	0	0		
Total ...	151	8	0		

728. It is better to reduce the Court-fees, for there is no hope of recovering the whole sum, even by executing a decree.



## Section 7.—Money Market.

### *Akyab District (U Shway Tha's Sub-committee).*

729. (1) No.

### *Akyab District (Mr. Bishop's Sub-committee).*

729. (1) There is no money market here.

730. No Association of Bankers in this district.

731. (1) (a) 4 annas per cent.

(b) Not used at all.

(2) No variation.

(3) The bazaar must be in excess of the Imperial Bank rate because money is remitted through the bank at a charge.

### *Pegu District (Chettiar Sub-committee).\**

729. (1) and (2) In Rangoon Mogul Street.

(3) So far as Chettiars are concerned, there is connection with Madras, Straits Settlements and Ceylon money market but not much with Calcutta.

(4) There are no brokers.

730. We do not want it.

731. (1) (a) There are times when money is remitted without commission inland; 2 to 10 annas per Rs. 1,000 is also charged sometimes.

(b) If hundis are issued for loans no commission is charged.

(2) There are seasonal variations according to the money market.

(3) The bazaar rate does not affect the Imperial Bank rate, and the Imperial Bank rate does not affect the bazaar rate, but other banks depend upon the bazaar rate.

### *Hanthawaddy District.*

729. No.

730. No.

731. None issued in this district.

### *Insein District.*

730. (2) No.

### *Bassein District (Chettiar Sub-committee).\**

729. (1) We have a money market.

(2) In public places.

(3) It is not linked with Rangoon or Calcutta. It depends upon the conditions in its own locality.

(4) No brokers.

(6) Can be had at any season.

730. (1) No.

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\* Translated from Tamil.

731. (1) (a) Two annas for amounts less than ten thousand, and one anna for amounts exceeding ten thousand.

(2) There are seasonal variations. It depends upon the money market.

(3) They are not connected. It depends upon their need.

*Pyapon District.*

729. There is no money market in this district:

730. (1) The Committee was not aware of any Provincial Association of indigenous bankers other than the Nattukottai Chettiars' Association of Rangoon.

(2) The Committee was not aware of any Local Associations of indigenous bankers in Burma other than those of the Chettiars.

731. Hundis are not in use in this district.

*Thalon District (Kyaikto Sub-committee).*

729. (1) No.

(2) to (6) Does not arise.

730. (1), (2) and (3) No.

731. (1) (a) Five pice to annas 2 per cent.

(b) Nil.

(2) No.

(3) Not known.

*Amherst District.*

729. No.

(2) to (6) Do not arise.

730. (1) No.

(2) and (3) We are not aware of any.

*Pakokku District.*

729. (1) to (6) There is no money market in this district.

730. (1) There is no such association of indigenous bankers besides the Nattukottai Chettiars' Association of Rangoon.

(2) Not aware of any.

(3) The answer does not arise in view of answers to (1) and (2).

731. (1) Hundis are issued :

(a) for internal remittance, at a rate of annas 2 per cent.

(b) in almost all the cases to obtain credit the hundi drafts are issued without any commission except in stray cases when commission is charged at annas 2 per cent. to annas 4 per cent.

(2) The seasonal variations do exist according to the demands of money in the market.

(3) The Imperial Bank of India rate has no effect on the bazaar rate and *vice versa*.

*Yamethin District.*

729. (1) No.

730. (1) No. (2) No.

731. (a) and (b) Re. 1 or Rs. 1-4 is charged per Rs. 1,000 on hundis only for 3 or 4 months from September to December. During other months, no charge is made.

*Shwebo District.*

729. There is no money-market in Shwebo.

730. There are none in Shwebo.

731. (1) (a) and (b) Rs. 2-8-0 per Rs. 1,000; or annas 4 per Rs. 100.

(2) From *Nadaw* to *Tagu*, Chettiars will issue hundis on Rangoon free of charge.

(3) There is no bazaar rate in Shwebo.

*Shwebo District (Chettiar Sub-committee).\**

729. (1) No.

730. Not known.

731. (1) Two annas per hundred.

(3) No Imperial Bank here.

*Katha District.*

729. No.

730. No.

731. No experience.

*Assistant Commissioner of Income-tax, Western Range.*

729. As far as I am aware, there is no money market in the districts.

730. As far as I am aware there is no association of indigenous banks in the districts.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu Districts.*

729. There is no money market.

730. Not to my knowledge.

*Nattukkottai Chettiars' Association.*

729. to 731. There is a money market in Mogul Street, Rangoon. It is linked up with Madras, Ceylon, Federated Malay States and in some measure with Calcutta.

Brokers are not employed.

For internal remittances, hundis are issued without charges sometimes. The usual rates charged range from two annas to Rs. 1-4 per thousand.

No rates are charged when hundis are issued to obtain credit.

There are seasonal variations of rates for internal remittances. Rates vary with the condition of the money market. The Imperial Bank of India rate does not affect the bazaar rate, and *vice versa*. The other joint stock banks fix their rates taking into account the market rate.

*Mr. P. L. L. N. Narayanan Chettiar (Pyapon).*

729. No.

730. Not in this district.

731. Hundis are not in use in this district; Rangoon, Bassein, Mandalay, Moulmein, use hundis.

*Mr. V. C. T. N. Ramanathan Chettiar (Shwebo).*

729. (1) No.  
730. (1) and (2) Not known.  
731. (1) (a) Two annas for one hundred rupees.  
(b) Nothing.  
(2) No.  
(3) Not known as there is no Imperial Bank here.

### Section 8.—Co-ordination.

*Akyab District (U Shway Tha's Sub-committee).*

732. (1) (c) To some extent loans are taken from Imperial Bank of India by the Chettiars and Arakanese Banks.  
(3) and (4) No.  
734. (1) (b) In the case of cash credit one per cent. above bank rate is charged by the Imperial Bank of India.  
(2) See answer to 734 (1) (b).  
735. (1) Yes. During the months of October, November and December.  
(2) We are not in touch.  
736. (1) Yes. During the months of February, March and April every year.  
(2) Lying idle.  
(3) No.

*Akyab District (Mr. Bishop's Sub-committee).*

732. (1) (a) and (b) There is very little co-operation.  
(c) There is no co-operation. The indigenous banker generally borrows money from the banks. There is no other tie between them.  
(2) (3) (4) There is only one bank here, so no useful reply can be given.  
733. (1) Does not seem to be any co-ordination at all.  
(2) A Provincial Bankers' Association with branches in important trade centres might encourage co-ordination.  
734. No useful reply can be given as there is only one bank here.  
735. (1) Yes, very often.  
(2) They say the money market is tight in those places.  
736. (1) This is infrequent and would be during the rainy season.  
(2) and (3) Yes.  
(4) Possibly, but we have no definite information.  
(5) Yes, to some extent.

*Akyab District (Chettiar Sub-committee).\**

732. The Imperial Bank used to give loans of Rs. 10,000 on two party's signatures. This year, though two people signed as before, the Imperial Bank required three firms to give security. As it seems very difficult to get sureties every year nobody is willing to borrow this year. Every time a loan of Rs. 10,000 is granted a stamp duty to the value of Rs. 9 is charged. The interest, which will accumulate on a loan for

three months is taken at the time of its issue and whenever it will be renewed every three months the stamp duty and interest must be paid beforehand. Thus there is great expense. Borrowing under the abovementioned terms, we advance the same money to cultivators or merchants fixing a time for the repayment of the loans. We are bound to pay our dues at the bank on the day of expiry, even though our clients failed to return their dues on the due date. Thus we are led to despair and undergo difficulties in securing payment of our loans from the bank, when our clients fail to repay on the due date. So it will be advantageous if the Imperial Bank gives us some consideration.

742. (a) We think that it will be better, if loans are granted on on-demands bearing two signatures, without asking for any surety, to continue for a period of six, nine or twelve months, the interest being payable when the money is repaid.

(b) Persons who borrow on on-demands have no idea of repaying the same. It will be a great help if measures are taken to put an end to this bad habit.

(c) Borrowers without producing any vouchers are declared insolvents. Measures should be taken so that a person can be declared insolvent only when his liabilities exceeds a certain limited amount.

(d) Soon after a mortgage is created the name and address of the mortgagee and the place where the property is should be notified to the headman. The name should be written in the land revenue receipt as before, and in the map also. The absence of these causes much difficulty.

(e) Chettiers do not own much land. They should be granted remission of land revenue when unable to cultivate their lands.

(f) It is regrettable that bailiffs do not make payments of the amounts deposited in Court for a month or two after the Court orders to pay and vouchers concerning the same are signed. Great inconvenience and loss happens in this connection.

(g) The Income-tax officer when examining the accounts puts unnecessary questions and does not act according to the rules. The Income-tax officer here talks impolitely, so we request the Government to enquire into the matter and take necessary action. We ask the Government to exclude the charity expenses and the expenses incurred for meals when the partner or the principal is in charge of the firm. If interest is paid on *thanathumaral panam* (money on fixed deposit) sometimes it is included in the income. It should be reckoned as expenses. In a joint firm if there is any credit for one of the partners and interest is paid on that, this also should be reckoned as expenses.

(h) Property auctioned for non-payment of taxes should be notified to mortgagors before auction.

*Pegu District (Chettiar Sub-committee).\**

732. (1) (a) There is unity among Chettiers. They help one another in times of need.

(b) Because other indigenous bankers have current and overdraft accounts with Chettiers, they get help when the market is tight.

(c) Chettiers and Imperial Bank have good and smooth financial relations.

(2) Banks do not allow any special facilities to Chettiers.

(3) When the money market is tight no bank advances on stocks in godown or on securities obtained by Chettiars from clients. This help must necessarily be given by the Imperial Bank. It is regrettable that they are not doing it now.

(4) No other support is given to indigenous bankers.

733. (1) About two months after sowing short term loans are given by the Imperial Bank and other banks. Except this no help is given.

735. Owing to contact with Rangoon market and other places there is always sufficient money in hand.

736. Soon after harvest is finished there will be much money in the districts and this will be sent to Rangoon.

*Hanthawaddy District.*

732. (1) (a) Close co-operation.

(b) There are no different classes.

(c) There are no banks in this District.

(2) (3) and (4) Do not arise.

733. We have no bankers in this District.

735. (1) Never.

(2) Does not arise.

736. (1) No, this never happen.

(2) to (5) Do not arise.

*Bassein District (Chettiar Sub-committee).\**

732. (3) Not so much as they should ; only to a moderate extent.

(4) They give moderate support.

733. No co-ordination is existing.

734. (1) (a) No difference. At times of need, money is borrowed from wherever convenient.

(2) There may be a difference of 2 per cent. in interest.

735. (1) Such particulars are not known.

(2) There are times when we get money from Rangoon and other places, and times when we cannot. This depends upon the money market there.

736. (1) Sometimes it happens and sometimes not. It does not happen every year.

(2) Remitted to Rangoon and to other big towns.

(3) Not possible.

(4) There are other places. Can be remitted through post by cheques without commission.

(5) Yes, it will be of use.

*Maubin District.*

732. (1) (a) and (b) No relations.

(c) No relations, except borrowing by Chettiars.

(2) Not known.

(3) and (4) No.

733. (1) None.

(2) Do not see any. No.

735. (1) Yes.

(2) Cannot say.

736. (1) Yes : about middle of the rains every year.  
(2) Goes back to Rangoon.  
(3) Not possible.

*Pyapon District.*

732. (1) (a) At Bogale and Kyaiklat there exists an arrangement between the Chettiars for fixing a minimum rate of interest to be charged by all Chettiars at these two places. At Pyapon it is not so.

Among Chettiars all over the district temporary borrowing and lending among themselves is the custom.

No systematic relations exist between indigenous bankers of different classes.

Indigenous bankers have no dealings with co-operative banks. During the period of harvesting the paddy crops and bringing the crops to market indigenous bankers obtain credit from the Imperial Bank of India in the case of Chettiars indirectly through their principals in Rangoon and in the case of the local joint stock bank at Pyapon directly from the Imperial Bank. This applies also to the Indian and Foreign Stock Banks.

(2) Chettiars receive the following preferential treatment as compared with other customers :—

(a) Lower rate of interest.

(b) Joint security on the signature of two Chettiars is accepted.

(3) The committee did not feel in a position to answer this question.

(4) The committee felt that remittance business might be done by the Imperial Bank and other joint stock banks more cheaply for indigenous bankers than for the more general public.

733. (1) Co-ordination. Nil.

(2) The committee agreed that better co-ordination was desirable but was unable to make any specific recommendation.

734. The committee felt that it was not in a position to give useful information on this question.

735. The phenomenon is known to occur in the district periodically.

This shortage period, in the experience of the majority of the members of the committee, occurs in June and July when the Chettiars are paying back to the banks and in December and January before the new crops come on the market. U Tun said that he had no personal experience of shortages in June and July.

736. (1) This phenomenon is unknown in the district. Under these circumstances, questions (2), (3), (4), (5) do not arise.

*Thabon District (Kyaikto Sub-committee).*

732. (1) (a) Yes—temporary raising of loan.

(b) No.

(c) No.

(2), (3) and (4) No.

733. (1) No.

(2) No.

734. (1) and (2) No.

735. (1) No.

**Thaloh District,** ( 464 )  
**Kyaikto Sub-committee.]**

736. (1) Yes. At harvest time in each year.  
(2) Concentrated in Rangoon and obtain interest.  
(3) No.  
(4) No.  
(5) Does not arise.

**Amherst District.**

732. (1) Omitted.  
(3) and (4). No.  
735. (1) No.  
(2) Does not arise.

**Pakokku District.**

732. (1) (a) There is no permanent relation but among the Chettiar bankers temporary drawings by one bank on another up to limit of Rs. 500 is allowed without interest but for sums over 500 monthly interest at Rangoon rate is charged. No interest is charged among the Burmans.

(b) The same as in (a).

(c) No relation with other banks.

(2) As there is no dealing, no answer is necessary.

(3) and (4) For the same reason. No answer is necessary.

733. (1) No co-ordination exists at all.

(2) The committee would recommend the establishment of a provincial bankers association with branches in important trade centres but it regrets that it could not outline plan.

734. (1) and (2) As there is no dealing, no answer is needed.

735. (1) Yes, some do find that Burman bankers have not sufficient money to lend but the Chettiar bankers never lack money to lend.

(2) Burman bankers cannot obtain money from Rangoon or Mandalay or elsewhere on account of want of agencies.

736. (1) No; they never find considerable money accumulating in their hands.

(2) and (3) Not necessary to answer.

(4) Not aware of.

(5) We cannot say much of this.

**Yamethin District.**

732. (1) Current account arrangement exists between Chettiars.

(b) No relation exists.

(c) No relation exists between co-operative banks and indigenous bankers.

The indigenous bankers borrow their capital from Imperial Bank and other joint stock banks.

(2) No preferential treatment is given.

(3) and (4) Yes.

734. No difference whatever.

735. No, they always get the loan.

736. During the months of August and September every year.

(2) Yes.

(3) No.



*Shwebo District.*

(1) (a) Burmans do not deal with other Burmans. Chettiars have business relations with each other and help each other in making cash available. Other Indian money-lenders and Chinese, work independently.

(b) There are no relations.

(c) No Chettiar is present to answer this question but it is known that the local Chettiar firms have business dealing with banks in Rangoon.

(2), (3) and (4) Omitted, in absence of Chettiars. Other kinds of indigenous bankers have no dealings with banks.

733. (1) Same reply as to latter part of Question 732.

(2) Recommend establishment of a Provincial Bankers' Association, with branches at Shwebo and Ye-U. Each branch to consist of representatives from each trading centre, east and west of the Mu river, respectively. General meetings to be held once in two months—special meetings at any time. Each branch to have an office, President, Vice-President and Secretary. Main business to exchange information and give mutual assistance as amongst the members of the branch and as between the Shwebo and Ye-U branches and branches in other districts and the headquarters of the Association. Association to run a Journal, containing trade and banking news.

734. (1) Omitted, in absence of Chettiars. (2) Ditto.

735. (1) Yes. (2) Barring the Chettiars, the local indigenous bankers have no organisation and have no business relations with other bankers in Rangoon, Mandalay, etc.

736 (1) (a) Yes. (b) *Waso to Thadingyut*. (c) Yes. No distinction in this respect between rural and urban areas.

(2) It remains idle in the hands of the local indigenous bankers and is not sent to Rangoon and similar places, so far as local indigenous bankers other than Chettiars are concerned. The Chettiars do send surplus money to Rangoon at such times.

(3) This slack season is due to the fact that during these months traders in rice receive money for their goods and money-lenders receive repayments so that it is not a borrowing season. Cannot suggest anything to improve matters, so that these excess funds could find remunerative employment locally.

(4) (a) Cannot say. (b) Through medium of the Provincial Bankers' Association, referred to above.

(5) Development of postal service by air and extension of telephone service.

*Shwebo District (Chettiar Sub-committee.\**

732. (1) There are transactions between (a) and (b):

(2), (3) and (4) There are no joint stock banks here.

735. (1) No.

(2) If there are persons to lend money it is used to borrow and lend it again.

736 (1) Yes, at some times they find there are no borrowers.

(2) It gets concentrated in big towns like Rangoon.

(3) It is not possible to improve at the present stage.

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\* Translated from Tamil.

*Katha District.*

732. (1) No relationship.

735. (1) Yes, very occasionally.

(2) The indigenous bankers have no business connection.

736. (1) Yes. When the ruby market is dull. This is not a seasonable affair.

(2) The money is kept in Mogôk.

(3) No organisation at present. The lenders act individually. A bank is the only solution but the funds would not find employment locally.

(4) Unknown. A bank would be a solution.

(5) It is not thought so.

*Assistant Commissioner of Income-tax, Western Range.*

736. As far as I am aware, money-lenders never have their money lying idle. They always have customers ready to borrow money from them.

*Joint Registrar, Co-operative Societies, Pakôkku, Myingyan and Minbu Districts.*

732. Apart from Chettiars, the indigenous bankers have no co-ordination. The questions on co-ordination are partially answered in my replies to the question on the production of cash. See also answer to question 717.

*Nattukkottai Chettiars' Association.*

732 to 736. The relation between the Chettiar bankers is very cordial. There is satisfactory co-ordination among them. During stringency and tightness in the money market, they readily accommodate and help each other.

Other classes of indigenous bankers generally take loans from Chettiars on current and overdraft accounts. They receive all possible assistance from Chettiars at times of stringency. There is cordial co-ordination between the different classes of indigenous bankers. There is no serious want of co-ordination between the indigenous bankers and the Imperial and other joint stock banks.

No preferential treatment is accorded by the Imperial Bank and joint stock banks to the indigenous banker over other customers. The converse is true. In all transactions the Chettiars are charged a higher rate of 1 to 2 over the bank rate whereas other customers get loans at  $\frac{1}{2}$  to  $1\frac{1}{2}$  per cent. more than the current bank rate.

The Imperial Bank and other joint stock banks, in times of difficulty, do not give as much support as they should to indigenous bankers who though not offering Government paper as security offer equally good security such as produce in godowns or title deeds of land or house property held by the indigenous banker as security for loans to his clients. The Imperial Bank as the banker's bank and as the bank receiving Government funds ought to grant loans to the indigenous bankers on the good security held by the indigenous banker. Their apathy and indifference is highly regrettable and call for a speedy remedy.

The European merchants are able to persuade the Imperial Bank authorities to make them advances against their goods lying in the mofussil on the security of a letter of hypothecation, while on the other hand a similar treatment is denied to the Indian merchant or indigenous banker. In other respects also, the Imperial Bank and other joint stock banks do not give the indigenous banker as much support as they should. The Imperial Bank and other joint stock banks do not recognise the status of the indigenous bankers as their fellow bankers and the treatment accorded to them is just the same as is given to other classes of merchants. It will be a great advantage if they showed the Chettiars the same confidence and placed in them the same confidence as they do while transacting business among themselves. The Imperial Bank and other joint stock banks place too many restrictions in the matter of allowing overdrafts to Chettiars. They should allow overdrafts and loans without insisting upon counter-signatures. They should be more liberal in the matter of overdrafts and loans to Chettiars. The loans given are short term loans payable in three months. Excepting the grant of short term loans two months after the commencement of the cultivation season and limited overdraft facilities by some banks, no co-ordination exists between the indigenous banker and the Imperial Bank and other joint stock banks.

As already stated the Chettiars are charged  $\frac{1}{2}$  per cent. more than other customers. The Imperial Bank charges Chettiars current bank rate on loans on the security of Government paper,  $6\frac{1}{2}$  to 10 per cent. on short term loans, 7 to  $9\frac{1}{2}$  per cent. on overdraft accounts and  $6\frac{1}{2}$  to  $9\frac{1}{2}$  per cent. on the discounting of bills.

The Chettiars in different parts of Burma have connections with Rangoon, Mandalay, Moulmein, Bassein, Henzada and other important centres. They have always money to lend to proper persons on good security. Soon after harvest, the mofussil Chettiars will have surplus cash which they remit to Rangoon. This surplus will be used in the Rangoon money market and find remunerative employment. After the harvest seasons occasionally, the Chettiars deposit with a few of the local joint stock banks at less than the bank rate of interest. A reduction of the rate for telegraphic transfers to India and Ceylon would be of great help to the indigenous bankers.

*Mr. P. L. N. Narayanan Chettiar (Pyawon).*

732. (1) Relations exist in lending and borrowing.  
 (2) Indigenous bankers get large loans without security. Whereas other customers must give security.  
 (3) Yes.  
 (4) Yes, in some respects ; but not always.
733. (1) Bankers provide creditor for trade and industry, generally ; indigenous bankers for all.  
 (2) Provincial Bankers' Association comprising of all communities should be established in all centres.
734. (1) Different rates for different kinds of indigenous bankers.  
 (2) These rates are higher than the rate on the security of Government paper.
735. (1) Yes.  
 (2) Same difficulty arises sometimes in Rangoon also. Otherwise can be obtained from Rangoon.

736. (1) No. Never sufficient to meet the demand.

If the crops fail they cannot recover loans. To remedy this the cultivator must be taught the use of the pump to irrigate their fields.

*Mr. V. C. T. N. Ramanathan Chettiar (Shwebo).*

732. (1) (a) Ordinary banking business is carried on.

(b) Banking is carried on with them also.

(c) No other kinds of banks here.

(2) There are no such kinds of banks here.

733. (1) No other bankers.

(2) Not known.

734. (1) No such kinds of banks here.

735. (1) No shortage of money is felt whenever required on sufficient security.

(2) That also happens.

736. (2) Sometimes we find no borrowers. Every year this happens from the month of May up to November.

(2) Yes.

(3) Impossible.

(4) Throughout Burma money becomes dull during the months mentioned above.

(5) No use.

### Section 9.—Miscellaneous.

*N.B.*—With replies to No. 747 compare replies to No. 1029.

*Akyab District (U Shway Tha's Sub-committee).*

739. (1) to (6) See answers under Chapter I.

746. (1) Yes. To protect the public.

(2) To encourage the registration of indigenous bank certain privileges may be given.

747. (1) There is very little surplus money to deposit in this locality.

748. (1) The value of land prevailing in the locality is taken as a basis.

(2) From 50 per cent. to 75 per cent.

(3) Omitted.

(4) Answered.

749. (1) to (4) No.

754. (1) Mere separation should not affect.

*Akyab District (Mr. Bishop's Sub-committee).*

737. There is no prejudice here against the indigenous banker.

738. We have not heard of any such instances in this district.

739. (1) Not unless the banker himself is in difficulty to meet pressing demands.

(2) (3) No reason is necessary.

(4) This is rarely the case.

(5) (6) No reply necessary.

740. (1) No.

(2) No remedies called for.

741. (1) None.

(2) Yes, to some extent as the retiring agent tries to collect all his outstandings before he leaves. No advantage to the public is apparent.

742. They complain in this district of excessive assessment of Income-tax and Lands. The remedy would be to have appeals for Income-tax Officer's orders heard by the Deputy Commissioner or the District Judge.

743. No reply.

744. (1) No preferential claim should be given. Plough cattle and sufficient crops for seed grain and food for the cultivator must be exempted.

(2) No special legislation is necessary.

745. (1) No reply.

(2) Once a year is sufficient. Considering the state of literacy and education in this district, this will not be of much use.

(3) No.

(4) Publication of balance sheets audited by Government auditors once a year would inspire public confidence.

(5) (6) No suggestions.

746. (1) Yes, but this would be of use if there was a regular system of auditing accounts periodically.

(2) Special rates of stamp duty would undoubtedly be an encouragement.

(3) The fact of Government recognition might give a status.

(4) There must be a licensing officer.

747. (1) Yes.

(2) We cannot think of any remedy.

(3) Yes. There is widespread complaint in this district about assessments being arbitrary and excessive. Since the inauguration of a separate department the public has lost much confidence in this department. Superior officers are widely believed to press the Income-tax Officer for increased collections from the district. The decisions of superior officers on appeal or revision inspire little confidence.

Remedy suggested is that appeals and revisions should be heard by persons who do not belong to that department.

748. (1) Basis of actual sales about that time.

(2) Usually 50 per cent. of value.

(3) Same basis, usually about 50 to 60 per cent.

(4) 75 per cent.

749. (1) to (5) No.

754. (1) It is difficult to foresee but there may be curtailment of business by some.

(2) Some might close their businesses and go away.

*Pegu District (Chettiar Sub-committee)\*.*

737. There is generally a good opinion of Chettiers. In some places, people think Chettiers take land but the opposite is the case. Chettiers never want to own lands unless forced to do so. And the little they get they try to sell. They try to get possession of the land only when they find no other way get to their money back.

738. Some clients obtain money from Chettiers saying the money is required for agricultural purposes, but utilize it for lending at higher rates. This cannot be remedied, as there are very few cases.

739. (1) Chettiers never ask back their loans without due notice.

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\* Translated from Tamil.

(2) Promise of greater profits never persuades Chettiars to press and get back loans already invested.

741. No inconvenience is caused to the public by change of agents among Chettiars every three years. All that the clients will have to do is to transfer their respective documents to the new agent. The old agent will have to realise all bad debts. This custom does not give trouble to honest people.

742. The mortgagee's name should be mentioned in the land revenue receipt. Registration fees should be reduced.

Title deeds, should be created for all lands. The Government's claim on the land and full details relating to the particular land should also be mentioned in that deed.

744. Tenants must be made under law to pay the rent first before any other payment is made.

745. (2) Indigenous bankers need not submit accounts to borrowers. If the borrowers wish they may at any time verify the documents they executed.

(4) There is no reason why Chettiars should publish their balance sheets.

746. (1) The public is not going to benefit by forcing the indigenous bankers to register their names and they would not agree to register themselves.

747. (1) Yes. They don't like to deposit owing to the fear of enquiries by Income-tax authorities, and have withdrawn much money from Chettiars. The indigenous bankers are forced to submit lists of the names of the depositors to whom they have paid interest (more than one thousand within a year) while joint stock and exchange banks are not asked to do this.

(2) The flow of money from foreign countries is stopped. Income-tax is unbearably heavy. If such assessment is continued some years more we shall not be surprised that many firms fail; many might migrate with their money to other countries. Our Association will furnish more facts for this question. Trust moneys, dowry moneys, losses are not allowed as deductions. Documents relating to bad debts are required to be torn up or cancelled by Income-tax examiners. 1901

748. They estimate the value by the market value, and considering whether it will be affected by floods, and transport facilities.

*Hanthawaddy District.*

737. There is no prejudice against Chettiars.

738. (1) It does not happen in this district.

(2) Nil.

739. (1) Does not arise in this district.

740. None.

741. (1) None.

(2) No, they do not suffer any inconvenience.

742. None, as far as we know.

743. Nothing further is necessary.

744. (1) A preferential claim upon the crops should be given to the lender in cases of crop-loans only not on cattle. The claim should be registered or attested by the headman of the village at the time the crop-loan is made and it should state clearly that the loan is a crop-loan

The borrowing power of cultivators would not be reduced by such legislation.

This view is dissented from by 50 per cent. of the Committee.

(2) Legislation could be provided that an innocent purchaser without a knowledge of the claim should have a good title against the lender but not otherwise as the purchaser would not then be innocent. We recommend this as otherwise business would be impossible. This view is dissented from by 50 per cent. of the Committee.

745. No changes are necessary.

746. There is no reason for licensing Chettiar.

747. (1) No.

(2) No.

(3) Not in the case of Chettiar.

748. (1) In this district the estimated value of land has risen from Rs. 60 and Rs. 70 per acre to Rs. 100 and Rs. 125.

(2) Two-thirds of its value.

(3) They would not lend on house property,

(4) From 70 per cent. to 80 per cent. of the value.

749. No.

751. Not usual.

752. Not customary in this district.

754. (1) No difference provided there is a stable Government.

(2) Does not arise.

*Insein District.*

737. The Chettiar is regarded like the Income-tax official as *hostis humani generis*. The prejudice arose in the same way and for the same reasons as it did against the mediaeval Jew. (b) To some extent. (c) It cannot as long as money-lending survives. Only inter-breeding between the Chettiar caste and the Burmese populace would eradicate it and a degenerate Chettiar community would probably cease to exist as a solvent entity.

738. (1) It is very doubtful.

(2) Formerly agricultural loans borrowed from Government for a variety of purposes.

741 (2) Yes. See answer to No. 34.

*Bassein District (Chettiar Sub-committee).\**

738. (1) It is advanced again, after borrowing from us. The sum cannot be estimated. It is not doing any harm.

(2) False reasons are given for all purposes of borrowing.

739. (1) Demands are made for loans having good security and a fixed date for payment, only on the due date. Demands are made at the time of harvest, for loans having good security but without a fixed date for payment. It is not customary to demand unexpectedly.

(2) If they have good intentions, they pay from their own hands, if they have sufficient money, or by borrowing from somebody else. If they have not good intentions, they prolong the time whether they have money or not.

(3) Reasons are the same as above.

(4) No.

(5) Nobody is affected by this.

(6) Remedies are not required.

740. (1) They have dealings out of hours and on holidays.

(2) Transactions should be done from 10 a.m. to 3 p.m. and offices should be closed on holidays.

741. No inconvenience is felt by changing agents every three years.

742. Help should be given from the Government without delay, at times of urgency, when an unsecured client is likely to commit any deceit.

743. They are sufficiently protected. When any urgent protection is demanded, it should be given without delay.

744. (1) For amounts advanced for agricultural purposes, lien on crops, cattle, etc., must be given to bankers. First lien may be for the rent due and the next preference must be given to the bank. If this is done there will be less borrowing.

(2) First, rent ; second, sale ; third, mortgage. These may be recognised by law in this order.

745. (2) Not necessary that accounts should be given.

(3) As it will be desired by the Banking Enquiry Committee.

(4) Publication of balance sheets are not necessary.

(5) As it will be desired by the Banking Enquiry Committee.

746. (1) Not necessary to be registered.

(2) If it is considered that registration is necessary the stamp duty for registration should be considerably reduced.

(3) It seems that granting licenses will not be useful.

(4) By Government.

747. (1) Because the Income-tax officers get to know, the people are averse to making deposits.

(2) Tax should not be imposed on such deposits.

(3) Taxes are assessed without deducting charitable expenses, and the interest on the principals' deposits. Those two items should be excluded from the profits.

748. (1) It is estimated on the amount of crops and upon its value.

(2) They estimate on the value of the surrounding lands and decide whether it is good or bad.

(3) They estimate on the value of the neighbouring houses and also according the price of the market of that place. They advance up to three quarters of its value.

(4) Advance up to two thirds of its value if gold jewellery.

749. (1) Not charged in this locality.

(2) Do.

(3) Do.

(4) No.

(5) There are no such customs.

754. (1) There will be reduction of prices. There will be no demand for purchase and sale. Thus it affects bankers.

(2) It will happen that all bankers may have to stop their business and return to their country selling their business.

*Pyapōn District.*

737. The committee agreed that public opinion is prejudiced against the Chettians, there being no particular prejudice against other types of indigenous bankers. One of the main reasons for this prejudice lies in the tendency of Chettians to press for payment at unreasonable times.



Frequently this tendency is due to the system of changing the branch agent every three years. The inverse of this also is not unknown. U Tun gave an example from his own experience. He took a loan 'on demand' from a Chettiar and proffered repayment after 1½ months. The Chettiar however refused to accept repayment alleging that the loan was for a year. U Tun had to go to law to compel the Chettiar to accept repayment. U Ba Pe said that this type of incident was common in Kyaiklat.

The majority of the committee, P.L.L.N. Narayanan Chettiar dissenting, felt that the prejudice was justified.

On the whole the committee felt that this prejudice was to some extent the inevitable result of continuous contact between a large borrowing public and large lending communities.

The only possibility of removing this prejudice is to improve business methods both on the part of the Chettiars and of the borrowing public.

738. (1) Chettiars rarely concern themselves with the purpose of a loan so long as the security is satisfactory.

(2) The committee agreed that on the whole borrowing for one purpose while pretending another is rare. Mr. Heaton said that he had known some cases of this.

739. (1) Yes.

(2) *Omitted.*

(3) Change of agents is a common reason. According to P.L.L.N. Narayanan Chettiar the outgoing agent wishes to call in as many loans as possible before handing over the business to the incoming agent, in order to increase the commission payable by the head of the firm concerned.

A large section of the committee agreed that the Chettiars' real reason was to seize an opportunity to increase the rate of interest.

(4) The committee felt that Chettiars were in the habit of asking for such repayment because of a more profitable use for their money offered elsewhere.

(5) The majority of the committee felt that the best remedy would be a modification of the Chettiar system in connection with the changing of branch agents every three years.

740. The sense of the committee was that the fact that accounts were not supplied by Chettiars to their clients or customers was a genuine grievance.

741. (1) Mr. Heaton suggested the following as safeguards against fraud :

(a) Indigenous bankers should take possession of title deeds and retain them in their custody.

(b) Indigenous bankers should also collect tax receipts yearly and retain them in their custody. The committee supported these suggestions.

(2) Already dealt with in questions 737 and 739 above. There is no compensative advantage to the public in this practice.

742. As to legal difficulties, indigenous bankers suffered from the protracted nature and the expense of litigation. The committee had no other difficulty to mention.

743. The committee agreed that indigenous bankers are sufficiently protected in law. The committee could suggest no new safeguard.

744. (1) When an indigenous banker or a local money-lender advances money on the mortgage of paddy land, the rents of the field (if leased out) or its crop (if worked by the mortgager himself) together with his cattle are usually added as additional security for the loan. The mortgage is usually registered. By such practice the mortgagee always secures the first claim upon the crop and cattle. If an outsider were to advance money to such a mortgager, he could expect repayment only after the claims of the mortgagee had been satisfied. As a rule, therefore, no money-lender advances money on the security of crop and cattle alone, as such security is not safe.

(a) Generally a landlord has a first claim on the produce of his land for his rents.

(b) The surplus goes to the mortgage of the crop whether he is the landlord or an outsider.

(2) If legislation provides that an innocent purchaser of the produce, with or without knowledge of the claim, should have a good title to the produce free from all claims of the lender, the borrowing power of the cultivator will be reduced as no person will be likely to advance loans on the security of the crop under such conditions.

Therefore no legislation is necessary.

The present practice that prevails in the district is quite satisfactory.

745. (1) The committee had no recommendation to make.

(2) The committee felt that such legislation should be undertaken and that the period should be twice a year.

(3) The committee felt that the question was outside the scope of legislation.

(4) Most of the committee were of opinion that such legislation should not be undertaken as such publication was unnecessary and liable to cause damage to indigenous bankers by sometimes giving the public groundless alarm. Mr. Heaton did not agree. He felt that it would be advantageous if Chettiars were compelled periodically to publish their balance sheets.

(5) The committee had no suggestion to make.

(6) Chettiars would not object to the idea of furnishing to a borrower his account periodically. They would certainly object to being compelled to publish balance sheets for the reasons above-stated.

746. (1) The committee agreed that all regular indigenous bankers should be required by Government to get registered. Provided this registration implied a certain standard on the part of those registered, the public would be in a position to know when they were dealing with a reliable firm.

(2) The committee felt that there was no scope for special privileges for registered bankers.

(3) As far as indigenous bankers are concerned there would be no direct benefit but licensing would have the effect of consolidating the indigenous bankers as a section of the community and would confer on them a definite standing.

(4) In the first place a minimum requisite capital should be fixed and the applicant for a license should prove his capital and his respectability in the District Court.

747. (1) The committee was of opinion that this consideration does affect some people but not many.

(2) The committee has no remedy to suggest for the present.

(3) No.

748. (1) Enquiry in the neighbourhood on the following points :—

(a) Outturn per acre ; (b) Rent per acre ; (c) Facility for communication ; (d) Whether reliable tenants are available.

(2) The valuation is primarily based on a consideration of rental or, in its absence, outturn qualified by other factors as stated. In the case of Chettiers 50 per cent. to 65 per cent. (on a land mortgage) ; Burman money-lenders 50 per cent. or 60 per cent. It is the practice of Chettiers after a loan on mortgage to give more money on pro-notes bringing up the proportion to about 75 per cent.

(3) In this district house property is rarely accepted as security. Chettiers however do accept house property of good quality as security and they will lend from 50 per cent. to 75 per cent. of the value, the value being taken as a hundred times the monthly rent accruing on the house.

(4) Four-fifths.

749. (1) }

(2) }

(3) } No charge or allowance is made in this district.

(4) }

(5) }

750. (508) Each Chettiar firm would have to employ as clearing agent a bank, which is a member of the Exchange Bank Association. In view of the delay which often occurs in obtaining payment of a cheque drawn on a Chettiar it is doubtful if any member of the Exchange Bank Association would consent to act as the clearing agent.

751. (510) (1) None in the neighbourhood.

(2), (3) and (4) Do not arise.

752. (512) (1) (a) There is no cheque system locally.

(b) Credit would be allowed by Chettiers.

(c) As far as the committee is aware only Rangoon Chettiers give cheque.

(2) Only postage (registered) would be charged.

(3) No delay.

(4) None.

753. (513) (1) The committee has no knowledge as far as the Co-operative Banks are concerned.

As far as the joint stock banks and banks managed on European lines are concerned the answer is in the affirmative.

(2) An average charge made by a bank in respect of a cheque drawn on a place other than that in which the bank is situated would be about 4 annas per cent.

(3) If the bankers and the indigenous bankers concerned are in the same place, each will be received on the following day. If they are in different places the delay would average four days.

(4) The absence of any special clearing for cheques on indigenous bankers is accountable for the difficulties in Rangoon. The collection of the proceeds of a cheque drawn on an indigenous banker in Rangoon necessitates the sending of a special messenger. In the case of a Chettiar banker the cheque has very often to be left with him overnight, presumably in order that he can get his customer's confirmation that the cheque is in order. For these reasons we believe that certain joint stock banks in Rangoon refuse to accept for credit of an

account cheques drawn on Chettiar bankers. The same difficulties are met with by banks operating in other towns than Rangoon. The difficulties could, we believe, be solved by the institution of a special clearing house in Rangoon for cheques on indigenous bankers.

754. (1) The committee felt itself unable to predict the economic effect of political separation.

*Thatón District (Kyaikto Sub-committee).*

737. There is no prejudice against them.

738. (1) No case of this sort.

(2) None.

739. (1) to (6) No.

740. (1) No.

(2) Does not arise.

741. (1) No suggestion.

(2) Yes. In no way compensated.

742. Difficulty is experienced when landed property is mortgaged. It would be better if the name of the money-lender is shown on the land revenue receipt to prevent multiple mortgage.

743. Not sufficiently protected in respect of mortgaged goods and chattels. The law in this respect is conflicting with bye-laws made by local bodies in regard to pawn-broking.

744. (1) No preferential claim should be given. The remaining questions do not arise.

(2) No suggestion.

745. (1) None known.

(2) Yes. Once a year.

(3), (4) and (5) None known.

(6) The money-lenders object to No. 2 as money is lent on pro-notes and registered deeds unlike the European Banks which render accounts possible as their transactions are simple.

746. (1) None known.

747. (1) Yes.

(2) If income-tax is not levied on such deposits matters will improve.

(3) A fixed rate is desirable and it should not exceed 10 per cent. of the income. The accounts should be inspected on the spot allotting sufficient time for each firm and should not be required to call for accounts books to headquarters. It cripples the money lending business. The minimum income liable to tax should be Rs. 4,000.

748. (1) Estimate is based on produce and situation of land.

(2) At 75 per cent. of the value.

(3) Based on structural condition and situation.

(4) At 50 to 75 per cent. At 80 to 85 per cent.

749. (1), (2), (3), (4) and (5) No.

750 to 753. None known.

754. Their position depends on new legislation.

*Amherst District.*

739. (1) No.

(2) Does not arise.

740. (1) No.

(2) Does not arise.

741. (1) (2) No. Does not arise.

742. The legal difficulties experienced by indigenous banks are the delay in obtaining decrees and the recovery of money and also the leniency of the insolvency law Courts should shorten the duration of cases and the insolvency law and practice should be made more strict in order to prevent fraudulent debtors from taking advantage of the leniency of the insolvency Act.

744. (1) Yes. The rent payable to the landlord should be the first charge over the crops and cattle and then the claim by a creditor with a registered deed with a charge or lien on the crop or cattle. The other creditors and the advances made by the landlord should be treated equally. No restrictions giving any preference to registered bankers is recommended.

(2) No further legislation is necessary as the present law is sufficient.

745. (1) No changes need be made.

(2) There is no necessity ; the borrowers are always at liberty to inspect accounts.

(3) No changes are necessary as. The transaction as they exist are quite fair.

(4) No.

746. (1) Not necessary. Does not arise.

(2) No.

747. (1) Yes.

(3) The Income-tax assessment is very heavy. A reduction in the rate of assessment would have a beneficial effect and develop indigenous banking.

748. (1) On the market value of paddy for the time being.

(2) Fifty per cent. to 75 per cent. of its value.

(3) On the rental value of the house property 50 per cent. to 75 per cent. of its value.

(4) 13/16th to 14/16th of their value.

754. (1) The business of the Chettiar would be effected as they have sunk much capital in their money lending business and have acquired also much property in Burma in the course of such business.

#### *Pakókku District.*

737. The public have no prejudice against the indigenous bankers.

738. (1) and (2) There is no case in the locality of taking loans from Chettiars by misrepresentation.

739. (1) There is no case in which bankers insisted for unexpected re-payment of loans.

(2) to (6) No answer is necessary in view of answer to (1).

740. (1) There is no well founded complaint.

(2) No remedy is necessary.

741. (1) We cannot suggest any improvements.

(2) The public do suffer inconvenience through the practice of changing agents every three years and this is not compensated for by any advantages whatever.

742. The present Civil laws give much lenient treatment to judgment-debtors but the committee is unable to suggest any remedy.

743. Not sufficiently protected in law but no new safeguards or privileges could be suggested.

744. The committee do not consider that preferential claim should be given under any circumstances upon the crops or cattle of a cultivator. In any case, the claim upon the tenant both for rent and advances should rank equally.

The borrowing power would not be reduced by such legislation.

(2) The legislation should not provide the purchaser a good title to the produce purchase, as malpractices would increase. The committee does not recommend such legislation.

765. (1) No suggestion can be given.

(2) Yes, indigenous bankers should be made to render accounts to their borrowers. Committee recommends a periodical rendering of accounts at every six months.

(3) Yes, it is desirable and the committee suggests that borrowers should put their thumb impressions on on-demand pro-note and that the bankers should furnish undisputable receipts for amounts repaid to them.

(4) No, not necessary to enforce publication of balance sheets nor to regulate their business in any way.

(5) We cannot suggest any.

(6) The Burman bankers do not usually keep proper accounts and they would object to enforcing the publication of balance sheets.

746. (1) No, not necessary. It will be of no use to the public.

(2) Yes, some privileges should be given if they are registered but they should not have any preferential claim upon the crops.

(3) No benefit.

(4) No answer is needed.

747. (1) No one is averse to deposit money for fear of Income-tax officers learning the amount of deposit and the interest paid for it.

(2) No remedy is necessary.

748. (1) On local market value of the land.

(2) For both the cultivator and landlord land is considered as good security at 50 per cent. of its local market value.

(3) House property is estimated on its local market value in towns and on its actual cost in rural areas and it is generally considered as good security at 30 per cent. except in a paying locality, e.g., with bazaar frontage in town.

(4) Gold ornaments are considered as good security at 70 per cent. of their value.

749. (1) to (4) In the negative to all the four questions.

(5) Not necessary to answer.

750 (508) There is no such transaction in this district and we cannot answer.

751 (510) (1) Only Chettiar bankers cash such cheques. They are very few in this district.

(2) (a) No charge is made for those who have other business with them.

(b) Two annas per cent. for others.

(3) No delay.

(4) No difficulty or inconvenience is experienced if the cheque is drawn on a well known bank.

752 (512) (1) (a) It is not customary to issue cheques in the same town.

(b) and (c) Only Chettiar bankers give credit for cheques and hundis and they are very few in this locality.

(2) to (4) See above.

753 (513) (1) Though there was a co-operative bank it did not deal in cheque.

(2) to (4) Not necessary to answer.

*Yamethin District.*

737. The public opinion against them (Chettiars) is quite good. No prejudice exists.

738. (1) No. They spoke out their real purpose. (2) No other cases exist.

739. No.

740. No.

741. (2) Yes. No.

742. Nil.

743. Yes. They are. No new safeguards or privileges are recommended.

744. No. The present existing law is quite sufficient.

(2) In law the innocent purchaser is usually protected.

745. (2) Yes, only when such account is asked for by the borrowers. The period should be six months.

746. (1) No. (2) No.

747. Yes. (2) Yes. (3) Yes. A lot of them. It is said that in the town of Pyinmana alone, since the introduction of Income-tax Act, only 8 Chettiar concerns have been left out of 35.

748. On the basis of current market value.

(2) Two-thirds of the value. (3) Current market value. From half to two-thirds of the value. (4) At least two-thirds.

749. (1), (2), (3) and (4). No.

754. The business would not be affected at all. They will go on as usual. Chettiars exist in Siam, Singapore and in China.

*Commissioner, Sagaing Division.*

740. The usual complaint is the high rate of interest charged and the practice of adding interest due to the principal due of course to the want of adequate security. A more discriminating use of the Usurious Act seems called for.

744. I am very doubtful whether a preferential claim upon the crop or cattle of cultivators should be allowed under any circumstances to money-lenders which are not covered by the terms of a document entered into by the borrower.

745. (2) I am in favour of legislation to compel indigenous bankers to render yearly accounts to their borrowers.

(4) I doubt if this is possible. It would be difficult to prevent the publication of entirely fictitious balance sheets.

747. (1) The reason suggested is not applicable. People merely have not got into the habit of trusting indigenous bankers more than they would other people. The general standard of honesty is low and people do not believe that other people are likely to be more honest than they would be themselves.

748. (1) Agricultural land is valued according to its situation and fertility and about three-quarters of the value is considered as good security for a loan.

House property is valued according to its situation and materials and about three-quarters of the value arrived at is considered sufficient security. Gold is taken at about three-quarters of its value as security.

749. The answer to each sub-question is in the negative.

754. It is not easy to see how the business of any indigenous banker in Burma would be affected by political separation of Burma from India.

*Shwebo District.*

✓ 737. (a) Chettiers are thought to charge exorbitant rates of interest. Other kinds of money-lenders are thought to do the same, but not to so great an extent. (b) There is no prejudice against any class of money-lender.

738. (1) This does not happen in Shwebo District.

(2) No other cases are common.

739: (1) Occasionally, but very seldom.

(2) In order to meet their own liabilities.

(3) They see a chance of making more lucrative use of the money elsewhere.

(4) Yes.

(5) All kinds.

(6) Make provision in the contract covering the loan transaction.

740. (1) High rates of interest and compounding of interest.

(2) Legislation fixing maximum rates of interest for each class of loan, and provision of banking facilities which would reduce rates of interest by making large reserve of capital available.

741. (1) Cannot suggest any. (2) No inconvenience.

742. (a) Delay and expense of litigation, and law of limitation; fraudulent denial of execution of documents by debtors. (b) Adopt remedies suggested in answers to questions Nos. 725, 726 and 728, and increase the period of limitation from three to six years; introduce compulsory registration as suggested in last part of answer to question No. 725.

743. (a) Yes. (b) None.

744. (1) Not in any circumstances.

745. (1) None, beyond those suggested in reply to question 742.

(2) Yes. Once a year.

(3) No.

(4) (a) Yes, in the case of money-lenders with capital of Rs. 50,000 and over. No further regulation of business necessary.

(b) Once a year. Copy to be sent to all clients and be published in the Press.

(5) None beyond those suggested in reply to Questions 741 and 742.

(6) They would probably object to legislation fixing maximum rates of interest and enforcing publication of balance sheets. The latter objection would probably be based on (1) expense of publication and (2) fear of Income-tax.

746. (1) (a) All whose working capital amounts to Rs. 50,000 and over should be required to get registered by Government. (b) The public would have more confidence in them.



(2) (a) Rates should be reduced by 50 per cent. (b) would not have preferential claim on crops of their borrowers.

(3) Registered money-lenders would probably get the bulk of the business ; in any case, they would get more business, at the expense of the unregistered money-lenders.

(4) (a) On the basis of his working capital [see (1) (a) above].  
(b) The Collector.

747. (1) No, because as yet no whole-time Income-tax Officer has been appointed for Shwebo District.

(2) Nothing, as yet.

(3) No.

748. (1) According to its fertility, as ascertained by their own enquiries. Paddy is valued at Rs. 100 per 100 baskets for this purpose and the normal outturn multiplied by  $2\frac{1}{2}$  is taken as the value for mortgage purposes. (Note. The market rate for paddy in Shwebo in 1928-29 ranged between Rs. 100 and Rs. 160).

(2) 75 per cent. of the value so arrived at is customary.

(3) (a) Locality ; area of site and materials of which house is built. Locality is valued in regard to proximity to trading centres like markets, railway stations, main roads, road junctions etc. They make enquiries among the residents of the locality as to the estimated value of the house and site. (b) 75 per cent.

(4) 75 per cent.

749. (1) No. (2) No. (3) No. (4) No. (5) No such custom exists.

751 (510) (1) (a) Chettyars only. (Some traders, who are not money-lenders, cash cheques on Banks in Rangoon, Mandalay and other places where they have branches, e.g., Babachi Kaka, Rowe & Co., Ltd.  
(b) Not numerous.

(2) Chettyars charge 1 anna per Rs. 100 per day for probable period required to clear the cheque in Rangoon or elsewhere.

(b) Ditto.

(3) If cash is available, cash the cheque at once. There is an occasional delay of two or three days if the Chettyar is short of cash.

(4) There are none.

752 (512) None do so.

753 (513) There are no such banks in Shwebo District.

754. (1) No Chettyars or other indigenous bankers who are Indians, are present at the Meeting to suggest a reply to this question. The Burman members of the Committee, who are present, consider that there is no reason to suppose that the business of any indigenous banker will suffer if separation takes place.

*Shwebo District (Chettiar Sub-committee).\**

737. The public has a good opinion.

738. (1) It seems that this does not happen in this locality.

(2) Not known.

739. (1) No.

740. (1) It seems that there are no complaints.

741. The public does not suffer by changing agents every three years.

742. The law allows the borrowers to prolong the time of payment unnecessarily. It will be better if steps are taken to prevent this.

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\* Translated from Tamil.

Chettiar Sub-committee.]

743. Cannot be answered as there is not sufficient knowledge of laws  
744. Laws are no use. Means should be adopted so as to ensure good habits in the borrowers.  
745. (1) Not known.  
(2) Not necessary.  
(3) Yes. It must be done.  
746. (1) Should be registered by Government.  
(2) Should be given special privileges ; stamp duty on bills, promotes, mortgages should be considerably reduced.  
747. It seems that they are not averse.  
748. (1) The value is estimated on the value of neighbouring lands which belong to others.  
(2) On the status of the client.  
(3) Do.  
(4) Eighty per cent.  
749. (1) to (4) No.

Deputy Commissioner, Shwebo.

745. (4) (a) In my opinion, all indigenous bankers who receive money on current or deposit account should be required to publish their balance sheets, but not necessarily in the Press. It would suffice if a copy were sent to each client, and also to the Collector and such other authorities as might be thought desirable.

(6) In my opinion there is too much reticence about the subject of Income-tax and too much consideration is given to "fear of income-tax". It is time that the public realised that anyone who evades due assessment is in just the same position as anyone who evades payment of any other tax, which he is liable to pay—*thathameda*, for instance.

746. (1) (a) In my opinion, every "indigenous banker" should be registered, or, as an alternative, those with a working capital less than the Committee's figure of Rs. 50,000 should be given the option of getting themselves registered. Anyone who did not exercise the option would probably find his business passing to those who did.

Katha District.

737. No public opinion.  
738. No Chettiars.  
739. (1) No.  
740. (1) The usual complaint is the high rate of interest and the addition of outstanding interest to principal if not paid on due date.  
742. No.  
743. Fairly. Please see 744.  
744. Yes, when the money is lent for agricultural purposes. The debt incurred for purposes of cultivation should be a first charge after the Government dues have been deducted. The usual safeguards allowed by Civil Procedure Code will do. Yes or disputes as to preferential claims would be endless. Yes, the loan transaction should be done in the presence of the Headman who will have to maintain a register and charge a small Fee. The land-lord should have preferential treatment. No, I do not think so.  
(2) I think Legislation would be impossible. I do not recommend it. The claim of an innocent buyer could come next to that of the lenders.

- 748. (1) On the produce.
- (2) Seventy per cent. of the value without possession and cent. per cent. with possession.
- (3) The rent. 70 per cent. of the value without possession and 100 per cent. with possession.
- (4) Eighty per cent.
- 749. (1) }  
      (2) }  
      (3) } No.  
      (4) }  
      (5) }

*Commissioner of Income-tax, Burma.\**

747. The fact that a Chettyar's or an indigenous banker's accounts are open to detailed investigation by the Income-tax Department is undoubtedly a drawback to investors ; but it is only a minor consideration, the chief concern of investors being the safety of their money, which depends on the financial integrity and stability of the banker. It is this factor which regulates the investments with this class of banker, and also determines in a large measure the rate of interest. On the whole, I would say that the probability of disclosure does not, speaking broadly, affect investments of this type to an extent requiring remedial measures. In fact, it may be said that to a person who is prepared to make an honest return of his income, the disadvantage in question would mean nothing at all.

The above answers the first and second parts of the question.

As regards the third, I gather from some of the answers of District Committees that there is a feeling on the part of indigenous bankers and Chettiers of unfairness with regard to Income-tax. The reply of the Shwebo District Committee in this respect is particularly significant. It is said that there is no aversion to deposits with indigenous bankers "because a whole-time Income-tax Officer has not yet been appointed." The plain fact of the matter is that nobody relishes paying Income-tax, and that when tax is levied after a thorough and careful investigation, the results do not appeal to assesseees. Very often full accounts are not produced and the Department is forced to make its assessment from the information and materials at its disposal. If there is any over-assessment in such cases, it is due entirely to the assessee's not placing all his cards on the table.

My answer is that if everyone is prepared to reveal his true state of affairs, no remedial measures are called for.

*Assistant Commissioner of Income-tax, Rangoon.*

747 (1) There is evidence to show that a good many people have raised the objection.

(2) The remedy is to bring all banks including the large foreign banks on the same level as the Chettiar money-lenders in respect of obtaining from them information regarding persons who have received interest from the banks. This would not only increase the revenue but would bring about fairness to the Chettiers and other money-lenders whose books are made full use of by the Income-tax Department to their detriment.

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\* This reply was compiled after Mr. Mackenzie's death from notes left by him.

(3) None of the foreign banks operating in Rangoon are assessed in Burma. It would seem, however, that the Chettiar whose books are available to the Income-tax Department is likely to suffer unfairness because an examination of the accounts would reveal numerous disallowable items, a bank which submits a profit and loss statement, etc., would not be likely to have revealed. There is no doubt that these disabilities have a certain effect upon the readiness with which capital is available for business purposes. It is possible also that Chettiar might reduce their rate of interest on loans if they did not suffer from the disability of having to produce their books and to pay income-tax upon the full amount the books reveal including any disallowable items noticed in the course of the examination, which the banks might escape having brought to account. The remedy is to place all banking institutions upon the same level of access to the Income-tax Department. If the books of the large foreign banks cannot be called up by the Income-tax Department, arrangements should be made so that an official of the Department could be empowered to visit the banks and go through the books and extract such information as might be required by the Income-tax Officer periodically.

*Assistant Commissioner of Income-tax, Eastern Range.*

747. I should imagine that there *are* people who are averse to depositing money with a Chettiar or other indigenous banker because the Income-tax Officers learn from the banker's accounts the amount of their deposit and of the interest paid it. But the number of such people is probably few. As a rule villagers do not have enough spare money to deposit anywhere. Such of them as have money to spare usually prefer to lend it out themselves to co-villagers. They receive higher rates of interest on such loans than on deposits in a Chettiar firm, but they also run grave risks of losing both capital and interest, for a man who turns to a Burmese money-lender for a loan is usually one whose credit is bad and is unable to raise a loan from a Chettiar. I have, however, come across cases in which depositors in Chettiar firms have voluntarily declared their interest from their deposits and have even submitted statements of interest receipts drawn up by the Chettiar firms. But such cases are few and far between.

(2) I do not think there is anything calling for remedy. So long as the accounts of Chettiar firms are produced before the Income-tax authorities their secrets must be laid bare. Such accounts must continue to be produced. I do not see why people who have deposited in Chettiar firms should be protected from the attentions of the Income-tax Officers any more than salary earners whose salaries are taxed at source.

(3) One hears vague complaints of unfairness with regard to income-tax from time to time, but such complaints are usually based on a desire to defraud the revenue. It is generally the assessee who is unfair to the Income-tax Officer and not the Income-tax Officer to the assessee. Where the assessee is fair and above board he can have no legitimate grievance against the Income-tax Officer.

*Assistant Commissioner of Income-tax, Western Range.*

737. I am not aware of the public having any prejudice against any class of money lenders.

739. When the security is good no money lender of any class ever asks for repayment of any loan immediately or after a short time. Such lenders are generally of Burmese and Chettiar classes, and these classes of lenders do not care to withdraw their loans for use elsewhere when these loans are in safe security.

747. As far as I am aware people are not averse to depositing their money with Chettiar or other indigenous bankers on the ground that the Income-tax Department would discover their incomes from the accounts of these bankers, but there is now a tendency either to cease making such deposits or to make such deposits in the names of some members of their family with a view possibly to have the income in the deposits not included in their income-tax assessment. There might, of course, be other reasons for not keeping the deposits in their own names.

(2) I do not think I can suggest any remedy nor can I say that any remedy is possible.

(3) The bankers have no reason to complain of unfairness with regard to income-tax.

748. (1) As far as I am aware the bankers estimate the value of land offered as security on the market value of in the neighbourhood.

(2) Generally not more than half the market value.

(3) House property is also valued on the market value of other houses in the neighbourhood and on the freehold or leasehold nature of the house site. Generally half the market value is taken as security for the loan.

(4) Generally not more than half the value of jewellery taken in deposits is taken as good security for a loan.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu Districts.*

737. There appears to be no prejudice.

738. Please see answer to 717; this I believe does arise. It is a common complaint in co-operative societies and it is impossible to find out how much of the money advanced for cultivation has gone in other directions.

738. (1) Burman lenders do.

(2) That they have some other somewhat nebulous business in mind.

(3) They probably want to buy a motor car or diamond which they cannot really afford. It is however in nine out of ten cases almost certain to be some individual luxury desired, or personal necessity which must be met.

(4) Very rarely, for this purpose it would be too much trouble and not sufficiently interesting, except, perhaps where the love of gambling is deeply rooted. These cases are rare however as the Burman money lender is rarely a gambler and the gambler rarely a money lender, having no money left to lend.

(5) Those most easily accessible and most likely to have cash by them.

(6) I do not think there is a remedy. So long as the Burman is a Burman he will do things peculiarly Burmese.

744 (1) Much of the borrowing power of the cultivator is fraudulent, i.e., his ability owing to faulty registration, etc., of being able to raise loan after loan upon the same property. In some cases this goes on for

some time before it comes to Court. Any attempt to register loans for cultivation or to give priority to certain classes of loan would undoubtedly make it more difficult to obtain loans.

This would, in my opinion, however, be a good thing. It is not a question of how much has been lent for agriculture, but how much is being properly applied to it.

It would be better to have Rs. 10,000 loans out to agriculture with say Rs. 9,000 properly applied than Rs. 15,000 out with only Rs. 10,000 of it properly applied. A table of the priority of claims would have to be fixed by legislation, similar to the priority of claims prior to the execution of the terms of a will for instance, in which calls upon the estate of the deceased are paid in the order laid down by Statute.

Satisfaction of a demand low in the scale would automatically imply sufficient funds to satisfy all prior claims and the payment of such a demand before its proper place should act as estoppel to any attempt to prove insufficient funds or inadmissibility of any prior claim. Payment of a claim low in the scale, and subsequent failure to satisfy a higher claim would thus become a criminal offence.

Much litigation could be saved in the lower Courts and in Revenue Courts, as it would effectually decide questions such as are now continually in dispute as to the priority of mortgages. A prior mortgagee has now to go to the trouble of obtaining a decree and, having obtained it, establish his priority in order to prevent the satisfaction of a junior mortgagee with a decree in arbitration. This causes delay to the latter who may have been in ignorance of the former, and it causes avoidable waste of time and expense to the former.

Such claims should only be considered when the loan is properly registered by a registered banker or money lender. It should be the banker's or money lender's responsibility to register his loans and to pay the necessary fees.

Failure would not be an offence but would debar the banker or money lender from the privileges given by the statutory priority of loans.

(b) The claim for advances by the landlord would depend upon the purpose of the advance and would take its place in the list according to its statutory precedence.

745. (2) Yes, once every six months.

It is the custom of the Rangoon bankers to issue a small slip at the end of the bank financial year and at the half-yearly balance. The customer is required to sign it as correct and return the signed portion to the bank. If the account is incorrect he must rectify the matter by communication with the bank.

Having signed it as correct it should debar him from further dispute regarding it. The existing laws as regards service of notice could be made to apply.

(3) I do not think any further legislation is necessary except that receipts to depositors should be compulsory and the banker or money lender subject to liability for laches in respect of forgery or payment to an unauthorised person. The English law is very fair to both parties in this respect.

(4) They should be brought under the provisions of the Indian Companies Act, which should be more energetically enforced in Burma.

(6) I do not think objections would be raised to my proposals

746. (1) Yes. It would be of use in establishing rights under the proposed classification of loans.

(2) Only the privileges under the above, and that any loan of a registered banker should have priority over a loan in the same classification of a non-registered money lender, whether the loan be registered or not.

(3) Only bankers properly registered would be allowed to sue for privilege under registered loans classification.

(4) There should be a board of representatives of bankers after the style of the Bar Council which would decide who to admit.

An appeal would lie to the Civil Courts. There should be no fee charged but the banker would be required to pay the fees for registration of his loans.

747. (1) This may arise, but should not. The position of any individual deposit should never become known to or be used by the income-tax authorities. It should be altogether inadmissible as evidence.

A bankers' business is just as tightly bound to secrecy as a priest in the confessional, a doctor to his patient or a barrister to his client, as he has all the protection given to the priest, the doctor and the barrister under the Law of Evidence.

In England no Income-tax Officer ever sees the personal accounts of the Bank and there is no need whatever in this country for him to do so.

The impersonal books of a properly run bank are sufficient to disclose its income fully without going into personalities. If they are not the Income-tax authorities can insist on their being made so but they have no more moral right to a knowledge of individual accounts than a magistrate has to insist on replies disclosing confidential matters in the keeping of a government official.

*Joint Sub-Registrar, Pegu.*

740. If it is not altogether out of touch I should like to make a note upon the common practice which has been adopted by the Indian money-lenders (Chettiers) in Burma and in Pegu District in respect of demanding interest on the loans of money given to the people (Burmans). From the legal point of view this vitally important subject involving the documents presented for registration under Section 32, page 11, of the Registration Act of the Burma Registration Deeds Manual, 1914, needs favourable consideration in as much as to take up the matter. My points are as follows :—

The documents so presented for registration embrace the dates of agreement (1) British Calendar and (2) Burmese Calendar years respectively ; but the former has to be taken and accounted for as the date of transactions as defined under Direction 21, page 117, read with Section 53, page 20 of the Registration Act in all the Registers, etc., maintained in the Registration Offices. In none of the documents so presented for registration have I seen that the mortgagors have made a specific agreement that they would pay up the interest according to the Burmese Calendar year. In the event of repayment of the loans or settlement, the mortgagees worked out the due interest according to the Burmese Calendar year as the dates of transaction. Not satisfied with this the mortgagees had again worked out the interest on the gross principal for one year and added as compound interest.

The differences between these two Calendar Years were found to be from 8 to 10 days shorter in Burmese in one year than the British, and therefore the interest had to be paid *earlier* or *quicker*. In the case of leap year, in every three years an excess of interest for one month had also to be paid. All these seem no better than anything else before the eyes of the people (Mortgagors), who have to deal with big sums of loans, as a sort of swindling and opening the eyes.

As this country (Burma) is under the British Government all the rules and regulations enacted by the Government have to be rigidly followed by His Majesty's subjects and abided by. Even in the case of litigation between the parties the Court of Law takes into consideration of the dates of transaction, *i.e.* British calendar year under the Limitation Act. Moreover no interest would be allowed to the mortgagees from the date of filing a suit up to the date of the decision orders being passed. It was only allowed very low rate of interest after the date of the orders by way of waiving out all the interests prior to to the date of the orders.

Viewing all these facts in consideration, a provision on the subject by way of having an amendment inserted in the Act relating to the payment of interest according to the British calendar year, on the loans of money obtained from the mortgagees. The working and taking of compound interest is also another source of unsatisfactory result requiring to be looked into.

#### *The Nattukkottai Chettiars' Association.*

737 to 741. Generally speaking the public of the province hold the Chettiars in high esteem. There is no prejudice against them. At times the Chettiars are reluctantly compelled by the stress of circumstances to acquire and possess lands of cultivators.

The Chettiars as a rule have no desire to purchase lands or become land-owners. The Chettiars' Association takes this opportunity to emphasize the fact that they look with disfavour upon any member of their community getting his money locked up in lands acquired as owner. Chettiars are compelled to buy up lands when they find no other means of recovering their dues and as a last resort, the Chettiar tries his level best to dispose of the lands so acquired, and convert them by sale into liquid cash at the earliest opportunity. Their desire to keep their property in the shape of liquid capital is so great that it is not uncommon to find the Chettiars selling at a loss lands acquired as aforesaid under compelling necessity.

There might be some cases of people who take loans from Chettiars saying they will use the money for cultivating their lands and in fact use the money to lend to others at a higher rate of interest. It is not possible to take any effective steps to preventive this. It cannot be said that the practice of borrowing for one purpose and pretending another is prevalent in Burma to any appreciable extent.

The Chettiars never ask their borrowers unexpectedly to repay their loans immediately or at short notice when the security is good and there has been no previous arrangement for repayment at that time. The Chettiar never asks for such repayment even when a more profitable use of his money is offered elsewhere.

The public do not suffer any inconvenience through the Chettiar practice of changing agents every three years. The new agent generally arrives three to six months before the expiry of the agency



of the previous agent. The incoming agent through the previous agent gets into close touch with the customers. The incoming agent takes over all the good debts and the borrowers are asked to renew the documents. Bad and doubtful debts are retained by the old agent and it is his duty to collect as much of them as he can before he leaves for his country. To *bona fide* debtors absolutely no inconvenience is caused by this practice.

742 and 743. The Government ought to devise means of simplifying the procedure in courts and permitting the fluidity of loanable capital. The present procedure locks up a fairly large amount of working capital. Compulsory summary procedure should be resorted to in respect of the transactions of the merchants, bankers and traders and suitable provision should be inserted in the procedure codes.

*Insolvency.*—Provision and the working of the Insolvency Act required to be made stringent with a view to preventing the resort to Insolvency courts on flimsy grounds. The Insolvency Act should be so amended as to apply only to real cases of *bona fide* losses of honest debtors.

*Pyesas.*—In *pyesas* or tax receipts issued to landowners by Government, the names of the mortgagees should be stated.

Corruption of public servants is a great handicap to indigenous bankers. Corruption should be put down with a strong hand.

Stamp duty on mortgage deeds should be reduced. The Transfer of Property Act should be further amended enabling a power of sale to be inserted in any form in mortgages of any immoveable property in Burma.

The Chettiars should be given equal status with the joint stock banks in relation to law, e.g. the Bankers' Book Evidence Act.

744. A general provision of a preferential claim upon the crops or cattle of a cultivator may be recognised in favour of a banker who made advances to the cultivator. But a working of this rule will lead to complications in actual practice. There can, however, be no difficulty if a provision is made enabling the banker to distrain by a summary remedy the cattle or crops of a cultivating land-lord. In the case of lands cultivated on lease, suitable enactments may be made enjoining upon the courts the issuing of an order of attachment before judgment as a matter of course in suits on pro-notes or bonds where the loan is stated to have been made for cultivation purposes.

745 and 746. No legislation should be undertaken to compel indigenous bankers to render periodical accounts to the borrowers. Endorsements of payments on the documents of loan, or receipts if required are always made or given. There has been no unfairness in transactions between indigenous bankers and cultivators or other customers. No legislation therefore to ensure such fairness is necessary or called for.

There are no reasons for legislation to enforce publication of balance sheets by indigenous bankers of any class.

No advantages are likely to accrue to the public by compulsory registration of indigenous bankers. Any insistence or compulsion in this direction will be stoutly opposed by indigenous bankers.

747. We would like to point out the invidious distinction made by the income-tax authorities in their treatment of the indigenous bankers

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\* See also the last paragraph of the reply by the same Association to Questions 755 to 762.

and joint stock banks. While inspecting the books of Chettiars, the income-tax authorities either ask Chettiars to give a list of customers whose interest amounts to Rs. 1,000 per annum or take down particulars of the clients to whom interest has been paid and on this information the clients are served with notices for submission of their income-tax returns. Owing to this sort of fishing enquiries from the income-tax department the clients of Chettiars withdraw their deposits with the Chettiars and transfer the same to the banks or others whom they consider better protected, as the income-tax authorities do not take similar liberties with banks accounts. This action of the income-tax authorities is clearly unfair, amounting to a breach of confidence. This action seriously affects the financial sources of the Chettiars and should be immediately put an end to.

The methods of assessment adopted in relation to the Chettiars' accounts result in over-assessment. The income-tax department of Burma should have a list of approved auditors and the audited balance sheets certified by such auditors should be accepted generally.

748 & 749. In estimating the value of agricultural land offered to them as security, they consider the local market rate, the situation of the land and facilities for marketing of produce such as means of communication, proximity or otherwise to large towns and trade centres, the relative fertility of the land and drainage facilities. Special care is taken to ascertain whether the land is liable to be affected by floods during the rainy season and valued accordingly. Generally the valuation is on a liberal scale and loans varying from 50 to 70 per cent of such values are made.

In the case of houses, an estimate of the original cost of construction the age of the building, situation of the building, facilities and means of communication, and the prevailing market value are considered. The valuation is generally on a liberal scale. Loans of 50 to 70 per cent. of the value on the security of houses are given.

On the pledge of jewels loans are given up to 75 per cent of the value of the jewels. Indigenous bankers do not make any charge in consideration of giving notes instead of silver or of giving silver instead of notes.\* No allowances are made to a customer in getting either silver or notes instead of the other.

754. A great deal of harm is done to the indigenous bankers in Burma by the agitation for separation started recently by a handful of educated Burmans. The separationists have directed their attacks against the Chettiars who do not deserve any portion of the blame sought to be thrown on them. The agitation has therefore had the effect of creating in the minds of Chettiars a feeling of insecurity. The Chettiar proprietors of South India who do not directly carry on money-lending in Burma naturally apprehend that legislative and other measures to their detriment may be undertaken in the event of separation, endangering their investments. In the event of separation, the Chettiars are likely to contract their business in Burma; and the extension of their business is only possible when confidence in the security of investments is restored after watching events in Burma for a fairly considerable length of time. But it must be noted that when once considerable capital is withdrawn, as is certain after separation and

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\* See also the fourth paragraph of the reply by the same Association to Questions 708 to 712.

invested in other countries, there is not much prospect of reinvestment of the capital withdrawn, even after the confidence is restored and good prospects assured. Economic progress in Burma, especially in rural areas, will be retarded, and irreparable injury to Burma will be caused by separation.

The slow but sure disappearance of the Chettiar banking in the event of separation will be very unfortunate in Burma as it will involve the loss of wealth, invaluable knowledge of local conditions, personal contact and relationship, and the simple practices and methods appropriate to the genius of the people.

Indigenous banking, as carried on by Chettiars in Burma differs materially from the system of Shroffs of India. The functions of the Chettiar Bankers may be described as follows :—

- (1) Opening cheque accounts, receiving time deposits and giving loans.
- (2) Arranging remittances.

The business of the Chettiars approximates more nearly to that of joint stock banks than the business of the Shroffs. The Chettiars as a rule do purely banking business and do not undertake trade operations. The Shroffs however, in addition to doing banking business are generally engaged, either on their account or as commission agents, in the purchase and sale of various commodities such as cotton, grain, rice, seeds, etc.

Rangoon Chettiars do not directly finance agriculture, but lend monies to mofussil Chettiars who provide the necessary financial facilities to the cultivators. Rangoon Chettiars, however, finance a large proportion of internal trade originating from Rangoon.

Chettiars borrow money from the banks in Rangoon, Bassein, Moulmein and Mandalay. At other places they borrow money from one another. The rate of interest on bank loans to Chettiars is fixed from time to time by the Imperial Bank and the other banks have agreed with the Imperial Bank not to charge lower rates. The minimum rate is generally 6 per cent during the monsoon months, and the maximum rate about 9 per cent in the cold weather months. The Imperial Bank generally advances moneys to Chettiars in multiples of Rs. 20,000 on the joint and several promotes of two approved Chettiars and no two Chettiars are allowed to sign together for more than one loan. A few among other banks, however, in addition to the above method, advance monies against approved trade hundies endorsed by one Chettiar firm. The loans are generally for fixed periods not exceeding three months.

Till recently there has been no prejudice against the Chettiars, at any rate, in Rangoon. Rather they were popular with the commercial community on account of their banking hours, their close relationship to business and their knowledge of conditions. Latterly, owing to the failure of a few leading Chettiar firms, depositors do not have quite the same confidence in Chettiars as before and this in turn has restricted the extent of advances made by Chettiars to trade. But conditions in most markets are now abnormal and it is difficult to state whether the present distrust is only a temporary phase or a more permanent feature likely to affect the business of the Chettiars.

*Mr. P.L.L.N. Narayanan Chettiar (Puzhōn).*

737. See answer to question 28.

738. Not in this locality.

739. No.  
 740. No.  
 741. Answered already.  
 742. Submitting account to Income-tax Office ; recovering money through Court are the difficulties of indigenous bankers. Income-tax law should be relaxed. The court procedure must be shortened.  
 743. Yes.  
 744. Answered in 52.  
 745. (2) No ; disadvantageous to both.  
 (3) No.  
 (4) No.  
 746. Yes ; Public will have more confidence ; Income-tax also will be reduced.  
 (2) Yes.  
 (3) No benefit.  
 747. (1) Yes.  
 (3) Income-tax law seriously affect the banking business in Burma ; since super tax is charged the Chettiar traders are content to do a small business and to get a small profit. Further Chettiars and traders usually employ men with low qualifications to examine the accounts. But to submit accounts to the Income-tax office and to answer their questions they have to employ men with English qualifications who are not readily available as they prefer public appointment and offices. If a banker or trader cannot answer the questions satisfactorily they are fined and sometimes even prosecuted.  
 748. (1) On basis of situation and quality of land.  
 (2) Three-quarters.  
 (3) Same.  
 (4) Four-fifths.  
 749. No charge and allowance.  
 754. Once Burma is separated the Burmese will regard Chettiars as strangers whereas they are now regarded as brethren.

*Mr. V.C.T.N. Ramanathan Chettiar (Shwebo).*

737. The public has a good opinion.  
 738. No.  
 739. No.  
 740. No.  
 741. (1) Not known.  
 (2) It is understood that there are no inconveniences.  
 742. The law allows the borrowers to postpone the time of payment and measures should be taken to prevent this. Not known.  
 743. As there is not sufficient investigation into this matter, we are unable to answer.  
 744. (1) It seems that no good can be derived by the introduction of changes in the present laws. It is essential to cultivate a good idea in the minds of the borrowers, that they should at any cost repay the loans of bankers.  
 (2) Not known.  
 745. (1) Not known.  
 (2) Not necessary. Periodical accounts are given whenever they are asked for.  
 (3) It is essential to ensure fairness in the transactions. What legislation is necessary is not known.

746. (1) Every person should be required to get registered.  
(2) Special privileges should be given, viz :—  
Special rates of stamp duty, etc. These privileges should be given with regard to cultivation also.  
(3) Otherwise there can be no benefits.  
(4) License should be granted every year after once being registered.
747. (1) It seems that no person is averse.
748. (1) By enquiry.  
(2) Up to 75 per cent according to the status of the client.  
(3) Do.  
(4) 80 per cent.
749. (1) to (4) No.

### Section 10. Development of Indigenous Banking.

#### *Akyab District (U Shway Tha's Sub-committee).*

755. (1) Yes. By aid from Government.  
(2) By Government advancing money to indigenous bankers and fixing a maximum rate of interest.

#### *Akyab District (Mr. Bishop's Sub-committee).*

755. (1) No. Joint stock banks would still be required.  
(2) By organising them, giving them easier credit, auditing their accounts and taking such measures as would increase public confidence in them.
756. The connection is with Rangoon or Madras Presidency and consists in obtaining money from those places for business here.
757. (1) (a) Yes, this would be useful.  
(b) This will not be feasible here as there is no capital.  
(c) This also would do.  
(d) Not feasible. So much co-operation is unlikely.  
(2) No suggestions.  
(3) No.  
(4) These contingencies are unlikely for many years to come.  
(5) Yes.  
(6) We prefer (1) (a).
758. (a) No such danger likely. The indigenous banker would still survive.  
(b) In small places an intelligent agent would soon pick up local knowledge. The permanent staff would be of help to the new agent.  
(c) No such danger probable.  
(d) Public opinion would remedy such a state of affairs.
759. We do not consider the suggestion in question 757 (d) to be feasible.
- 760, 761, 762. We are not in a position to offer any useful opinion.

#### *Hanthawaddy District.*

755. (1) It already satisfies the needs of this district.  
(2) Does not arise.

757. As far as the richer people are concerned the Chettiars supply their wants. We would approve of the establishment of any kind of bank or agency in the district which would lend money to the poor classes of cultivators freely and on better terms than the Chettiars.

758. See answer to previous question.

762. None.

763. We do not favour a few large banks with branches every where.

*Bassein District (Chettiar Sub-committee).\**

755. (1) Yes, it is.

(2) Not necessary to make any attempt.

756. Not connected. No necessity to be connected.

757. (a) }  
(b) } Will be good if established.  
(c) }

(d) Amalgamation is difficult.

(2) Not advisable to amalgamate.

(4) No difficulty.

(5) Yes.

(6) Whichever is convenient may be done.

758. (b) There is some danger.

759. Yes. True of all Hindus and impossible to overcome to same.

760. (1) Not necessary.

(2) If established it would be good to have connection.

761. Can be done according to convenience, whenever it is felt.

762. All that concerns separation of India and Burma is mentioned above (see answer to question 754).

*Pyawbun District.*

755. (1) It is not considered that the indigenous system of banking is capable in itself of such development as will satisfy the needs of the country.

(2) The Committee is unable to suggest the lines on which a beginning of such development might be attempted.

756. No. Except in so far as Chettiars in the district obtain funds from Rangoon Chettiars who in turn borrow from the Imperial Bank. It is presumed therefore that the borrowing rate of local Chettiars is influenced by the fluctuation of the Imperial Bank rate.

757. (1) (a) The success of a scheme would largely depend on the obtaining of trained managers with the necessary local knowledge.

(b) The Committee did not consider this practicable. It would be difficult to find a sufficient number of men of the requisite character, ability and integrity in each district to form a really sound board of Directors.

(c) The Committee felt that neither the Imperial Bank nor the Joint Stock Banks would ever undertake such a scheme.

(d) Indigenous bankers are highly suspicious of each other. The Committee felt that they possess neither the character nor the temperament to make a success of a scheme where trust and team work would be essential.

- (2) No other plans to suggest.  
(3) Having no experience of the working of the *kommandit* principle the Committee was unable to give any opinion on this question.  
(4) The Committee was of opinion that neither excessive competition nor monopoly would be likely to arise.

(5) Branch banks envisaged by scheme (a) would, if properly managed, attract enough public.

(6) Scheme (a).

758. (a) The Committee considered that if this could be called a danger it would be extremely remote.

(b) This danger would be negligible.

(c) Whether the bank did or did not inspire confidence the obtaining of deposits from the public of the locality would be difficult to achieve.

(d) This would be extremely unlikely so long as the branch was able to influence a desirable local clientele.

759. This is a very real difficulty and in the opinion of the Committee quite insuperable.

760. (1) Yes.

(2) Directly. The reply would be effected if plan (c) or plan (d) of questions 757 were adopted.

761. Seeing that there is no system of trade bills established in the country it is impossible to suggest how an increase could be made in the number of trade bills suitable for a Central Reserve Bank to discount.

762. Answers to questions 757 to 761 inclusive would not be effected if Burma were separated politically from India.

763. Already covered by answers to questions 755 to 728 inclusive.

*Thaton District (Kyaihto Sub-committee).*

755. (1) No.

(2) Establishment of banks by Government at trade centres if necessary with shares from the public giving facilities to public and encouragement for investment by indigenous races.

756. Yes. Within Thaton and Rangoon. In exchange of hundis. It is desirable. None known.

*Amherst District.*

756. No. Does not arise. Does not arise.

*Pakokku District.*

755. (1) No it is not capable of such development.

(2) No answer is necessary.

756. No, it is not connected (1) It is not possible to create such connection. (2) It is desirable to create it.

*Yamethin District.*

755. Yes. (2) On their own lines.

756. Yes, within Burma. The Chettiars borrow their capital from the Joint stock Banks of Rangoon.

757. (1) All the plans are approved. (3) Yes. (4) No. (5) Yes. (6) Plan given in (c) is preferred.

760. Yes. (2) Yes.

762. Burma must have a separate Reserve Bank.

*Commissioner, Sagaing Division.*

755. (1) I see little sign of an indigenous system of banking capable of development except by the Chettiars.

Co-operative banks have had so bad a set back that they are not likely to start again soon. Possibly the only hope now of development is by the gradual extension of branches of Rangoon banks.

756. Chettiars are connected with the principal money markets through their head firms. The development of the non-Chettiar money-lender by connecting with principal money markets is not likely to develop trade or agriculture. I should prefer to see the money-lender whether Chettiar or non-Chettiar superseded by branches of joint stock banks.

A joint stock bank would after long years by competition swallow up the indigenous bankers. It would not do this however until it had established confidence. There would be little danger that branches of a joint stock bank would transfer its deposits as it would get none unless it lent them out in the locality.

*Shwebo District.*

755. (1) Barring Chettyars, it is thought that indigenous bankers have not got sufficient aptitude to make banking on regular lines a success and so is not capable of such development.

(2) A few leading indigenous bankers (other than Chettyars) should start banking on regular lines and lead the way for others.

756. (a) Yes, but only in the case of Chettyars. (b) Chettyars obtain supplies of money from Rangoon (c) consider it possible to create it in the case of non-Chettiar indigenous bankers, and desirable.

757. (1) Approve only of plan (a) as do not consider that locally formed banks would be successful as it would not be possible to raise sufficient capital. The basic reason for this is want of confidence in local enterprise (*Note.*—The Imperial Bank of India is preferred).

(2) Nothing is suggested.

(3) *Omitted.*

(4) (a) No. (b) No.

(5) Yes, under plan (a)

(6) Plan (a).

758. (a) No, because the bank's rules of business would not be sufficiently accomodating for all classes of business and if all indigenous bankers adjusted their rates of interest to those charged by the Bank borrowers would go to the indigenous bankers with whom they had been accustomed to deal, especially in the villages.

(b) No such danger is anticipated.

(c) The public would have confidence in a Branch of the Imperial Bank of India because it is well known that that Bank banks for Government.

(d) No such danger is anticipated.

760. (1) Regard it as desirable and essential.

(2) (a) Yes, directly. (b) Would not be affected.

762. None—presumably the Imperial Bank of India would still operate in Burma.



*Katha District.*

755. No.

756. No. It is possible and desirable

757. (1) (a) Yes.

(b) No.

(c) Yes.

(d) No.

*Joint Registrar, Co-operative Societies, Pakōkku, Myingyan and  
Minbu Districts.*

755. (1) Other than the Chettiars' system no development of indigenous banking seems possible.

(2) It will be necessary to decide upon a new system.

756. No. (i) Yes, a new system could be connected up with the existing banking systems. (ii) It is very desirable. (See proposals made in answer to question 757.)

757. (1) (a) This is not feasible. To run such branches of joint stock banks would be more expensive than results would justify.

If such a scheme had been possible the joint stock banks would not have been backward in extending their activities in the mofussil.

(b) This seems to be the most workable plan. Local banks could be formed with a local directorate of influential and selected elders of the locality. One of the Rangoon joint stock banks should hold a directorship in each local bank. If necessary the local banks could be distributed equitably between the Rangoon joint stock banks willing to undertake the responsibility.

The local directors would have unlimited liability on the *kommandit* system, while the liability of the Rangoon joint stock bank would be limited. A senior representative of the Rangoon joint stock bank would be required to attend directors' meetings at the local banks.

These meetings could be so arranged that one representative could attend those several banks on one tour. The Rangoon joint stock bank should not be a silent partner at the outset, but take an active interest in the local bank's affairs, and use its influence through its representative as one of the directorate, to keep the remaining local directors upon the lines of sound banking policy. In this way the local directors would gradually become trained by the instruction and example of the bank's representative from Rangoon. In the event of any irreconcilable difference of opinion between the Rangoon joint stock bank and the local directors the former would have to resign causing the local bank to be wound up. In this way the local bank could be prevented from adopting any wild or disastrous policy. With the right type of local directors and sound advice from the Rangoon joint stock bank such a contingency would not be very likely to arise. Gradually the local directors, as they advance in knowledge of banking, would be able to act more and more on their own initiative with less and less interference on the part of the Rangoon joint stock bank until eventually the Rangoon joint stock bank would become a silent partner and the *kommandit* principle be realized.

(c) I do not think the bank could sufficiently trust local money lenders, nor would the latter accept the responsibility.

(d) The local Burmese money lenders would not trust one another sufficiently to make this possible.

(2) See answer to 757 (1) (b).

(3) See answer to 757 (1) (b),

(4) As mentioned before, the different local banks could be divided among the Rangoon joint stock banks. The effect on local money lenders would not be great as Burmese money lenders usually conduct this business as a subsidiary line. The effect on the Chettiars might be bad, but the Chettiars would be very valuable assets upon the local directorates of the local banks which directorates should not be formed with any racial distinctions.

(5) They would in certain localities, and the experiment would have to be tried cautiously in localities with good prospects of success, and only allowed to extend if successful.

758. (a) It would, but such would be an advantage.

The system of borrowing from Burman money lenders is wasteful and causes more trouble than it is worth.

(b) A competent banker would be very unlikely to fail to give the knowledge of his local directorate careful consideration, and should a banker refuse to consider local directorates the latter could insist on winding up the bank which, if profitable, the joint stock bank would be very loth to do

(c) With a suitable local directorate this difficulty should not arise.

(d) Under the scheme outlined above the local directorate could put a check on this. As long as the local directorate was in the right and the bank successful they could hold their own, as, rather than give up a profitable investment, the Rangoon joint stock bank would accede to their wishes.

760. (1) A central reserve bank should not be founded as the connection of the local banks with the Rangoon joint stock banks would bring them sufficiently into connection with money markets. A central reserve bank is dangerous when created with the purpose of feeding subsidiary banks, as it tends to sacrifice good policy to the needs of its dependents, and thereby encourages them in risky undertakings. It makes money too easily obtainable. Reserves should be worked though the Rangoon joint stock banks in the manner adopted in clearing houses. The local banks should be represented in the Rangoon Clearing House by the joint stock bank holding a directorship in them.

762. No change is necessary as the system would suit in either event.

#### *Burma Indian Chamber of Commerce.*

757. As regards the development of indigenous banking my committee are in favour of the establishment of agencies of joint stock banks or the Imperial Bank of India held by local indigenous bankers. Wherever possible a group of indigenous bankers should be appointed as agents rather than an individual Shroff. Such agents should be required to give guarantee up to a reasonable amount as security for the business undertaken on behalf of the banks. The other alternative methods of re-organising the indigenous banking system such as the registration of the business of private bankers into joint stock companies either with limited liability or on the Kommandit principle can be achieved only by voluntary effort and not by legislation.

*Nattukkottai Chettiars' Association.*

755 to 762. The Chettiar banking system is in itself capable of such development as will satisfy the needs of the province. If steps are taken to increase the supply of capital to the Chettiars and if the remedies proposed hereafter as regards the title to immoveable property and the method of enforcement of loans and securities are carried out the Chettiar agency which has rendered yeoman service in the past is capable of playing a much more important part in the future and of accelerating the progress of banking in Burma.

The Chettiar banking system in Rangoon is closely connected with the principal money markets in Burma, *viz.*, Mandalay, Bassein, Henzada and Moulmein. Rangoon is the heart of the indigenous money market and the important towns above referred to are the main arteries. The Chettiar banking agencies in the interior are closely linked up with the Rangoon and other money markets in Burma.

The Chettiar banking system is closely connected with the banking systems in Madras, Colombo, Penang, Singapore and Saigon. The establishment of a branch of a joint stock bank in every district where none exist is not likely to create a closer connection between the indigenous banking system and the principal money markets. On the other hand, experience in India has shown that the joint stock bank branches established in the mofussil divert the deposits from the indigenous bankers into their coffers. They are not prepared to take the risks which the indigenous banker readily undertakes. The result is that most of the deposits obtained in the interior is forwarded to the head office and the rural interest are starved for want of necessary capital.

The establishment of a joint stock bank with a local directorate in every district where at present no branch of a joint stock bank exists is not likely to improve matters. Besides the Chettiars, there are few people with the requisite knowledge and experience to man the directorate. The proposal is not feasible under existing conditions which cannot be changed radically for a long time to come.

The Bank of Chettinad is an instance of the amalgamation of the business of indigenous bankers into a joint stock bank owned and controlled by indigenous bankers. The bank has branches in several places in Burma. After experience is gained out of the successful working of the Bank of Chettinad in Burma, Chettiars will not be slow to emulate the example of the bank.

The only feasible plan which appeals to us is the establishment of agencies of joint stock banks or the Imperial Bank of India held by local indigenous bankers. The greatest co-ordination between the indigenous banks and the joint stock banks will then be possible, and closer connection between the principal money markets in Burma with those of abroad will be established, resulting in the rapid development of the resources of the province. There is no basis for the suggestion that the fact that the partners or proprietors of Chettiar banking business are members of a joint Hindu family, presents a serious difficulty for combination of business. Such combinations will take place if found necessary and profitable.

With a view to create a closer co-ordination between the existing banking institutions in the province with the principal money markets in India and abroad, and with a view to create greater credit facilities

to meet the growing demand for capital for vital interests of trade, commerce and agriculture; the establishment of a Central Reserve Bank with branches in important centres like Bombay, Calcutta, Rangoon and Madras is an urgent necessity. The proposed Reserve Bank should be a bankers' bank. The Imperial Bank of India owing to its tradition, predominant foreign personnel, want of sympathy and understanding of purely Indian banks, trade and commerce and owing to its antipathy to rural interests is unsuited for forming the basis of the proposed Reserve Bank. Under present conditions the Imperial Bank has most of the resources which the proposed Reserve Bank will have. The enormous Government funds as well as the tax-payers money are available to the Imperial Bank. Railways and other quasi-Government institutions and public bodies deposit their funds with the Imperial Bank. The prestige and importance attached to the Imperial Bank as the bankers of the Government and other quasi-Government institutions help the Imperial Bank in attracting vast amounts of capital of private individuals and bodies. The Imperial Bank has so far failed in giving to indigenous bankers and Indian engaged in trade and commerce that aid which a state bank ought to give with a view to promote developments in the country. The Imperial Bank has so far showed its readiness to place the enormous resources at its disposal to help to great extent the foreign agencies engaged in exploiting the country. Owing to the policy adopted by the Imperial Bank there was no impetus given to develop the bill habit in the country.

The Central Reserve Bank should be a state bank and not a shareholders bank. The directorate of the bank should be predominantly if not wholly Indian. The majority of the directors should be elected from representatives of Indian banking, trade, commerce and industry. It is desirable that the remaining directors should be elected either directly or through an electoral college consisting of members of municipalities, local and district boards and of the provincial and central legislatures. The Reserve Bank should be the trustee and repository of all the currency reserves. They should issue currency notes.

The indigenous banking institutions may be given agencies wherever a branch of the bank does not exist. The indigenous bankers should be placed on the same footing as the Imperial Bank and other joint stock banks in the matter of credit and rediscount facilities. Any reasonable stipulations in respect of capital, stricter regulation of their business activities, submitting their accounts to audit, furnishing balance sheets to depositors may be enforced upon the indigenous bankers who desire to have these facilities with the Reserve Bank.

*Mr. P.L.L.N. Narayanan Chettiar (Pyapōn).*

755. (1) No.

(2) By amendment of Income-tax law.

756. Yes, to take money.

757. (1) (a) A great benefit.

(b) Advisable.

(c) This plan will not work successfully.

(d) A good plan.

(4) Establishment of agencies is liable to dangers.

(5) Yes.

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758. (a) No competition.  
(b) By employing men of local knowledge.  
(c) They must have sufficient capital to work the bank till the people get confidence in the locality.
759. This is a real difficulty among Hindus on account of Joint Family system.
760. No.
762. The difficulties of Chettiars bankers will be greater, if Burma is separated from India.

CHAPTER VIII.—JOINT STOCK BANKING.

*Akyab District.*

801. (1) It is considered that it is better to have a few large banks with branches about the country as this would make more capital available. An independent local bank generally has insufficient capital.

It is considered that in the present state of banking in the province the evils of monopoly, excessive competition and scattering of reserves are unlikely to exist for some time.

(2) It is considered it would be advantageous to extend joint stock banking outside Rangoon. It is considered that joint stock banking could only be extended by existing banks extending their operations or by the creation of new joint stock banks. It is not considered likely that Chettiars would undertake it.

802—804. The Committee has insufficient knowledge of the system of joint stock banks to offer useful opinions.

805. There are no local joint stock bank. The Committee is unable to answer this question.

*Pegu District.*

\* There is no joint stock bank in Pegu and no one, including the Pegu bank officials, understands the questionnaire. Hence no answer can be given.

*Insein District.*

See reply to Chapter VII.

*Amherst District.*

(2) Yes, by calling for shares. Yes.

802. (a) No.

(b) to (i) Yes.

(k) to (l) Yes.

805. The Imperial Bank of India advances loans to Chettiars, on joint securities to a limited extent but not to other indigenous bankers and other money-lenders nor to Co-operative banks.

*Deputy Commissioner, Mandalay.*

I have no views to submit on the questions in Chapter VIII except that I am confident that the joint stock banks can be trusted to extend the facilities they offer so far as they find it pays them to do so. If the suggestion is that they should be offered an initial subsidy in order to induce them to extend their facilities, my reply is that as their own resources are much greater and more mobile than those of Government the suggestion is unsuitable.

*Deputy Commissioner, Kyaukse.*

801. (1) I am in favour of a few large banks with branches in the country as independent local banks with a few exceptions have failed to attract competent directors and managers. The evils of monopoly will be avoided by the competition of the Chettiars.

(2) When a demand arises for the services of joint stock banks outside Rangoon, I believe that the supply will automatically follow. In the meantime I see no reason why the existing Chettiar banks should not suffice for the needs of the community.

802. (a) I see no reason why the right to organise joint stock banks in this country should be confined to indigenous firms. This form of nationalism would amount to the substitution of the inefficient firms without competitors for the existing banks, a state of affairs which might be pleasing to the politician, but not to the depositors.

(b) I agree, but have no means of suggesting what would be prescribed.

(c) I am opposed to the proposal to substitute politics for efficiency.

(d) See answer (c).

(e) I suggest that common honesty should be the first consideration.

(f) }  
(g) } Yes.  
(h) }

(i) The arrangement appears to be reasonable, provided that the vaults are properly constructed.

(j) The arrangement appears to be reasonable, provided that the vaults are properly constructed.

(k) I see no reason why well-managed banks should lose 5 per cent. of their profits for the sake of protecting badly managed institutions.

(l) As the administration of joint stock banks is generally considerably more efficient than that of Government Departments in this province, I see no reason why joint stock banks should be compelled to pay 3 per cent. of their profit for this purpose.

804. No difference. A new apex bank would have to be created in Rangoon which might by arrangement take over the buildings and staff of the Rangoon branch of the Imperial Bank. Separate Burma would presumably use a rupee currency as in the case of Ceylon, though it might be based on gold instead of silver, as a more stable medium.

805. (a), (b) and (c). Not known. The joint stock banks in Burma have little relations with rural districts and I see no particular advantages to be gained if such relations were developed.

#### *Yamethin District.*

801. (1) A few large banks with branches about the country are preferable to local independent banks.

The evils mentioned in (a), (b) and (c) cannot be prevented.

(2) Yes. This could best be done by making the people of locality buy shares. The Chettiars would not be looked to to undertake it.

802. If Burma is separated from India, Burma must have separate treatment. And even if Burma is not separated Burma needs special treatment on the grounds of preservation of the minority. The word 'Burmans' should take the place of the word 'Indians,' in the proposals given in the questions. Otherwise all the proposals are accepted

803. No.

804. In the event of separation, Burma must have an apex bank of its own, as it could no longer take advantage of the Indian apex bank. The present currency should remain being well known to the people.

805. No relations exist between the joint stock banks and indigenous bankers and money lenders and the Co-operative banks. The Chettiers however borrow their capital from the joint stock banks.

*Joint Registrar, Co-operative Societies, Pakōkku, Myingyan and Minbu Districts.*

801. (a) See answer to 757 (4) (b).

(b) See answer to 757 (4) (a)

(c) The system outlined above would prevent the scattering of reserves which could be martialled wherever necessary by the Rangoon joint stock bank throughout the localities of the local banks in which it held a limited partnership. If the same representative visited all the banks connected with his bank he would be fully conversant with the conditions controlling the manipulation of reserves.

(2) Yes, on the lines suggested above. The Chettiers would be very valuable as local direct rs.

*Burma-Indian Chamber of Commerce.*

802. My committee are in favour of legislation on the lines suggested in question 802 (a) to (g) both inclusive. Referring to the suggestions (h) to (k) no legal provisions as regards the distribution of the assets of a bank are necessary except as may be provided in the Reserve Bank Act about reserve requirements against demand and time liabilities

803. Exchange Banks should be required to take out a license for the carrying on of their business and the conditions governing the issue of licenses should provide for the registration of their Indian Offices under the Indian Companies Act, the submission of separate returns of their Indian business, the appointment of a certain proportion of Indians on the local directorates and for facilities for the training of Indians on their officer staff.

The unrestricted operation of the Exchange Banks in India is responsible for the fact that the entire foreign trade both export and import has passed into the hands of foreigners. In certain cases Indians have been ousted even from the trade in export commodities from the districts to the ports. This means that the agriculturist has to depend on foreign agencies for marketing his product even in his own country.

*Audit of Banks.*—My committee are in favour of audit and examination of banks' accounts by Government Examiners provided they are recruited from among experienced Bank managers.

*Mr. A. D. Kiernander.*

801. The country cannot produce experienced men to manage local Banks. Apart from leaving incompetent men in charge, there will always be the danger of the banking rules being disregarded.

802. (a) If Banks are established, the Reserve Fund must always be in Government paper and on no account played about with. The



Reserve Fund must be deposited in the charge of the Official Assignee or some responsible Government official.

(b) Minimum Rs. 1,00,000.

(c) No Director shall be appointed unless he has a fair sum deposited in the Bank and must not merely be a figure-head.

(d) and (e) Omitted.

(f) Yes.

(g) Only Director in one Bank.

(h) The two combined should be 30 per cent.

(i) Reserve cash need not be kept in the Bank, but sufficient for average requirements.

(j) Omitted.

(k) Yes.

(l) May be under the control of a Government Department and a trained Banker to be entertained as an adviser in the Department. There must be an independent audit.

*Mr. P. S. Subbaiya, B.A., A.I.B. (Rangoon).*

801. (1) A few large banks with branches all over the country would be preferable for the following reasons (i) for the employment and transfer of funds (ii) such banks will give greater confidence in the Public than independent Banks.

The evils of monopoly, etc., can be avoided by having a Central Bank for the Province which should act merely as a reserve bank for the many district banks which should be one for each district. Each district bank should in its turn be a reserve bank for the several banks in that district and over whose finances it could exercise strict supervision.

This system has the advantage of leaving the banks to deal only with clients in the locality of whose financial position they know very well and at the same time of distributing the resources of the Province fairly through out through the operation of the District and Provincial banks.

(2) The start should be made.

This can best be done by educating the local public to pool their resources into forming a joint-stock bank and also creating confidence in such joint stock banks by Government control.

The Chettiers won't do it. They are not temperamentally inclined towards it. Each will do his own business and, if necessary, help bankers of their own community but not others.

803. (a) In Burma should be confined to Burmans as defined.

(b) The scale can be constructed later.

(c) At least 75 per cent. of the shares should be held by Burmans at any time.

(d) 60 per cent. of the Directors should be Burmans.

(e) The Directors should hold not less than Rs. 1,000 worth of shares each.

The Managing Director must be Associate Member of the Indian or English Institute of Bankers, of Chartered or Incorporated Accountant or Indian G. D. A., or B. Com. who have specialized in Banking or Accountancy.

The object of insisting on these qualifications is that the Managing Director should be in a position to understand the balance sheets of any concern quickly and at the same time devise methods to bring his

bank on a par with the movement of banking in other parts of the world.

(f) Yes. 25 per cent. of them.

(g) I agree.

(h)

(i) } This proportion is enough.

(j) }

(k) I agree.

(l) Most essential in Burma and if possible the examination tax may be waived in some cases until banking has fairly well developed.

Conditions (a) to (g) cannot be insisted but (h) to (l) may be insisted.

804. When Burma is politically separated from India, the Indian banks will be treated like the present Exchange banks; so also the Imperial Bank of India.

A new bank of Burma should be formed on the lines of the Imperial Bank of India and branches established in the various parts of the Province.

Being near India it is desirable that Burma should have the same rupee currency but fractions of the rupee may be in cents as in Ceylon.

805. (a) Chettiars take loans especially from Imperial Bank of India to finance their own business.

(b) Other indigenous bankers and money-lenders go to the Central Bank of India, Ltd., and the Allahabad Bank for their business.

(c) Co-operative banks do not deal with any joint stock bank except Imperial Bank who are their bankers according to the Act.

*Mr. P.L.L.N. Narayanan Chettiar (Pyaḥḍn).*

801. (1) Will be of great benefit. There will be no monopoly and no competition.

(2) Yes. This must be done by Government; Chettiars cannot undertake it on account of joint family system.

802. (a)—(d) Should not be decided on racial basis.

(e)—(l) All these proposals are fair and reasonable.

CHAPTER IX.—CO-OPERATIVE BANKS AND SOCIETIES.

Section 1.—Agriculture—Crop-loans.

*Akyab District.*

901. (1) Yes.  
(2) Because the Co-operative Credit Societies here cannot provide loans sufficient to meet the requirements of the members.

(3) They find disadvantage in having to pay higher rate of interest than that demanded by Co-operative Societies. The advantages they find are that they are not restricted by numerous rules as in Co-operative Societies and outside money lenders are more accomodating than the Societies whose procedure is regulated by rules

(4) They are practically compelled to adopt this plan for reasons given in (2) and (3) and also on account of their dealing and complications with outside money lenders prior to the advent of Co-operative Societies.

902. (1) Yes.

(2) From money lending houses of Akyab and from local money lenders who, by the way, charge exhorbitant rate of interest.

(3) Because there is no sufficient amount of working capital.

(4) The disadvantage is that they have to pay higher rate of interest than in the Societies. We cannot conceive of any real advantage they enjoy.

(5) Yes, in some cases but not necessarily in all.

(6) Yes, some members do.

(7) Not apparent at present but it may give rise to complications later on.

903. (1) No.

(2) Want of adequate working capital is the defect and difficulty. Besides, crop-loans are applied for almost simultaneously. One of the difficulties at any rate may be remedied by removing the restrictions against the grant of agricultural loans to the Societies.

904. (1) No Central Bank in existence in Arakan. It would certainly be better if the primary societies provide their own working Capital to a much greater extent but the difficulty is they are too poor to do so unaided

(2) To encourage fixed deposits from members and non-members by means of a system of Government guarantee.

(3) By raising the interest on fixed deposit, and enforcing rigidly at the same time the provisions of the Usurious Loans Act against the local money lenders. The provisions of the Transfer of Property Act may suitably be amended to prevent or minimise the transfer of immoveable properties to non-agriculturists. A vigorous propaganda against the habit of holding up money in gold will also be great help.

905. There seems to be no way out of this difficulty. Special provisions must be made to meet special cases of this kind.

906. We have no experience of the working of Central Banks as no such Bank exists here.

*Pegu District.*

901. (1) Yes.

(2) They prefer this plan because, sufficient money is obtainable as soon as the necessity arises for the cultivation expenses and additional small loans for their sundry household expenses is also advanced to them by money lenders during the period of the growth of the plants and its harvest, which the society cannot do.

(3) *Advantages*—(a) Money is obtained sufficiently and immediately. (b) Additional small loans is obtainable for their sundry household expenses in consideration of the outturn of their crops.

*Disadvantages*—They have to pay exorbitant rate of interest.

(4) Reasons as stated in (2).

902. (1) Yes. Some members of an Agricultural Co-operative Credit Society do borrow money for crop-loans outside their society.

(2) From their landlords and local money lenders.

(4) Because they cannot get sufficient loans from the society for the purpose on insufficient security.

(4) *Advantages*—As they can get sufficient money to enable them to cultivate their fields to the fullest extent.

*Disadvantages*—Abnormal rate of interest.

(5) As stated in (3).

(6) Yes, some of the members take crop-loans from the society as well as from other money lenders.

(7) As they have taken crop-loans from outside money-lenders also, they could hardly pay up the entire crop-loans due by them to the society.

903. (1) Yes, in cases where members can give sufficient security.

(2) As the society could not supply sufficient crop-loans to those members who could not give sufficient security, they are compelled to seek crop-loans partly from outside money-lenders. Societies should, therefore, be fully financed to the extent reasonably required by the members if their landlords stand security.

904. (1) Yes.

(2) The capital or Reserve Fund of the society may be increased by allocating all the profits annually until the society is strong enough to finance its members with its own capital and deposits. In short, a society should be so organised that it may become a small village Bank itself in due course of time.

(3) No other plan can be recommended, but if the depositing public have confidence in the Committee members of their societies, the amount of deposit would naturally increase.

905. When such cases occur Government should sympathize with co-operators and issue long or intermediate loans to be repayable by instalments or Government should guarantee for such loans to be issued by the Imperial Bank or other Banks.

906. (1) Yes.

(2) The difficulty may be met by making arrangements with the Imperial Bank or Joint Stock Banks or if Government will sanction Local Bodies to deposit their funds with Central Banks.

(3) Yes. The difficulty may be met by the method as answered in (2) above.

(4) Yes. The difficulty may be met by the method as answered in (2). Moreover Central Banks should be allowed to issued debentures with Government guarantee.

*Insein District.*

901. (1) Yes. It is significant that the Burmese landowners on my Committee consider that well-to-do people never subscribe to Co-operative Societies and that only the worthless and impecunious do so.

(2) See answer to question 12 (1).

(3) See answer to question 12 (1).

(4) No, except by the fact that many are known to be more or less insolvent and their local credit is poor.

902. (1) Yes, at higher interest.

(2) From Chinese or Indian shopkeepers of the "grocer" type.

(3) Because they are unable to obtain loans from their Society in excess of the maximum normal credit fixed by the General Meeting, or within this credit beyond certain limits.

(4) The net result is that ultimately they had to pay the outside lender first and are severely burdened with debt, besides losing standing in their own society.

(5) No. See 12 (1).

(6) Yes, in bad years particularly, from any available source.

(7) The Co-operative Officer thinks in such cases the members of the Executive themselves are mostly at fault and the Society is often kept at the bottom of the list of creditors. The ruin of local co-operation has been caused by a general laxness on the part of members as to their methods of obtaining loans.

903. (1) Yes, in normal years.

(2) None, in normal years.

904 (1) Yes, but it is very difficult for a society to do this in its initial stages.

(2) No other method exists than to enforce thrift and the system of compulsory savings by members, the avoidance of waste, unnecessary expenses, etc.

(3) Only by screwing up the efficiency of societies, propaganda, and education.

905. This difficulty has been found in Bawle Island in the last three years owing to floods and has extended into the current year with disastrous results. The only remedy appears to be reorganisation of the Co-operative movement and an amendment of the Act so as to keep the members under greater compulsion to make early prompt repayments.

905. (1) Probably yes.

(2), (3) and (4) Yes.

*Prome District.*

901. (1) So far as our experience goes we have not come across any one who prefers to get crop loans without joining a Co-operative Credit Society, because the interest is comparatively very much smaller than outside.

(2) Some may prefer to borrow from outside if they are not qualified to join a local Co-operative Credit Society, and in such cases they have to pay abnormal interest.

(3) The advantages of borrowing from outside are that they are not subject to frequent calls and inspections of the Co-operative Officers in addition to the uncertain granting sufficient credit by the

Societies which cannot be liberally financed for want of financial support from Government. While the disadvantages of borrowing from outside money-lenders are exorbitant rate of interest in addition to money-lenders' liability to personal service at the beck and call of the money-lenders. Should they incur the displeasure of the money-lenders the borrowed money will be recalled without reasonable notice.

(4) Yes, partly because they are not qualified to join a local Co-operative Credit Society and partly through ignorance of the advantages of joining a society.

902. (1) Yes, some members of agricultural Co-operative Credit Society have to borrow money for crop-loans from outside whenever they do not receive sufficient loans for this purpose from the Society.

(2) From Burmese lenders and Chettiars.

(3) They borrow outside the Society whenever they do not receive sufficient loans from the Society.

(4) In case of loans taken from the Society they must be repaid at the following harvest according to the byelaws and as such it causes great hardship to borrowers in a bad year whereas outside money-lenders extend time to suit their convenience.

(5) They are compelled to borrow from outside when they do not get the sufficient loans from the society.

(6) Yes, they have to whenever they get insufficient loans from the Society.

(7) The practice of members taking crop-loans outside the Society renders them liable to repay their loans to outsiders first as they are approximate neighbours and thus the Societies have to take only the remnant.

903. (1) In most cases crop-loans issued by a Society are not sufficient for those members who ask for them.

(2) The difficulties in this district are that the Prome District Central Co-operative Bank cannot, as a rule, grant sufficient credit for (A), (B) and (C) loans which the societies ask for. Each class of loans therefore has to be reduced. The only solution is that the local Bank should be sufficiently financed by the Government so as to enable it to meet the requirements of the Societies' (A), (B) and (C) loans.

904. (1) Yes, it would be better if they could do so.

(2) At present Societies, up to the tenth year, keep back 25 per cent. of the profits as their reserve fund and it would be well if they were required to continue to deduct the 25 per cent. out of their profits after the tenth year.

(3) The Societies must work in such an efficient manner as to secure the confidence of local people.

905. The only remedy we can suggest is for the Government to make agricultural loans to the primary societies through a Central Co-operative Bank, or where there is not a Central Bank, through the Co-operative Departmental Officers.

901. (1) Unless the Government comes to aid it will be impossible to provide the Societies with enough money.

(2) It is suggest in the above answer.

(3) In the case of credit societies, for traders and artisans the Government should provide more funds.

(4) These difficulties can be met only if Government lends long term loans to Co-operative Central Banks and the other Societies.

*Thaton District.*

901. (1) Yes. (2) So that they may get loans with liability confined to themselves.

(3) *Advantages*—

(a) No liability for loans taken by other people.

(b) They get loans more easily if sufficient property is given as security.

*Disadvantages*—Rate of interest is higher.

(4) Yes.

(a) In a Co-operative Society most members are poor.

(b) They do not wish to stand surety for others.

(c) Loans received from the Societies are not sufficient for their requirements.

902. (1) Yes.

(2) From Chettiars and other Indians and Chinamen who hold stores (open shops) in their villages.

(3) Because they do not get sufficient financial help from Co-operative Banks.

(4) *Advantages.* Loans are easily obtained.

*Disadvantages.*

(a) They have to pay high rate of interests on outside loans.

(b) More doubly for outside loans are generally given by Indians and Chinamen on Sabape System.

(c) They shoulder two Yokes, the bank and the outside lender.

(5) Yes. They get articles for food and other means of life from Indians and Chinese Shops in the village throughout the year. The shop-keepers sell their goods on credit while Society Members buy from them very dearly as they have no ready cash to pay.

(6) Yes. Some of them do.

(7) Such members cannot repay to the Society from the proceeds of the years harvest as they are in the clutches of the outside money lenders and because the outside creditors realise their loans at harvest and consequently Society cannot recover its loans from the members.

903. (1) Yes. In ordinary years. They cannot, in bad years when expenses of cultivation are heavy.

(2) Some members do not use their loans as stated in their applications. It is difficult to see even that loan is utilised according to the applicant's statement. When such a case of misuse of the loan is detected the society must not issue any more crop-loan to the delinquent for the year.

904. (1) Yes. It would be.

(2) By advising non-members to be members. By including local people to deposit money as much as they can with the society.

(3) By showing to the local people that the society has been carefully managed by its members and is financially strong and that the Society money is kept in a safe place.

905. By giving them agricultural loans from the State Money. The Government should take measures to prevent floods and other destructive causes.

906. (1) Not likely.  
(2) Does not arise.  
(3) Not likely.  
(4) Yes. The difficulty should be met by raising long-term loans from the public, Government of Local Bodies.

*Amherst District.*

901. (1) Yes.  
(2) Because they are afraid of joint liabilities.  
(3) The advantages are—  
(i) They don't have to take share.  
(ii) They escape joint liability.  
(iii) They can get larger loans.  
(iv) Their indebtedness is not published.

The disadvantages are —  
Higher rate of interest.

- (4) They can make deferred payment in bad years.

902. (1) Most of them.  
(2) From Chettians and other money-lenders.  
(3) Because the money advanced by the Society is not sufficient for their needs.  
(4) and (5) *Omitted.*  
(6) Yes.  
(7) By their properties being subjected to mortgage outside.

903. (1) No.  
(2) The difficulties have been referred to above. The difficulties should be dealt with by establishment of a land mortgage bank.

904. (1) Yes. It would be better.  
(2) That the Government should guarantee the repayment of the deposits.

905. That the Government should grant long-term loans to the bank.

906. (1) In the case of the local central bank no difficulties would be met if the number of *good* primary credit societies were increased.

- (2) *Omitted.*  
(3) No.  
(4) No long-term loans should be made except in the case of land mortgages.

*Commissioner, Magwe Division.*

903. It appears that the cardinal mistake made in Burma co-operation was the formation of guaranteeing Unions. It is possible that there is still a future for individual societies, especially if the necessity of saving be more emphasised than formerly.

*Minbu District.*

901. (1) Yes.  
(2) They do not like the joint liability in the Society as members are not all trustworthy and reliable. A Society member cannot get loan outside as his properties are all mortgaged to the Society.



(3) Loans can be obtained from Chettyars at any time required and repayment also can be made similarly and not at fixed times as in the case of Society loans. Lending of a lump sum by the Society for all the purposes of the season tempts the cultivator to spend on purposes for which the loan is not intended.

(4) There is no question of compulsion. The reasons for preference are as given above.

902. (1) Yes.

(2) From local money lenders other than Chettyars at exorbitant rates of interest. Chettyars as a rule do not lend money to Society members.

(3) Sufficient loans cannot be obtained from the Society.

(4) No advantages but all disadvantages as rates of interest are high.

(5) Please see No. 3.

(6) *Omitted.*

(7) Outside loans with higher interest press for repayment harder and impair the ability to repay the society loans.

903. (1) No.

(2) Loans should be sufficient and made by instalments for different purposes of the season. Three instalments are suggested in Kason or Nayon (first instalment), Wagaung or Tawthalin (second instalment) and Tabodwe or Tabaung (third instalment).

904. (1) Good proposal, but society members as a rule are thin men and have not much to spare to put in the society fund. Well-to-do people as a rule do not join the society.

(2) Compulsory subscription towards bank shares or Luzatti system.

(3) Have only sound societies with sound members.

905. Co-operative Societies should be confined to irrigated tracts only. Dry crops in this district are very uncertain and they do not require much expense. Reserve funds in central banks should be kept intact as much as possible for emergencies.

906. (1) Not advisable to increase societies at present. Even now the central banks could not lend out sufficient amounts.

(2) Banks should be aided by Government. Government land mortgage bank is recommended.

(3) No societies for traders and artisans are called for at present in the district.

(4) Long term loans are not considered to be advisable for the present.

#### *Mandalay District.*

901. (1) No one likes to borrow from others as the rate of interest of a Co-operative Credit Society is less, and extension of time granted when necessity arises.

(2) It is not possible for them to get loans from Societies at any time they want or they fear liability owing to ignorance of Co-operative principles.

(3) As the rate of interest is high it is not possible to clear up debts.

(4) Already answered in 2.

902. (1) Yes, they do.

(2) They borrow from outsiders.

(3) Loans from Societies cannot be obtained at any time they like, and are not adequate.

(4) Various difficulties encountered.

(5) They have recourse to others as adequate loans, sometimes no loan can be obtained in time of need.

(6) When the loan was inadequate.

(7) It affects all.

903. (1) Not adequate.

(2) Already answered and will be answered in the following question.

904. (1) Good.

(2) and (3) Luzatti Societies, the value of whose share is Rs. 50 to Rs. 100 should open Savings Bank.

905. Already answered in above question of this chapter. They will remove the difficulties.

906. (1) When there are many societies.

(2) and (3) Some will repay but others will not, and may be compared to Insurance Companies. When traders and cultivators are connected, traders will supply to the cultivators who in turn will supply crops. It is necessary to devise means for exchanging goods for money.

*Kyaukse District.*

901. (1) Some cultivators do prefer to borrow from outsiders without joining Co-operative Societies. It depends upon the goodness of the society.

(2) and (4) They can get outside loans as much as they want and in time of their requirements in more simple manner than society loans without any liability for other borrowers, and without disclosure of their private position and dealings through outside prying eyes and enquires in public.

(3) There are no societies in many places; and on admission to society, they do not give enough money to pay off all debts.

902. (1) Some members borrow outside loans there is little demand for A Class loans, from societies.

(2) Local money lenders.

(3) Because the society cannot provide funds as soon as they are in need, and at the right time.

(4) Omitted.

(5) They are compelled to adopt this practice for the reasons stated in (3).

(6) When the society does not provide as much as they want they borrow from outside to the full extent of their credit.

(7) The society loans are not paid promptly as outsiders will always forestall the society in pressing for repayments of loans.

903. (1) The societies cannot always supply as heavy loans as the members would like.

(2) The main difficulty lies in the supply of sufficient loans in time of need. The remedies lie in providing agencies for sufficient supply and in adopting such procedure as will take the least time to provide loans in the simplest manner.

904. (1) It would be better if the society can provide their own liquid capital to extend, instead of depending on the Central Bank for

all their requirements. Capital becomes stagnant if owned by societies.

(2) Government should find means to provide funds during the infancy of societies at a low rate of interest, drastic measures being taken for recovery in cases of perversity with least expenses and trouble, and such agency as will manage the society with the least cost of management.

(3) In rural areas, no fixed deposit can be secured and the only way is to tap for Savings Bank deposit of the money (not immediately required for use) by issuing savings deposit coupons to simplify book keeping. Government is to ensure the stability of banks by strict inspection.

905. Government should issue interest free loans in case of such crises to meet current expenses recoverable in three or four years.

906. (1) All the Central Banks meet with difficulties in providing funds when the number of primary societies increases.

(2) Government should guarantee the loans to be borrowed by the banks on the security of their pro-notes, which must be based on realizable security.

(3) As in above.

(4) The committee do not consider that difficulties will be met in the societies, if the members are not over-financed, and drastic measures are provided for recovery in cases of perversity. Such as the section thrown out of the act by the Legislative Council in 1927.

*Remarks by the Deputy Commissioner, Kyaukse.*

901. (1) Co-operative Credit Societies rarely comprise more than one-third of the villagers of the village in which the society is formed.

(2) They dislike the unlimited liability for the debts of other villagers.

(3) Advantages. (a) Privacy. (b) Availability of the money at the time it is required. (c) Personal touch with the lenders. (d) They avoid the fatigue of listening to lectures from officials of the Co-operative Department.

(c) Disadvantages. The rate of interest is heavy and the measures taken to recover arrears are more effective than those taken by the Co-operative Societies.

(4) Village money lenders generally foreclose upon a man who joins a Co-operative Society.

902. (1) At least two-thirds of the members generally borrow crop loans outside their societies.

(2) From village money lenders or from Chettiars in the towns.

(3) Because they get the money more easily.

(4) The advantages are that they find they can increase the amount of money borrowed. The disadvantage is that the lenders take more forceable steps than the Co-operative Department to recover the outstanding amounts.

(5) See question 3.

(6) Most societies do very little business with crop loans as the money issued in short-term loans is seldom repaid at the proper time.

(7) Crop loans borrowed from outsiders are repaid before the societies' loans.

903. (1) No.

(2) These societies do not insist on punctual payment of loans and therefore money is not available in succeeding years for reissue of such loans. As this failure is due to lack of educated leaders for village societies, no immediate remedy can be suggested.

904. (1) Yes.

(2) Primary societies fail in this province chiefly on account of bad management. Closer supervision by the Government officials or an improvement in the general standard of education are the only practicable remedies.

(3) When the management of the societies is improved more people will deposit money with them.

905. When the management of the society is improved sufficiently to attract local depositors good primary societies will have sufficient money in hand to finance members over one bad year. In the case of two or more successive bad harvests a society with a good record can generally obtain further funds from a Central Bank. At present the management of the majority of the societies in rural districts is so bad that they are unable to tide over even a single bad harvest and the bank cannot generally trust the society sufficiently to increase their loans after a year of bad result. The difficulty can only be met by a rise in the general standard of education which would render better management available for the primary societies. In the interval government supervision of societies should be maintained more closely than is the case at present.

906. (1) The Central Banks cannot attract sufficient money to supply the existing primary societies because the public trust neither the societies nor the banks. If the management of the societies is improved sufficiently supplies would presumably be forthcoming from the public in the shape of deposit.

(2) See No. 1.

(3) If these societies are properly managed they can offer sufficient interest to attract depositors. At present such management is seldom attained.

(4) As most loans granted by societies are not repaid within the specified number of years it would make little practical difference, if the loans were granted for a long term by these societies or separate societies were formed. The difficulties can be met by improving the general standard of education throughout the province and hence improving the management of the societies.

*Commissioner, Sagaing Division.*

901. (1) Yes.

(2) Because they can get their loans with greater secrecy and dislike the idea of unlimited joint liability and are not fettered by the rules of the society.

(3) The advantage is cheap interest ; the disadvantage inability to get loans to the extent desired or at the time desired, want of secrecy and unlimited liability.

902. Yes, if the society cannot give them all the money they require.

903. Theoretically sufficient crop loans should be supplied by societies. In practice especially as co-operation in Burma is in such a poor condition the money required is not available.

904. Yes, but with the breakdown of the co-operative spirit owing to inattention to the primary rules of co-operation the only hope is to make a new start under strict guidance and supervision. Deposits from local people will not be forthcoming until confidence in societies is restored.

905. Possibly the difficulty might be got over by Government financing the Central Bank, but the supervision and control of societies financed in turn by the Central Bank would have to be improved.

*Bhamo District.*

901. (1) Yes.

(2) Because they have not to produce sureties or to comply with the conditions of the Society.

(3) There are disadvantages as Co-operative Societies rules are stringent.

NOTE.—That such stringency is necessary is proved by the frequency with which such societies are declared bankrupt.

(4) The reasons are that it takes time to get a loan because of the necessary enquiry that must be made.

902. (1) Yes, but not generally.

(2) From better class cultivators.

(3) On account of strict rules and the long time taken in enquiry into each case.

(4) The disadvantages have been given in the above replies.

(5) See above.

(6) Yes.

(7) The societies are so small that the effect is negligible.

903. (1) No. Borrowers do not appear to be satisfied.

(2) The difficulties are due to the inability of borrowers to furnish satisfactory security.

These cannot be dealt with until borrowers acquire some sense of moral responsibility.

904. (1) Yes. It would be better if the primary societies provided their own working capital to a much greater extent as their responsibility would then be greater and they would be more cautious.

(2) This appears to depend entirely on the number of members.

(3) This appears to depend on the probity of the members of such societies. If they are honest they may attract members, if the reverse they can hardly expect to do so.

905. By applications for a Government Agricultural Loan on a large scale.

906. (1) No opinion can be given.

(2) See answer to 904 (3).

(3) It is exceedingly unlikely that any other societies will be formed. In the case of Bhamo there were formerly eight Co-operative Credit Unions which borrowed money from the Co-operative Department.

Four of these have been closed as they have failed to comply with conditions and were bankrupt and the remainder are moribund.

(4) Yes, there is likely to be more difficulty if long-term loans are allowed but these difficulties cannot be removed until such time as the people learn what probity means.

*Sagaing District.*

901. (1) Yes.  
(2) Because they are afraid of the unlimited joint liability.  
(3) The only advantage afforded is its cheap interest. Disadvantages are many; they are, inability to get sufficiently large loans, inability to get loans at proper times, inability to get loans from outside the society and the unlimited joint liability.  
(4) Some, through extreme poverty and others for fear of unlimited joint liability.
902. (1) Yes.  
(2) Local money lenders.  
(3) Because the society cannot provide loans they require or because of its inability to do so at the proper time.  
(4) The only advantage is that the borrower gets the loan. Disadvantages are many; they are, higher rate of interest and general dissatisfaction with the working of the society which increases gradually until the man loses all interest in the society or else the outside money lender has gained too strong a hold on him to be of any use to his society. In this way societies suffer a lot.  
(5) Because they cannot get sufficient loans from the societies.  
(6) Yes.  
(7) See under disadvantages in 4.
903. (1) Generally sufficient loans are supplied by good societies only.  
(2) Difficulty lies in their inability to get loans from the Bank because the societies had not been repaying satisfactorily. The only remedy is by reforming the organisation and working of the societies.
904. (1) Yes.  
(2) Some improvement might possibly be achieved if members were made to contribute their shares quarterly and also if the reserve fund were made indivisible until the society had attained the position of independence. Improvement can be affected only after the societies have gained the confidence of the general public.  
(3) Bye-laws and rules should be reframed, if necessary, so as to admit responsible and trustworthy persons only, and the Government should carefully and strictly supervise that the assets are correctly valued, accounts strictly audited and that the working and general tone of the society is in accordance not only with the principles of co-operation but also with the recognised principles of business.
905. By issue of fresh loans from the Bank provided that the security furnished still holds good.
906. (1) There need be no fear on this account so long as the Central Banks are on good working basis.  
(2) This question does not arise.  
(3) Same answer as in (1).  
(4) No.

*Katha District (Kawlin and Wuntho Sub-committee).*

901. (1) Yes. (I believe the answer is meant to be that some do join Co-operative Societies to get a lower rate of interest.)

(2) They prefer this plan, because the interest on the loan is small.

(3) This is the only advantage, *i.e.* less interest.

902. They borrow from the Government as agricultural loan and from others, if they can get, even at a high rate of interest. The Burmans as is generally known are spend-thrift and they do not care for the morrow, would take loan from anywhere and everywhere without having regard to his position as to whether he would be able to repay or not. Such indebtedness have made them unable to repay debt due to their Societies which in general in this Subdivision have reached the stage of being liquidated.

903. No. The Societies cannot get sufficient crop-loans from the Bank.

904. (1) Yes, it will be better if the primary Societies could provide their own working capital to a much greater extent.

(2) To increase the capital or reserve funds of the Society more shares are to be subscribed by the members and the Society is to get a large amount of deposit.

(3) To increase the amount of deposits obtained by primary Societies from local people, the Societies must be able to show their solvent position by obtaining the mortgage bonds made by the members of the Society.

905. The difficulty in providing sufficient money for primary Societies is to be met by insuring crop against destruction.

906. (1) Yes.

(2) These difficulties should be met by mortgaging the mortgage bonds executed by the members of the Societies.

(3) It would be more difficult to provide sufficient money for other kinds of credit Societies, for traders and artisans. This difficulty can be overcome by insurance of the property stored up.

(4) There would be more difficulty if these Societies granted a large amount of long-term loans. These difficulties can be met by taking the mortgage bonds of the members' immoveable property.

*Administrator of Government Estates, Burma.\**

901. (1) No.

902. (1) Yes.

(2) Outside money-lenders.

(3) Co-operative Societies cannot lend enough, and this is the only way to get money.

(4) Interest is higher and the practice gives rise to disintegration of the societies.

(5) *Omitted.*

(6) Yes.

(7) If the members of the society are sued by the money-lenders, the society finds difficulty in repaying its society borrowings.

903. (1) No.

(2) The risks are too great.

904. (2) If a portion of the Reserve Fund of the societies must, under the bye-laws, be invested outside the society. Compliance with this bye-law should be insisted on.

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\* Answers relate to Government estates in Hanthawaddy and Pegu districts.

The direct "re-investment in the society" of that part of the Reserve Fund which should be invested outside the society means that in the long run the Reserve Fund will become a bad debt. I am inclined to think that this portion of the Reserve Fund should always be made real and should be invested in Government papers.

The Sittang Colony Societies invest half of their Reserve Funds in the Colonies Banking Union and loans are made to the societies which are members of the Union from the Banking Union's funds. This does help to make this portion of the societies' Reserve Funds real ; but there is a weakness still : for in a bad year societies borrow from outsiders in order to repay their Banking Union loans ; it is hardly possible to prevent this.

*Joint Registrar, Co-operative Societies, Pakókku, Myingyan and Minbu districts.\**

901. (1) The number of societies' members is small compared with the village population. It is difficult to say whether originally they preferred to stay out or merely did not take the trouble to come in. In areas in Upper Burma where the Co-operative movement has so far failed it would be difficult to induce any one to join the movement.

(2) Because they have seen the failure of societies in their neighbourhood.

(3) In successful societies the members do feel and appreciate the benefit of cheaper credit.

(4) The societies were quite free to all and increased at a tremendous rate until further loans were withheld pending repayment of the old, when enthusiasm ebbed.

It is a case of the old Yorkshire saying :—

" See all, hear all, say naught,  
Eat all, drink all, pay naught,  
If ever tha does aught for naught do it for thasel "

902. (1) They do.

(2) Burmese money-lenders.

(3) Because they cannot get further loans from the societies, having squandered their first loans and being unable to repay them.

(4) There are no advantages, as the rate of interest is higher and repayment is more pressing.

(5) Only owing to their own improvidence.

(6) Yes.

(7) Badly because the outside loans are paid first, as refusal to pay these has, up to recently, being more disastrous than refusal to repay their society loans.

903. (1) They do in cases where the members repay their old loans.

(2) The difficulties are mentioned in reply to 902 (3). They should be dealt with just as strictly by their societies as they are dealt with by the outside money-lender.

904. (1) Most certainly it would, but there would be fewer societies. If they provided their own capital they would learn to appreciate the proper use of it better. One of the principal sources of failure has been the ease with which the original co-operators obtained money.

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\* Throughout this chapter this officer's replies are of general application and not confined to those districts.



(2) Share capital must be insisted upon and dividends not paid until the reserve is such that the society is able to reduce the rate of interest upon its loans to the minimum.

(3) Not recommended. If the society is sound and prosperous it will have no difficulty. If it is not sound depositors should not be encouraged.

905. There is no remedy. In agricultural districts the fruit of the earth is the only *original* source of wealth and failure of the source cannot be remedied except by the discovery of a new source of wealth. The formation of Primary Credit Societies should not be encouraged in precarious tracts. The only system possible is the supply of the cultivators' wants in kind and the most economical collection and marketing of their produce.

As the result of extensive liquidation, the liquidators will be left with considerable areas of land. Co-operative Estate Societies could be formed as departments of Wholesale Supply and Sale Societies in order to lend land to the cultivators. Seed, implements, food and household necessaries would be supplied by the Wholesale Supply and Sale Society which would also supply similarly to land-owners choosing to subscribe to the Society. The cost of labour, seed, implements, rent of land, etc., would be met by the Wholesale Supply and Sale Society from the proceeds of crop sales and the balance of cash, less interest, rent, where applicable and a proportion deducted to go towards reserves (based on a percentage of each person's requirements supplied to him), if any, paid to the cultivator. The cultivator could thus acquire all necessaries without his being given the actual cash, thus making sure that the Co-operative wealth does not leak.

All those desirous of benefiting by these societies would be required to subscribe towards share capital. The present Wholesale societies could thus be converted to Primary societies and become the Co-operative Unit. These societies would deal with the local banks constituted as outlined in answers to Chapter VII.

906. (1) They would have much difficulty.

(2) By insisting as far as possible on all societies subscribing their own capital.

(3) There would be more difficulty.

(4) Yes. The only remedy is their formation of Co-operative system in order to regain its reputation and thereby obtain outside deposits at reasonable rates of interest so that profits will not be totally absorbed in the payment of interest.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myoök (Co-operative Branch), Myinmu Range.\**

901. (1) Yes.

(2) (a) There are restrictions which they do not like to abide by.

(b) Societies cannot supply them with as much money as they require.

(c) They do not want to bear the unlimited liability.

(4) No other reason.

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\* Joint reply ; relates to Sagaing, Mandalay and Kyaukse districts.

902. (1) Yes.

(2) From village money-lenders or chettyars.

(3) The society cannot supply them as much as they require.

(4) *Disadvantages*—

(a) Higher rate of interest.

(b) Loan may be recalled at any moment, without any regard for seasonal disaster or family troubles.

(c) Necessity for offering real security.

*Advantages*—

(a) Can get as much money as they require.

(b) No liability on account of others.

(6) Yes, in some cases when money advanced by the society is not sufficient.

(7) Societies generally fail to recover the loans fully.

903. (1) No ; they cannot do so.

(2) The difficulty is failure to get enough funds from the bank, its chief financing agent. If sufficient funds are available for both long-term and crop loans from banks, which in turn should also find facilities to have more funds, there would not have been the least difficulty referred to.

904. (1) Yes.

(2) Primary societies should be able to finance their members sufficiently from funds borrowed from the bank, and the refunding of shares at the end of 11th year (luzzati) should not be allowed, but the laws should be so amended as to make them subscribe towards the capital so long as they remain as members.

(3) By educating the people.

905. In such cases of serious disaster, it is only up to the Government to render the necessary help, if such help will improve the condition.

906. (1) Yes.

(2) The central banks should try and attract as much deposits as possible.

(3) Yes. The difficulty would be removed if the banks had enough funds from deposits to finance them.

(4) There would be no difficulty if the bank could get long-term deposits.

*Range Officer, Co-operative Department, Insein.*

901. (1) Yes.

(2) On account of the advantages referred to in my answer to question 12 (1).

(3) *Vide* answers to question 12 (1).

(4) *Vide* answers to question 12 (1).

902. (1) Yes.

(2) From the Chinese or Indian (Kaka) shop-keepers (grocers generally.)

(3) Because no loan could be obtained from a society in excess of the maximum normal credit fixed by the general meeting or within this credit beyond the amount considered best by the executive.

(4) *Advantages* are rare. As for *disadvantages* :—

(i) they are often over-burdened with liabilities ;

(ii) very little or no margin is left after all liabilities have been discharged at the end of harvest ;

(iii) commercial morality as far as credit is concerned, is often spoilt amongst the cultivators.

(5) There is no other ground than those mentioned in the answer to question 12 (1).

(6) Yes, especially in years of disaster.

(7) As in most cases the members of the executive themselves are at fault, the society is often kept at the bottom of the list of the creditors who are to be satisfied.

903. (1) Yes, in normal years.

(2) No difficulties nor defects in normal years.

904. (1) Yes, but it is a most difficult thing for a society at its initial stages.

(2) There is no other plan than enforcing the system of compulsory savings by members.

(3) I wish :—

(i) to make the principles of credit co-operation and the work of the credit societies better known in the village-tracts ;

(ii) to educate the agricultural people in the matter of Savings Bank ; and

(iii) to convince the rural men of wealth of the safety of investment.

905. On account of floods which occurred successively for seven years, the societies on the banks of the Hlaing and Bawle Rivers were much affected especially during the last two years (1927-28 and 1928-29 of co-operative years). There has been no flood this season (1929-30). But as the societies could repay neither the crop-loans nor any part of the other loans (intermediate) since 1927-28, no fresh loan could be obtained by them from their financing bank for 1929-30 crop. The result has been :—

(i) the increase of outside debts with usurious rates of interest ;

(ii) more difficulty to settle the society's dues ; and

(iii) many petty tenant cultivators were compelled to abandon the industry for want of capital.

To counteract this evil, my suggestions, in brief, are to re-organise the co-operative movement and amend the Act so as to keep the members, at the initial stages, under more compulsion for prompt repayments than at present.

906. (1) Yes.

(2) *Vide* my answers to question 909.

(3) *Vide* my answers to question 909.

(4) Yes, *vide* my answers to question 909.

*Charge Officers, Co-operative Department, Henzala and Prome.*

901. (1) So far as our experience goes we have not come across any one who prefers to get crop loans without joining a co-operative credit society, because the interest is comparatively very much smaller than outside.

(2) Some may prefer to borrow from outside if they are not qualified to join a local co-operative credit society, and in such cases they have to pay abnormal interest.

(3) The advantages of borrowing from outside are that they are not subject to frequent calls and inspections of the co-operative officers

*Henzada and Prome.]*

in addition to the uncertainty of granting sufficient credit by the Societies which cannot be liberally financed for want of financial support from Government. The disadvantages of borrowing from outside money-lenders are exorbitant rate of interest and the borrowers' liability to personal service at the beck and call of the money-lenders. Should they incur the displeasure of the money-lenders the borrowed money will be recalled without reasonable notice.

(4) Yes, partly because they are not qualified to join a local co-operative credit society and partly through ignorance of the advantages of joining a society.

902. (1) Yes, some members of agricultural co-operative credit society have to borrow money for crop loans from outsiders whenever they do not receive sufficient loans for this purpose from the society.

(2) From Burmese lenders and Chettyars.

(3) They borrow outside the society whenever they do not receive a sufficient loan from the society.

(4) In case of loans taken from the society they must be repaid at the following harvest according to the bye-laws and as this is the case it causes great hardship to borrowers in a bad year, whereas outside money-lenders extend the time to suit their convenience.

(5) They are compelled to borrow from outside when they do not get the sufficient loans from the society.

(6) Yes, they have to whenever they get insufficient loans from the society.

(7) The practice of members taking crop loans outside the society renders them liable to repay their loans to outsiders first as they are approximate neighbours, and thus the societies have to take only the remnant.

903. (1) In most cases crop loans issued by a society are not sufficient for those members who ask for them.

(2) The difficulties in this district are that the Prome District Central Co-operative Bank cannot, as a rule, grant sufficient credit for (B) and (C) loans which the societies ask for as the Bank cannot afford to lock up the capital for three or four years, being afraid of finding itself in an awkward position when fixed and current account deposits, etc., are demanded back. The only solution is that the local bank should be sufficiently financed by the Government so as to enable it to meet the requirements of the Societies' (A), (B), and (C) loans.

904. (1) They do not get nearly all the money they used to make loans by borrowing from a Central Bank, which is not generally in the position to provide them with sufficient funds. Yes, it is best if they can do so.

(2) At present for the reserve fund societies up to the tenth year keep back a reserve of 25 per cent of the profits as their reserve fund, and it would be well if they were required to add another 25 per cent out of the profit which they declare as dividend for societies eleven years old and over.

(3) The societies must work in such an efficient manner as to secure confidence from local people.

905. As the banks are not generally sufficiently provided with funds it is rather difficult to meet the needs of the primary societies under such circumstances. The only other alternative is for the Government to make agricultural loans to them through a central co-operative bank

in case of society members as the Government rules are against lending agricultural loans to members of the agricultural societies. Where there is not a central bank the co-operative departmental officers should do the work.

906. (1) Unless the Government comes to their aid it will be impossible to provide the societies with enough money.

(2) It is suggested in the above answer.

(3) In the case of credit societies for traders and artisans the Government should provide more funds.

(4) These difficulties can be met only if Government lends long-term loans to Co-operative Central Banks and the other societies.

*Committee of Officers of the Co-operative Department.*

901. (1) Yes.

(2) and (3) The main reason is dislike of the unlimited liability involved in joining the society. Minor reasons are dislike of formalities connected with the grant of loans and the possibility that the society may not be able to meet their demands in full.

(4) They are not compelled to adopt this plan.

902. (1) Yes, even in the case of good societies which borrow from central banks well supplied with funds.

(2) From Chettyars and village money-lenders. From the former mainly in the richer districts of Lower Burma and from the latter class of money-lender in Upper Burma and such districts as Prome in Lower Burma.

(3) Assuming a good society dealing with a good central bank, a member borrows outside the society either because the society is not able to lend to him to the full extent required or because he has already been advanced money for other purposes to the full extent of his credit.

(4) Apart from actually getting the money he requires, a member finds no advantages from this practice. There are several disadvantages of which the principal are that he must pay a higher rate of interest for the accommodation and must ordinarily furnish real security.

(5) Yes. See answer to sub-question (3).

(6) In some cases. Quite a common case is that of a member who has been compelled by floods or other disasters to transplant his crop two or three times. In such cases the Society may not be able to provide him with the funds required.

(7) The practice tends to throw members into arrears in repayment of their debts to the society because the outside lender is almost invariably repaid first.

903. (1) No, except possibly in the Amherst District.

(2) The main difficulties are lack of funds in the Central Banks and the fact that in many cases societies have used most of their credit in taking loans for long-term purposes. Where good Central Banks cannot provide sufficient crop loans to societies the reason is usually because their funds have already been tied up in long-term loans. The remedy for this state of affairs is to confine the business of societies (and consequently of central banks) to short-term loans and this is in fact the course recommended by the Committee on Co-operation in Burma.

904. (1) It would on the whole be better if primary societies provided their own working capital to a much greater extent but it has been

Co-operative Department.]

found in practice that where a society has succeeded in providing the whole of its working capital it has frequently come to an end very shortly afterwards. There is a strong temptation to divide up the reserve fund by the setting off of debts or otherwise.

(2) The reserve funds of good primary societies will increase automatically and rapidly to an extent which will make them the bulk or the whole of the working capital, provided that sources of waste, such as excessive management expenses and the detention of funds in the hands of office-holders before issue to members and after repayment by them, is avoided. As regards capital, reference is invited to recommendation No. 10 of the Committee on Co-operation in Burma and to the conclusion thereon of the Departmental Committee. Reference is also invited to recommendations Nos. 13 and 14.

(3) Local deposits depend almost entirely upon the opinion formed by persons with disposable capital of the honesty and efficiency of the society with which they propose to deposit. The honesty and efficiency of societies in turn depends mainly upon education continued over a lengthy period. The only suitable agency for imparting this education is the trained staff of the Co-operative Societies Department. Reference is invited to recommendations 4 and 16 of the Committee of Co-operation in Burma and to the remarks of the Committee at pages 15 and 18 of their Report. If societies are thoroughly taught and adequately supervised and guided there will be no difficulty about local deposits.

906. (1) Given efficient supervision and guidance of the societies and limitation of their business to crop loans the central banks have no difficulty in providing a greatly increased number of societies with crop loans to the extent required. The central banks will have no difficulty in getting the necessary funds from the public provided that the public understands that adequate supervision of the societies is exercised. Even now two of the central banks have difficulty in finding outlets for their funds.

(3) No. There are adequate funds for financing all kinds of co-operative enterprise in Burma provided that the investing public feels assured that the investments of this kind will be safe.

(4) See answer to sub-question (3).

*Mr. A. D. Kiernander.*

901. (1) Yes.

(2) Because they do not care to be responsible for other people's debts.

(3) They have to pay certain individuals before they can obtain a loan.

902. (1) Yes.

(2) Outsiders who are not aware of borrower's debts elsewhere.

(3) At times to repay the Societies loans, if they belong to it, and if not because they can borrow a larger sum.

(4) Because they are responsible only for themselves.

(5) Omitted.

(6) Yes.

903. (1) No.

(2) Numerous and the principal reason is to have a staff who will carry out their work in a legitimate manner and keep their hands clean.

904. (1) I do not think you will find people foolish enough to put up the capital.

(2) People won't trust the societies.

(3) Those who are managing the societies must have a fair amount of their own money in the bank, which should be put away in the reserve and cannot be touched.

*U Shwe Tha, K.S.M.*

901. (1). Yes. Some do.

(2) Because if they join the Co-operative Credit Societies they cannot use their credit in full. They have to surrender their properties to the Society to form joint security to all the members.

(3) By remaining outside the society they can get loans on the security of their property as well as loans without security and without much difficulty.

902. (1) Yes. Some do.

(2) From money-lenders.

(3) It is difficult to get a second or a third loan from the Society when one is in need unless he discharges his first loan.

(6) Yes. Some do.

(7) Yes. It affects the Society, because his credit is diminished and he is required to repay his outside loan first to be on the good books of the money-lenders, therefore enabling him to easily get from them loan which these sort of people need many times in the year. See answer to question 10 of Chapter. The society's loans thus remains only partially repaid.

903. (1) No.

(2) The cultivators should not be given loans at one time more than is required to meet their immediate requirements, e.g. if a member wants a loan for purchase of wunsa for the whole year, he very seldom does keep his wunsa for the whole year he generally buys a bag of rice or a basket of rice at a time. If he is given a lump sum for purchase of wunsa enough for consumption of his family for one year, large portion of the money is frittered away. These poor cultivators have many things they long to have and have to defer obtaining them from season to season for want of money. When money comes to them, they spend first on those little things they are lacking in such as clothing and nourishing and tasty foods.

If possible, crop loan cooperative credit societies should have co-operative stores. Societies attached or should have private shops which deal with members for the supply of their needs, such as clothes, foods and eatables and also the other things the members must have for agricultural purpose. As to the price for these articles, the private shopkeepers can fix the prices with the consent of the society every month. The amount of credit to be given to each member can be fixed by the society and the shop-keeper informed not to exceed that amount. Those poor cultivators cannot keep money long in their hands. If a loan is for the purchase of cattle or cart, the seller should be paid by the society. To give them money is equivalent to tempting hungry person with food not meant for consumption but for storage. It is the experience of the money-lenders that if a cultivator is given a loan of Rs. 100 in the morning and the borrower is asked to show that money in the evening very few would be able to show that money intact. That is why

moneyed people who want land or house give easy loans to the owners of those properties knowing they will soon find difficulty to find money for redemption of the properties mortgaged.

If the crop loan societies can supply the requirements of members and not money, the use of the loan money for another purpose than intended for would be stopped with beneficial result.

904. (1) It would be better if the primary societies can provide their own working capital to a much greater extent.

(2) It depends on the member's loyalty to their societies. Every member at one time or another has some money, little or much for which they have no immediate use for productive purposes. If they put this money in the society as on demand deposit the working capital would be swollen to an appreciable extent. It is common knowledge that some members of the society lend such money to outsiders or to some members at higher rate of interests. Any member who says that he has no such money available for such deposits, would show that he is not a good worker and will soon find himself unable to repay the Society's loan. The cultivator's money in most cases will be wasted if they cannot keep them away from them. The Chettyar money-lenders make it their practice to collect the daily sales every evening from their customers and use that money in their money-lending business. Such money bears no interest. This money is repaid when its owner wants it for purchase of goods or other purpose. Such depositors are usually given by the Chettyar a short-term loan with usual interest, when they require it fixing the amount according to the ability in the management of their business. The daily collection he gets from each of them would be the basis for fixing the amount of loan of a temporary nature granted to such customers. Each member of the society should also be able to take one share every year.

At present, the society are depending too much upon outside help and they make very little effort to save money gradually for purchase of shares. It should be the rule for each member to save money and purchase one share at least in the society. In this way the share capital may be increased for the use of the societies.

905. As I have stated somewhere government crop loans should be issued through these crop loan societies. On the occurrence of such bad years Government should help the Central Bank with enough money to meet the requirements of such societies.

906. It requires watching that co-operative societies are formed of good and rule-abiding members only. Such good society should find no difficulty to get its required loans even from ordinary money-lenders, on their joint security. It also requires watching that all properties are made over to the society under registered deeds, to form a good security for the societies' loans. The valuation of such transferred properties should be made by responsible officers of the Co-operative Department subject to the approval of the Registrar. If Government is to help such societies through their Central Bank on account of the societies being unable to repay the bank loans, there should be a condition that Government loans should have a prior claim on the members and also on the societies' properties. If the Government has to take over the land for its loans the society should hold those lands on trust for Government and the previous owners be allowed to work their lands on payment of increase rate of revenue to be fixed by Government in consultation with the society instead of rent. These lands can be



retransferred to the society when the members can repay the Government loans.

In case of other kinds of Credit Societies for traders and artisans, such difficulties can be removed by insuring the member's stock in trade. This requires that members would keep correct accounts of their daily stock in trade. These goods can become acceptable securities for any money such societies need. The departmental officer's inspection and verification is necessary.

In my opinion such societies should issue only loan of temporary nature, three to six months. The members if they are businessmen should be able to convert their stock in trade into money easily. If loans are issued for longer periods, they will sleep over it and will not think of repayment till the due date arrives, such a habit must be discouraged. Repayments must be by instalments. The Chettyar banks never issue loans with dates fixed for repayments. The documents executed for their loans are mostly promissory notes. If a loan is made on a Mortgage of land no mention is made of the time for repayment. If the interest is regularly paid and the debtor is able to carry on his business well the Chettyar will not call back for his money. The Chettyar reserves his right to demand repayment of his loan and to sue for recovery at any time he chooses to do so, but he is in no hurry to go to a Court of Law as this means further long delay with loss of interest on his loan. I think this business method should be adopted by Co-operative Societies as far as practicable.

*Mr. P. L. L. N. Narayanan Chelliar (Puducherry).*

901-903. No. Co-operative credit societies in this District.

904. (1) Yes, it will be better.

(2) Shares should be increased.

905. Government must help under such difficulties.

906. (1) Government banks will not meet difficulties, other banks will have difficulties.

## Section 2—Agriculture—Long-term Loans.

*Aiyab District.*

907. (1) No, in the sense that repayment is extended over anything like 20 to 30 years.

(2) to (4) Does not arise.

908. (1) Principally want of funds. We find it difficult to appreciate the latter portion of this question.

(2) Either by supply of sufficient fund by the Government under adequate safeguards or by introduction of a system of guarantee by Government.

(3) We think not. Existence of rivalry between agencies as there will be if they are separate is undesirable. The bigger agency with better resources will kill the Co-operative Societies now in existence.

(4) Even if separate agencies for long-term loans be made special Co-operative Societies they will be open to the same objections as mentioned in (3) above.

909. (1) In the present economic conditions of the country the only principal source to which the Societies must look to for funds is the Government. If Government aid was given in most of the countries of Europe, there is no reason why the same should not be given here.

(2) Yes, it is likely the Central Bank will not be able to meet the requirements.

910. Yes. As the people are now badly indebted and what they earn go to the local money-lenders. In spite of their hard labour their financial position instead of getting better, goes down from bad to worse.

*Pegu District.*

907. (1) Yes.

(2) From Chettiars, landlords and local money-lenders.

(3) *Advantages.*—A loan is conveniently obtainable on the security of land for a long period.

*Disadvantages.*—(1) Higher rate of interest and (2) has to pay initial expenses for stamps and registration. (3) As the Chettyars are quite satisfied with the regular payments of interest, there is no likelihood of reducing the principal in any way. (4) As there is no fixed period for the payment of the principal the members are at constant trouble awaiting the sudden recall of the loans, and (5) when they are called in to settle, just when they are least able to repay, the land is often sold at a loss to enable them to make the repayments.

(4) As the land-owning members are losing their lands in this manner there is no likelihood of the society having any landed property as the properties of the members are considered as assets of the society.

908. (1) Lack of sufficient fund is the main source of difficulty in financing members with long-term loans to the extent reasonably required by them.

A loan for productive purposes is required mostly for the purpose of redemption of land, house etc., which has been mortgaged with higher rate of interests and would therefore take a longer period for repayment, whereas a loan required for productive purposes only, *i.e.* for improvement of lands and etc., will not take longer period for repayment than when it is required for payment of old debts.

(2) (a) By issuing bonds on the mortgage of the lands of the members which are free from encumbrances to the value of Rs. 75 when the land is worth Rs. 100 and sold to the public according as loans are required. These bonds should bear an attractive rate of interest, say 9 or 10 per cent. so that they may find the market easily and especially when Government or Local Bodies of the District guarantee and charge 12 per cent interest on such loans.

(b) By receiving long-term deposit, say for 10 or 12 years offering higher rate of interest 9 or 10 per cent.

(c) If Government would guarantee these bonds and grant loans to Central Banks which are financing the Co-operative Societies whose members own lands.

(3) It is not necessary to have separate agencies if Government will grant loans at a low rate of interest and guarantee part of the bonds on mortgage of the members' lands to the existing Central Banks which are financing the societies if the lands of those members are free from encumbrances and mortgaged and pledged as security to their financing Central Banks.

*Advantages.*—As the members of the society are residents of the same village and as the society is issuing crop loans also, use of all kinds of loans, each member's asset and his yearly earning capacity and the verification and valuation of lands owned by each member, can be watched and supervised closely.

*Disadvantages.*—Nil.

909. (1) The present arrangement is that money are obtained from their Central Banks or financing banks which issued long-term loans up to the extent of their share capital and reserve fund but unable to meet the full demand for such term of loans. It is suggested that the societies may be fully financed for such term of loans by issuing debentures on Government guarantee and as suggested in the answer of 908 (2).

(2) In Burma, primary societies are not self-supporting in financial matters. They entirely depend on Central Banks, so, if Central Banks cannot get enough money for loans to societies, Government should either give loans or try and find means and ways to get loans, otherwise, the members will have to borrow from outside money-lenders.

910. No, it is not so urgently needed as crop-loans.

*Insein District.*

907. (1) & (2) My Committee is informed so. I personally think most Chettians expect repayment within five years and that these loans should be called "intermediate" loans.

908. (1) They are uneconomical in a country where the lender may easily be dead, or in jail within five years. Agricultural Co-operative Credit Society is amply justified in not looking more than five years ahead, especially under a Reformed Government.

(3) No, but it is of little use considering long-term loans until the country is educated up to paying its short-terms ones. The only financing agent suggested by any member of my Committee has been the State and this is at present clearly out of the question.

910. No.

*Prome District.*

907. (1) Yes.

(2) From village Burmese lenders and Chettians.

(3) The advantage is easy credit if sufficient security is given and the disadvantage is abnormal rate of interests which generally swallows up the mortgaged properties.

(4) Such members cannot repay to the societies according to the bye-laws as their earnings are generally paid first to the outside money-lenders.

908. (1) Co-operative Credit Societies cannot get sufficiently large long-term loans from the Central Bank otherwise there is no difficulty. No distinction is necessary between loans required for paying off old debts and long-term loans for production purposes.

(2) As in other cases, the difficulty can only be met by giving the Central Bank more funds.

(3) This is doubtful. There is the advantage that granting long-term loans direct by Government to Societies eliminates Bank commission; but it may not be so safe as in the hands of Local Co-operative Bank which has intimate local knowledge.

(4) There is no strong objection to this provided they deal with the same Central Bank, nor does there appear to be any great advantage.

909. (1) The Societies under either plan must obtain sufficient money from the Central Bank, which in turn must be lavishly financed by the Government.

(2) It is already the case, and we are of opinion that it is up to the Government to finance Central Banks and Societies of good standing approved by the Government.

910. The need for long-term loans is more urgent than for crop loans and larger sums are issued annually by the Central Bank for the former. This may be due to some extent to the difficulty in repaying a loan in the year.

*Thalôn District.*

907. (1) Yes, when they require money to buy new lands, etc.

(2) From wealthy neighbours or Chettiers.

(3) *Advantages*—(a) The money required can be got in time of need. Repayment can be made at any time.

(b) *Disadvantages*—The members have to pay much higher rate of interest to the money-lenders and they are sued by the latter when they cannot repay the loans. The members' property is often attached and sold in execution of decrees.

(4) When the property of the society members is encumbered the strength of the Society becomes weak.

908. (1) In practice, members don't get long-term loans. The Co-operative Credit Societies find difficulties in supplying loans when the members want long-term loans.

(2) Central Banks should issue sufficient long term loans.

(3) No advantages.

(4) The Co-operative Societies should be empowered to make short and long-term loans to cultivators. We see no advantages therein.

909. Such money may be obtained from the Central Bank or any other Bank of Government or Local Bodies. The subsidiary question requires no answer, in view of the above.

(2) Government should open banks for the purpose. This is likely to be the case.

910. Yes. Both are needed. It is left to the circumstances in which a borrower is placed.

*Amherst District.*

907. No.

908. (1) No long-term loans are granted by the societies to their members.

(2) *Omitted.*

(3) No. The existing Co-operative Credit Societies be used for granting long-term loans.

(4) *Omitted.*

909. (1) From land mortgage bank. On mortgage of lands.

(2) It is likely that societies and central banks could not get enough money to satisfy the need both for long-term and short-term loans. The money must be financed by the Government. Yes.

910. Yes. In order to save the ruination of agriculturists and to prevent further alienation of land to non-Burman capitalists.

*Minbu District.*

907. (1) Society members could not get long-term loans outside .

- (2) }  
(3) } These questions do not arise.  
(4) }

908. (1) Insufficient money available from the central bank.

- (2) } Long-term loans are required to pay off old debts of  
(3) } land owners or to purchase new lands. Government  
(4) } Land Mortgage Bank will serve the purpose well.

909. Please see above.

910. Long term loans seems to be urgent. If they can be provided for the necessity for crop loans will decrease to a large extent as the annual demand on the produce for repayment of loans will decrease and leave sufficient for next year's expenses.

*Mandalay District.*

907. (1) No long-term loans but there are long outstanding loans owing to non-repayment.

- (2) Answered in question 4.  
(3) Cannot be answered as there is none.  
(4) No long-term loans, when there was no repayment

all the societies suffered.

908. (1) As no long-term loans were issued by societies we could not mention the difficulties. It is now learnt that societies were liquidated as loans to be repaid by four annual instalments could not be repaid by members.

Loans for paying old debts are to be repaid by three annual instalments, whereas loans for productive purposes are to be repaid by four annual instalments.

(2) Included in the previous answer and in answers to come

(3) No separate agency should be organised as many cooks spoil the broth.

909. (1) & (2) Included in previous answer and in answers to come.

910. Its need is urgent. Without such loans the members cannot buy cattle and little land to work with.

*Kyaukse District.*

907. (1) to (4) In the strict sense of the term, no long-term loans are issued either by societies or by money-lenders. Mortgages without possession are very scarce in the district. Mortgages on house-sites are generally made with Chettiars, who insist on the punctual payment of interest or realize on the site.

908. (1) The bye-laws of the societies provide only loans, the length of the time allowed by the bye-laws for repayment of which is not sufficient for purposes of redemption, purchase and improvement of lands. There is hardly any necessity to issue loans for liquidation of large debts which are always covered by mortgages of land.

(2) and (3) Land mortgage Banks should be established to work through Co-operative Societies.

(4) Special Co-operative Societies with limited liability should be formed.

909. (1) The societies should get loans from land mortgage banks for issue as long term loans to its members and find funds in some way or other to issue crop loans and intermediate loans. A separate society for long term loans and for other loans, will complicate affairs in the matter of gauging the financial position of a member and issue and recovery of loans.

(2) If recommendation for provision of financial assistance is made for tiding over disaster, storage of crop, and long term loans, it is not likely that difficulties will be met with.

910. Lands must be redeemed, improved or purchased before *Kason* (April), *i.e.* before ploughing season. It is therefore necessary to get the loan in time.

*Remarks by the Deputy Commissioner, Kyaukse.*

907. (1) Some members do obtain long-term loans outside their societies but not generally.

(2) From village money-lenders.

(3) *Advantages*—The money is obtained more readily and some times in addition to loans received from the societies.

*Disadvantages*—The mortgagors lose their lands by foreclosure.

(4) The societies' loans being at low interest are not repaid till after the outsider's loans.

908. (1) Societies do not repay money lent out in long term loans to the Banks owing to the default of members, and it becomes therefore impossible for societies to obtain money from Central Banks as required. Long term loans are generally given for payment of old debts and very seldom for productive purposes.

(2) By insisting on punctual repayment of loans.

(3) It would presumably be better to grant long term loans by means of land mortgage societies. The disadvantage is that there is no room for two societies in most villages.

(4) Special Co-operative Societies should be formed with limited liability to issue long term loans on land mortgage. These societies would only benefit the rich cultivators and not the labouring class or those unable to furnish security for their loans.

909. (1) I do not think that the money would be forthcoming in the present state of the Co-operative movement for societies which grant both crop loans and long term loans. The money might be forthcoming from the depositors for separate societies if Government guarantee the stability of the land mortgage banks or societies.

(2) If I found that neither the societies nor Central Banks could get enough money I would recommend the issue of short term loans only. This is extremely likely.

910. The term urgent is not understood. Long-term loans are needed by land owners and crop loans are needed by all classes including tenants. As tenants are not so well off as land holders their need is presumably more urgent.

*Commissioner, Sagaing Division.*

907. (1) Not if they can get such loans from their societies.

(2) Money banks.

(3) The money may be obtained, but interest is usually high.

(4) Such practice must in the long run kill the societies.

908. The chief difficulty is lack of capital. A loan issued for the repayment of an old debt may restore credit at a cheaper rate. A long term loan for productive purpose may not increase earning power for some years.

(3) No.

909. If money is not forthcoming for a long-term loan from a society a member would be well advised to wait. Provision for long-term loans is not generally urgently necessary though it may be desirable.

*Sagaing District.*

907. (1) Not if they can obtain them from the societies.

(2) From the money-lenders.

(3) Advantages and disadvantages are the same as described under question 902 (4).

(4) In effect it really cripples the society. Please see latter part of answer to 902 (4).

908. (1) Lack of sufficient capital is the main difficulty. Loans issued for the discharge of old debts will restore his credit and relieve him of high interest charges whereas loans issued for productive purposes will increase his earning power, and that too may not be in the immediate future.

(2) Please see 904 (3). These might also be met with by increasing the capital, deposits and reserve fund. But the primary remedy lies with themselves. No institution will provide them with funds if they cannot prove to their creditors' satisfaction that they are on a strong working basis.

(3) No.

(4) This does not arise.

909. (1) Same as in 904 (2) and (3). In addition, Central Banks will have to make necessary provision to meet the requirements of long term loans. Formation of separate societies not recommended. Long term loans should be issued only on the security of land.

(2) In such emergencies, which should be rare if societies are run on new lines, Government should come forward with loans. Quite possible.

910. No.

*Katha District (Kawlin and Wuntho Sub-committee).*

907. (1) No. There are no long term loans.

(2) At present nowhere.

(3) and (4) At present no long term loans have been experienced.

908. (1) The difficulties found by the Co-operative Credit Societies in supplying their members with long term loans are (1) failure of the members to make repayments as fixed by yearly instalments (2) failure of getting long term loans from the Bank by the Co-operative Societies.

Loans required for paying off old debts are meant for paying off old debts and the repayments are expected within five years.

Long term loans for production purposes are meant for agricultural produce and the repayments are expected within five years.

(2) The difficulties can be met by making over the mortgage bonds of the members' immoveable properties as security of getting sufficient loans from Government and by making the members pay regular yearly instalments.

(3) Yes, there should be separate agencies for granting long-term loans.

*The advantages.*

- (1) Careful and thorough inspection and verification of member's property can be easily done.
- (2) The agencies will be responsible for the loan recommended.

*Disadvantages.*

- (1) The agencies and members taking long term loans might become one united clique.

(4) The separate agencies for granting long term loans should be special Co-operative Societies.

*The advantages.*

- (1) Careful and thorough inspection and verification of member's property can be easily done.
- (2) The agencies will be responsible for loans recommended.

*Disadvantages.*

- (1) The agencies and members taking long term loans might become one united clique.

909. (1) Money required for the long term loans can be obtained by the Co-operative Societies from the land mortgage bank on giving the mortgage bonds of members' immovable property as security.

Crop loans and long term loans to be made by the same societies on mortgage securities should be the ordinary plan.

(2) The mortgage bonds of the members' immovable property should be mortgaged to other money-lenders, in case the Central Bank and the Societies cannot grant sufficient loans.

910. The need for long term loans is as urgent as that of crop loans, as the poor cultivators have become subject to land owners to whom they would look up as their only real master.

(I think by this is meant that almost all cultivators are in the hands of money-lenders for amounts they cannot repay but on which they pay the interest yearly.)

*Joint Registrar, Co-operative Societies, Pakhoku, Myingyan and Minbu districts.\**

907. There are no long-term loans given by agricultural credit societies in the strict sense of the word, nor do Burmese money-lenders make a practice of giving them.

908. (1) (2) Do not arise in view of the above.

(3) Yes, payment of loans for old debts and land improvement of land owners in the wholesale society would require separate agencies, while the proposed Estate Societies could deal with the land improvement in their own estates out of their own funds received as rent from the Wholesale Society.

(4) No. The Wholesale Society could not expect to obtain sufficient capital for this purpose, unless long established, also, in the case of supplies to landowners, the land or sufficient of it would be required as security against loss of seed, etc.

In the case of tenants of the estate society, they would have no security to offer, but the fact of their being entirely dependent upon the society would tend towards better discipline. Another disadvantage would be that most of the security would be in the hands of the Wholesale Society. The Wholesale Society might however offer security on behalf of approved cases to banks willing to advance long-term loans.

\* See footnote on page 520.



The suggestion is that long-term loans be taken on behalf of approved members by the Wholesale Society, the estate department of which would be in a position to offer security.

909. Nothing but the reclamation of the Co-operative movement in Burma can supply the financial wants of the co-operators.

910. No. It is only by the proper use of crop loans, whether in kind or in money that long-term loans can be ultimately settled. If the former are properly used they will themselves provide a source for the extermination of old debts.

To advance money for the payment of debts is fundamentally unsound, but the real remedy lies in advancing money to earn income from which old debts can be settled ultimately.

Long-term loans are only justifiable for land improvement and kindred objects whereby the actual loan is remunerative.

911. (1) From both outside and inside.

(2) In the case of the outside sources from Burmese money-lenders.

(3) No advantages, but higher rate of interest and greater insistence of repayment follow from an outside loan.

(4) The outside loans, because of the greater pressure for repayment, get settled first to the disadvantage of the Societies.

(NOTE.—These are not really intermediate loans. Burmese lenders do not advance money on intermediate loans as such, but so long as interest is promptly paid renewals are allowed.

912. (1) The same difficulties as for crop loans, overdue crop loans have been converted into intermediate loans in some instances.

(2) Same as for crop loans.

913. (1) In the same way as proposed for long-term loans.

(2) Special Co-operative Societies should not be made but the same method adopted as suggested for long-term loans.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myoth (Co-operative Branch) Myinmu Range.\**

907. (1) Yes.

(2) Chettyars and Burmese.

(3) *Disadvantages—*

(a) Higher rate of interest.

(b) Loan may be recalled at any moment without any regard for seasonal disaster or family troubles.

(c) Necessity for offering real security.

*Advantages—*

(a) Could get as much money as they require provided sufficient security is given.

(b) No liability on account of others.

(4) Societies generally fail to recover the loans fully.

908. (1) The difficulty is failure to get enough funds from the banks, the chief financing agencies. The same difficulties are met for purposes of paying off old debts as well as for those of production.

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\* Joint reply ; relates to Sagaing, Mandalay and Kyaukse districts.

(2) If sufficient funds are available for long term loans from the bank, which in turn should also find facilities to have more funds, this difficulty will have been removed.

(3) No, the disadvantages being :—

(a) A debtor has to serve two creditors, and he cannot serve both satisfactorily and consequently he will meet with troubles.

(b) The debtor will find it difficult to give sufficient security to both.

(c) Claims by two creditors will coincide in as much as the debtor has to pay from the same source of income, namely, the produce of his crop.

909. (1) By borrowings from the general public, by accepting long-term deposits and by issuing debentures as in the case of municipal corporations and like institutions.

(2) In such cases, the societies would have to apply to the Government for help.

If the financing Banks and societies carry on with their work carefully and within their limits and means, there is no likelihood of such cases occurring.

910. Yes, because economic interest of cultivators and other members of societies have been, year by year deteriorating, on account of excessive rates of interest they have to pay to outside money-lenders.

*Range Officer, Co-operative Department, Insein.*

907. (1) Long-term loans are obtained nowhere.

(2), (3) and (4) Do not arise.

908. (1) The financing bank cannot supply the society with long-term loans. Long-term loans are needed both for improvement of the land and for settlement of old debts.

(2) The financing bank cannot get sufficient long-term deposits. If the State allows a loan or renders needful assistance in raising a long-term deposit, the difficulty will disappear.

(3) No.

(4) The present co-operative societies are sufficient to undertake long-term loans. Separate agencies are not necessary.

909. (1) The State will have to grant a loan to a board to be created for financing the co-operative bank and help the bank in raising capital from the public. The security for crop-loan should primarily be the crop and that for long-term loans be the unencumbered landed property. Accounts can clearly and separately be kept for each kind of loans.

(2) If the State is unwilling to come to their aid, there will be a difficulty to get sufficient money.

910. Yes, because (i) outside debts compelled the members to pay more interest, and (ii) want of improvements to the land brings about a short outturn.

*Charge Officers, Co-operative Department, Henzada and Prome.*

907. (1) Yes.

(2) From village Burmese lenders and Chettyars.

(3) The advantage is easy credit if sufficient security is given and the disadvantage is abnormal rate of interests which generally swallow up the mortgaged properties.

(4) Such members cannot repay to the societies according to the byelaws as their earnings are generally paid first to the outside money-lenders.

908. (1) If the co-operative credit societies get long-term loans from the central bank they will not find any difficulty but not otherwise. Loans required for paying off old debts bring no return while long-term loans for production purposes fetch some income.

(2) The difficulties can be met by making the instalments comparatively very much smaller than the instalment for paying off debts for production purposes as the former bring no return. The long term should extend so far as to enable borrower to repay only out of his yearly net profit and the instalment should not be larger than this.

(3) The advantage that may accrue from the granting of long-term loans direct by Government to societies is that it eliminates bank commission, but it may not be so safe as in the hands of a local co-operative bank which has intimate local knowledge.

(4) There will be a conflict of interest between the co-operative Bank and special co-operative societies (separate agencies) and the primary co-operative societies will dwindle into nonentity as the members with tangible assets will naturally forsake the old one for the new.

909. (1) The societies must obtain sufficient money from the central bank which in turn must be lavishly financed by the Government which does not incur any risk at all as such loans are covered by mortgaged deeds of immovable properties of members.

The plan to lend through separate societies is not feasible for the above mentioned reasons while it is equitable and fair, and co-operative in spirit when such long-term loans are issued through primary societies.

(2) It is generally the case and we are of opinion that it is up to the Government to finance central banks and societies of good standing approved by the Government.

910. The need for long-term loans is as urgent or we should say that it is more urgent than crop loans because only long-term loans can bestow material blessings upon the cultivators while crop loans only keep soul and body together.

*Committee of Officers of the Co-operative Department.*

907. (1) Yes.

(2) From Chettyars and village money-lenders.

(3) See answer to question 902, sub-question (4).

(4) See answer to question 902, sub-question (7).

908. (1) No agricultural co-operative credit society may under the existing bye-laws make loans to be repaid in any period longer than five years.

(3) No. There appeared to be no special advantages in the plan of separate agencies while it has the serious disadvantage that the borrower would be dealing with two different sets of creditors, neither of which would necessarily be fully informed as to its needs or demands for loans.

909. (1) From central banks.

(2) Preference should be given to short-term loans because of the greater security.

910. The need for long-term loans is more urgent than the need for crop loans because of the mass of debt, constantly increasing as a result of non-payment of interest at heavy rates, which cripples the cultivator.

*Mr. A. D. Kiernander.*

907. Cultivators prefer to borrow from outsiders as there is far too much formality in borrowing or repaying Co-operative loans.

908. (1) Long term loans apparently are not given and short term ones can only be repaid by borrowing from elsewhere.

(2) Long terms to be repaid in instalments.

909. (1) and (2) Suggest 10 years' loans and to be recovered in yearly instalments.

My experience dealing with nearly 400 tenants is that they would rather pay higher interest and debt wiped off after a fixed period as few can ever repay a loan in full. I have adopted this plan with my tenants. In cases of death and interest paid for four years the debt is wiped out. One's loans mean a dead loss and it is only necessity which requires one to finance tenants. I should be delighted if anyone else financed my tenants and recoup themselves after my rent is paid.

910. Cultivators have great difficulty in repaying loans by a single payment and hence I recommend the instalment system.

*U Shwe Tha, K.S.M.*

907. No one can get long term loans outside their society. If they get loans the lender reserves his right to recover the loan at any time, but it is understood that so long as payment of interest is regular such loan will not be called back by the lender. The societies credit suffers if the members are indebted to outsiders and depositors will not come to such a Society.

908. (3) I am in favour of having separate agencies for granting long term loans. The small co-operative credit societies cannot watch or give necessary supervision over long term loans and small crop loan societies cannot have a good reputation to attract deposits from outsiders and will meet with difficulty in enforcing regular payments when instalments or interest is due. The long term loan society must be efficient in its management must have a business spirit to enforce regular payment of instalments or interest and must have the confidence of the public.

(4) I think separate agencies will be better if they are special co-operative credit societies. The advantage in such society is that they are the under the control of the Government Officers.

909. Both kind of societies or agencies can get the money required on the security of the mortgage deeds they possess. Short term and long term loans should not be issued by the same societies. Long term loan societies should be first started in a place where crops are secure.

910. The need of long term loans is not so urgent as the need of crop loans.

### Section 3.—Agriculture—Intermediate Loans.

*Akyab District.*

911. (1) Yes.

(2) From local money-lenders.

(3) The disadvantages felt by the member are that they had to pay higher rate of interest which is again subject to violent fluctuations. The effect naturally is that the Society is not aware of the actual financial position of its members and difficulties arise when the next loan after re-payment of the first is applied for.

912. (1) In view of the answer given above, no necessity for answering this arises.

(2) We don't think creation of special Societies either practicable or desirable.

913. (1) Does not arise.

(2) Does not arise.

*Pegu District.*

911. (1) Yes.

(2) From Chettyars and local money-lenders landlords.

(3) As answered 907 (3).

(4) As stated in 907 (4).

912. (1) Irregularity and failure in repayment of instalments, very often cause obstructions to the smoothly running machine of the business of the society.

(2) By allowing a society to recover its demands from a defaulting member as if they are arrears of land revenue.

913. (1) Issuing of intermediate loans should remain with the primary societies if arrangements for long-term loans are made separately, as the primary societies can accept deposits up to four or five years.

(2) In view of the answer given in question (1) it does not arise.

*Insein District.*

911. (1) & (2) Some do, by applying to Chettiars and Indians. See replies to previous questions.

912. (1) Nil.

913. (1) & (2) We do not.

*Prome District.*

911. (1) Yes, they have to take intermediate loans from outside the Society, because it cannot commonly provide them with sufficient loans.

(2) They borrow generally from local money lenders and the Chettiars.

(3) The advantages are that the borrowers are not subject to frequent calls and inspection by Societies officers and officers of the Department and they are not bound to repay within a certain limit of time, whereas the disadvantages are the abnormal rate of interest, their personal services are at the beck and call of the money-lenders, who may demand back their money without any notice, if their displeasure is incurred.

(4) The Societies are affected in as much as their loans are repaid only after the repayment of outside loans.

912. (1) The societies are generally unable to grant sufficient loans to their members as they cannot be adequately financed by the Co-operative Banks.

(2) It is up to the Government to liberally finance the Central Co-operative Banks.

*Thabein District.*

911. Yes. From wealthy natives of Burma and Indians. The answers to the remaining questions are the same as in 902 and 908 above.

912. *vide* answer in 923.

913. The question does not arise, in view of answer in 928 (4) above.

*Amherst District.*

911. (1) Yes.

(2) From Chettiars and other money-lenders.

(3) In this district the Co-operative Bank and Societies do not grant intermediate loans but only crop-loans.

Advantages would be getting loans on a longer term of years. Disadvantages would be having to pay higher rate of interest.

(4) As borrowers have to give security of their properties to outside money-lenders the society in advancing money to them have little or no security to depend upon.

912. (1) Difficulties arise for want of securities or properties to look to from members as these are ordinarily mortgaged to outside money-lenders.

(2) By opening land mortgage banks and redeeming mortgage properties from outside money-lenders.

913. (1) Same as answers to questions 928 (3) and (4).

(2) From Land-Mortgage bank.

*Minbu District.*

911-12-13. Intermediate loans are not required and not very necessary for special consideration.

*Mandalay District.*

911-12-13. Included in previous answers.

*Kyaukse District.*

911. (1) to (4) Only the societies, but not the money-lenders take up the issue of the intermediate loans.

912. (1) Primary societies cannot get the loans in time of need by its members.

(2) Cash credit system should be adopted by them so that loans can be had with least possible delay, dispensing with the formalities such as holding meetings for applications, drawing money and issuing loans. The loans must be granted on title deeds.

913. Omitted being not necessary.

*Remarks by the Deputy Commissioner, Kyaukse.*

911. (1) Yes. If they can get them.

(2) From village money-lenders and Chettiars.

(3) & (4) See question 907.

912. (1) Owing to bad repayments societies cannot obtain new money.

(2) By insisting on prompt repayment of outstanding loans.

913. (1) By existing Co-operative Societies.

(2) No.

*Commissioner, Sagaing Division.*

911-13. An intermediate loan is generally more urgent than a long-term loan. I am not in favour of special societies for such loans.

*Sagaing District.*

911. (1) Not if they can obtain loans from their societies.  
(2) From the moneyl-enders.  
(3) Please see 902 (4).  
(4) Same as in 907 (4), but to a less extent. The effect may be so rapid.
- 912 (1) Please see 908 (1).  
(2) Please see 908 (2).
913. (1) This does not arise.  
(2) We are against the formation of special societies.

*Katha District—(Kawlin and Wuntho Sub-committee).*

911. (1) As the Co-operative Credit Societies are on the wane, the members commonly obtain their intermediate loans from outsiders.  
(2) They commonly borrow from money lenders.

(3) *The advantages.*

- (1) The members get the required money.

*Disadvantages.*

- (1) The members are forced to become coolies as their lands are worked by money lenders for 2 or 3 years till the loan are settled. If the loans cannot be settled in a few years, they have to make over their lands to money lenders living in the same unit.

- (4) Naturally the landed property of the members are secretly transferred to outsiders affecting the valuable assets of the societies.

912. (1) The difficulties that primary agricultural credit societies find in granting sufficient intermediate loans to their members are :—

- (i) the failure to make repayments as fixed by yearly instalments owing to bad crops;  
(ii) failure of the members to take legal actions against such defaulters.

(2) the difficulties can be met by getting the crops insured and by stirring up the members to adopt drastic measures against the defaulters.

913. (1) I do not think that long-term loans for cultivator should be arranged by something separate from the primary Societies granting crop loans.

(2) Special Co-operative Societies should be made for intermediate loans. The money would be obtained by mortgaging the mortgage bonds of the immoveable properties of the members to either the Central Bank or the Land Mortgage Bank.

*Range Officer, Co-operative Department, Insein.*

911. (1) Members of the co-operative societies in Insein District can obtain their intermediate loan from their own societies.

(2), (3) and (4) These questions do not arise.

912. (1) The members of the co-operative societies in Insein District found no difficulty to get from their societies as much intermediate loan as they are fit to get.

(2) It does not arise.

913. (1) No separate body for long-term loans is necessary.

(2) There is no need for special societies for that purpose.

*Charge Officers, Co-operative Department, Henzada and Promé.*

911. (1) Yes, they have to take intermediate loans from outside the society, because it cannot commonly provide them with sufficient loans.

(2) They borrow generally from local money-lenders and the Chettians.

(3) The advantages are that the borrowers are not subject to frequent calls and inspection by societies' officers and officers of the department and they are not bound to repay within a certain limit of time whereas the disadvantages are the abnormal rate of interests, their personal services at the beck and call of the money-lenders, who may demand back their money if their displeasure is incurred without any notice.

(4) The societies are affected in as much as their loans are repaid only after the repayment of outside loans.

912. (1) The societies are generally unable to grant sufficient loans to their members as they cannot be adequately financed by the co-operative banks.

(2) It is up to the Government to liberally finance the central co-operative banks which are deserving of Government aid.

913. (1) We are of opinion that no separate agencies should be employed to grant long-term loans to members of primary societies because we are afraid that any other agencies will not be able to supervise the use of loans properly.

(2) We are not in favour of this idea.

*Committee of Officers of the Co-operative Department.*

911. See answers to question 902.

912. The same difficulties as in the case of crop loans.

913. Separate agencies are not desired.

*U Shwe Tha, K.S.M.*

911. Yes. Some do get such loans from money-lenders. What they cannot get from the Society, they are obliged to get from outside, such practice affects the credit of the Society as well as its reputation.

912 & 913. I think separate Societies should deal with intermediate loans. If this cannot be done, such loans should be issued by the long-term loan Societies. Government issues yearly such loans to cultivators. Government should provide such Societies with money as much as it can. Such Societies also can get money by raising loans from the Joint Stock Banks on the security of their mortgage deeds.

**Section 4.—Co-operative Marketing of Agricultural Produce.**

*Akyab District.*

914. (1) Yes.

(2) We don't think there will be serious difficulty in getting money if the Society is founded on a proper basis except in the initial stages.

(3) (a) The Societies will be to a large extent relieved if the collection of land revenue be deferred until the sale of stock in hand.

(b) By removing the restriction against the grant of agricultural loans to the Co-operative Credit Societies.

(c) By providing adequate fund from a Central Bank or by making arrangement with millers and buyers.



*Pegu District.*

914. (1) Yes.

(2) The difficulty is that the society does not receive advances from the Imperial Bank or any other banks though the agricultural produce are pledged as security.

(3) The difficulty may be overcome if such a society obtains advances on the security on their agricultural produce from the Imperial bank or other banks.

*Insein District.*

914. See answer to question 50.

*Prome District.*

914.

(1) Yes, there is some proposal on foot.

(2) The difficulties are that the cultivators have to pay their land revenue, other taxes, and Bank loans between January and March, when they have just collected their produce, and also need money for food and cultivation expenses when the rains set in, whereas the paddy market is generally good only in the months of July and August.

(3) From the above answer it is clear that the land revenue and other taxes as well as the bank-loan should be deferred to July or August when the paddy prices are generally best. If the Government cannot defer till then the Bank may be able to do so provided the agricultural produce is given as security to the Bank. To enable the Bank to provide such societies with the required money, the Bank should be sufficiently provided with funds by the Government.

*Thaton District.*

914. No.

*Amherst District.*

914. (1) No.

(2) None we can think of.

*Commissioner, Magwe Division.*

914. Mr. Odell, Deputy Director of Agriculture, started cotton bazaars in Allanmyo Subdivision\*. He is at present in India investigating the working of produce bazaars in Berar. His report should be of use to the Committee and I suggest that he be examined or asked to supply an advance copy of his notes or report.

Both millers and brokers looked on the Allanmyo cotton bazaars with suspicion and it was only in 1929, after several years' experiment, that they met with anything like success.

*Minbu District.*

914. (1) None as yet. Co-operative Society for selling agricultural produce will prove beneficial to cultivators and will be welcome by all. Large land owners and other well-to-do traders should be persuaded to form such societies by means of shares. Advances could be made on the mortgage of stocks deposited with the Society by cultivators.

(2) (3) These questions do not arise.

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\* A copy of a note by Mr. Odell is included amongst the appendices in the second volume of the report.

*Mandalay District.*

914. (1) (2) (3) In addition to the answer given to question 50, it is necessary that Government officers should assist during the first five years so that expenditure may be less.

*Kyaukse District.*

914. (1) Kyaukse District Co-operative Peas and Beans Sale Society and the Upper Burma Co-operative Trading Society were once registered, but no affiliated societies are formed.

2. They cannot get loans on the security of stock on hand to give advances to members who desire to store, to purchase members' stock, and tide over a falling market.

3. The remedy lies in the provision by Government of financial agencies for loans on security of crops, of fostering inter-co-operative trade and the co-operative system of storage.

*Remarks by the Deputy Commissioner, Kyaukse.*

1. No.

2. Members are not loyal to the societies, if they can get better offers for their produce from outsiders.

3. By the progress of education over a number of years.

*Bhamo District.*

914. (1) (2) & (3) None known.

*Sagaing District.*

914. No for all questions.

*Katha District (Kawin and Wuntho Sub-committee).*

914. (1) No.

(2) & (3) Already answered in question 50.

*Administrator of Government Estates, Burma.\**

914. See the answer to 50 above.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu districts.†*

914. (1) Yes, there is a society in Pakokku formed for this purpose.

(2) The capital was raised by the primary societies which joined it subscribing in the form of buying shares.

(3) There was no difficulty in raising the capital, but the primary societies subsequently proved disloyal by selling their produce through other agencies, in order to avoid payment of their debts to the society by recovery from the proceeds of the sale of their crops.

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\* Answers relate to Government estates in Hanthawaddy and Pegu districts.

† See footnote at page 520.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch) Myinmu Range.\**

914. Additional remark to answer 50 :—the exporter and big millers are not inclined to deal with these classes of organizations as they want to buy materials at the lowest possible price through commission agents and brokers with a view to have the largest possible profit. This is the greatest impediment to the successful working of a Co-operative Society for selling agricultural produce.

*Range Officer, Co-operative Department, Insein.*

914. *Vide* answers to question 50.

As far as money was concerned there was no difficulty. But the leaders who supervised the paddy sale society, had, with much difficulty, to counteract the tactics of the workers employed by the paddy purchasing firms and frequently they fell victims to those rogues.

*Charge Officers, Co-operative Department, Henzada and Prome.*

914. (1) Yes, there is some proposal on foot.

(2) The difficulties are that the cultivators have to pay their land revenue, other taxes and bank loans between January and March when they have just collected their produce, which does not generally fetch a good price ; besides they need money for food and cultivation expenses when the rain sets in and the paddy market is generally good only in the months of July and August.

(3) From the above answer it is clear that the land revenue and other taxes as well as the bank loan should be deferred to July or August when the paddy prices are generally best. If the Government cannot defer till then the bank may be able to do so, provided the agricultural produce is given as security to the bank.

To enable the bank to provide such societies with the required money, the bank should be sufficiently provided with funds by the Government.

*Committee of Officers of the Co-operative Department.*

914. (1) There have been several such societies in Burma but practically all have failed.

*Mr. P. L. L. N. Narayanan Chettiar (Pyawon) .*

914. See answer to 50.

**Section 5.—Co-operative Purchase Societies.**

*Akyab District.*

915. (1) No.

(2) and (3) Nil.

915. (1) Three such societies in existence.

(2) No difficulty.

(3) Does not arise.

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\* Joint reply : relates to Sagaing, Mandalay and Kyaukse districts.

*Pegu District.*

915. (1), (2) and (3) No.  
916. (1), (2) and (3) No.

*Insein District.*

915 and 916. No.

*Prome District.*

915. and 916. (1) No.  
(2) and (3) The answer does not arise.

*Thalon District.*

915 and 916. (1) No.  
(2) and (3) do not arise.

*Amherst District.*

915. and 916. (1) No.  
(2) None we can think of.

*Minbu District.*

915 and 916. None. Not needed at present.

*Mandalay District.*

915 and 916. As the answer given to question 914.

*Kyauksè District.*

915. (1), (2) & (3) The officers of the Co-operative and Agricultural Department have proposed and the proposals have not been seriously taken up or when formed societies have been ruined by lack of loyalty in members.

916. (1), (2) and (3) Only Kyauksè Police Co-operative Store has been in existence, but it has not yet worked for a sufficient length of time to gauge and remedy its difficulties. Kyaga Store and Kyauksè Salary Earners' Store have been disregistered for mismanagement, *i.e.*, there was lack of providence and provisions were sold to others.

*Remarks by the Deputy Commissioner, Kyauksè.*

915. Village communal spirit is breaking down and the average Burman appears to be too individualistic by temperament for co-operative marketing to be a success.

916. (1) No.

(2) The members of such societies merely pledged their credit to the greatest possible extent and appeared to be no better off than they were before.

(3) By changing human nature.

*Sagaing District.*

915 and 916. No for all questions.

*Katha District (Kawlin and Wuntho Sub-committee).*

915. (1) No.

(2) There would be difficulties in getting the required money as the members themselves cannot subscribe sufficient number of shares, nor are they able to deposit sufficient money.

(3) The difficulties can be overcome, if the members can subscribe sufficient number of shares and deposit sufficient money.

916. (1) No.

(2) As in No. 2 of question 915.

(3) As in No. 3 of question 915.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu districts.\**

915. (1) No.

(2) and (3) A scheme has already been suggested in answer to question No. 905.

916. (1) No.

(2) and (3) A scheme has already been suggested in the answer to question No. 905.

*Range Officer, Co-operative Department, Insein.*

915. (1) No.

(2) }  
(3) } They do not arise.

915. (1) No.

(2) }  
(3) } They do not arise.

*Charge Officers, Co-operative Department, Henzada and Prome.*

915. (1) No.

(2) }  
(3) } The question does not arise.

916. (1) No.

(2) }  
(3) } The question does not arise.

*Committee of Officers of the Co-operative Department.*

915. (1) There is only one such society in Burma.

(2) This society was able to borrow to the extent necessary from a co-operative central bank.

916. There are now five such societies in Burma, two of which are police supply societies. They have had no difficulty in obtaining the funds required for this purpose.

*Mr. P. L. L. N. Narayanan Cheltiar (Pyaon).*

915 and 916. No.

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\* See footnote at page 520.

## Section 6.—Loans to Traders and Artisans.

### *Akyab District.*

917. (1) Owing to depression in trade a good number of members cannot repay their loans in time and difficulty is sometimes experienced in circulation of money.

(2) There is a rule by which members who stand sureties for other members are debarred from getting loan even after the payment of their own loans, if the members for whom they stood sureties have not repaid. Consequently there is a general disinclination to pay on the part of those able to pay when they see that the members for whom they stood sureties have made default in payment.

This difficulty is often experienced. Otherwise the system works well with them.

(3) The above defect can be eliminated by suitably amending the bye-law. It is difficult to remove it entirely.

918. (1) No artisan society.

(2) and (3) Nil.

919. (1) Yes.

(2) Not necessarily.

(3) Difficulties may be met by a system of state guarantee. By this we mean that the state should come to the aid of the societies in their initial stages. State aid will enhance the credit of the societies concerned enormously and outside money in the form of deposits will be forthcoming. When the society gets proper foothold the State aid can be gradually withdrawn.

### *Pegu District.*

917. (1) Irregularity and failure of repayments on the appointment date and insufficiency of security and sometimes lack of funds.

(2) Traders cannot get loans as soon as they require as they have to observe usual formalities.

(3) If all these formalities be removed and loans issued on security of the gold and jewellery to the value of 60 or 70 per cent. of what they are worth, as the Chettyars are now doing and if the society be vested with the authority that the securities thus made may be disposed of at the discretion of the society after due notice has been given to the members regarding the failure of his repayment.

918. (1), (2) and (3) The same difficulties and defects and the same remedy will hold good as in the case of traders.

919. (1) and (2) Yes.

(3) The difficulty can be overcome if their financing Central Banks or Imperial Bank issue advances to them on furnishing sufficient security.

### *Insein District.*

917 and 918. Nil

919. (1) Yes.

(2) No.

*Prome District.*

917. (1) For want of funds.  
(2) Such loans are required to be repaid by instalments according to bye-laws, and in time of depression of trade the traders find it very difficult to repay on the fixed date.  
(3) They can be removed by long extension of time, if such societies can afford to wait.
918. (1) to (3) The answers are the same as in 917.
919. (1) Yes.  
(2) Yes, it automatically follows.  
(3) The only remedy lies in the Government to provide approved societies with enough funds.

*Thalon District.*

917, 918 and 919. (1), (2) and (3) No such societies exist.

*Amherst District.*

917 (1) and 918. There are no Co-operative Societies in this district which supply loans to members for the purposes of trade.  
919. (1) and (2) Yes.

*Minbu District.*

917, 918 and 919. There are no Co-operative Societies for making loans to Traders and Artisans.

*Mandalay District.*

917, 918 and 919. As the answers given to questions 914 and 906.

*Kyaukse District.*

- 917, 918. (1) The Co-operative Societies cannot issue loans of sufficient amount and in time to traders for trading on seasonal produce.  
(2) The defect found in the system is the long interval between application for and issue of loans owing to going through formalities.  
(3) Grant of cash credit is the only remedy.
919. (1) and (2). Difficulties will be met with by the societies, if different classes of members increase, unless.  
3. There is co-ordination between each class for marketing the produce, and for transfer of the responsibility of payment from one to the other together with the produce.

*Remarks by the Deputy Commissioner, Kyaukse.*

917, 918. (1) Owing to the formalities necessary in the supply of loans, traders cannot obtain money exactly when they want it. They borrow from outside money-lenders and do not repay debts to the society with the result that no new money is available for reissue as and when required.

(2) See answer to question 917 (a).

(3) Such defects appear to be inherent in Co-operative Societies.

919. (1) Yes.  
(2) Yes.  
(3) Improving the management of the societies and so attracting more deposits.

*Sagaing District.*

917. (1) Difficulties are due entirely to lack of funds.  
(2) Inability to get loans at the required time and to repay at the time fixed.  
(3) Provision of sufficient funds and grant of longer time may be able to remove this defect.
918. Same answers as for 917.
919. (1) It would.  
(2) No.  
(3) Can be removed by providing funds. This might not be possible in the case of (1) as artisan may not be able to furnish any security. Traders too may not appreciate the unlimited joint liability system.

*Katha District (Kawlin and Wuntho Sub-committee).*

917. (1) No loans to traders by Co-operative Societies have been experienced in this subdivision.  
(2) Ditto.  
(3) Ditto.
918. (1) No loans to artisans by the Co-operative Societies have been experienced in this Subdivision.
919. (1) There would be difficulties in obtaining enough money, if the number of Co-operative Societies for lending to traders and artisans were largely increased.  
(2) Yes.  
(3) The difficulties can be met by getting the mortgage bonds of the immoveable properties of the members mortgaged to the Central Bank.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu districts.\**

917. (1) There has rarely been any difficulty in supplying original loans of any class ; the difficulty has been in obtaining repayment which has in turn prevented issue of further loans. If repayment had been genuine and prompt there would have been no difficulty in continuing to grant loans.  
(2) There is no defect provided the members are genuine. The movement has been defeated by double dealing among the members themselves.  
(3) Only by being careful to immediately exclude and penalise dishonest persons from the movement.

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\* See footnote at page 520.



918. (1) As for other loans.

(2) Though there is ample work to keep going individuals willing to work, there are seldom big enough orders to warrant the formation of a society. One society of stone-masons did exist, but they found that they did better individually, and the cost of running the society became a needless expense.

(3) By better organization of labour and improvement of tools and methods, in order to enable the goods produced to find a wider market.

919. (1) There should be no difficulty for well organised societies. Money loans should be avoided and replaced by loans of material, implements, etc., from Wholesale supply and Produce Societies run for their benefit.

(2) Not if all societies had to provide the bulk of their own capital.

919. (3) As per answers regarding crop loans, etc.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook  
(Co-operative Branch) Myinmu Range.\**

917. (1) The difficulty met is:—

Want of sufficient funds for loans to traders.

(2) Traders cannot store sufficient commodities.

(3) The difficulties and defects can be removed if there is an industrial bank to deal with this class of borrowers.

918. (1) The difficulty met is want of sufficient funds for loans to artisans.

(2) Artisans cannot store sufficient raw materials and consequently they cannot be kept engaged throughout the year.

(3) The difficulties and defects can best be removed if there is an industrial bank to deal with this class of borrowers.

919. (1) Yes.

(2) Yes.

(3) The responsible authorities should organize sufficient members of financing bank and introduce an improved system for better circulation of money.

*Range Officer, Co-operative Department, Insein.*

917. (1) So far no difficulty has been experienced.

(2) }  
(3) } They do not arise.

918. (1) No difficulty with the co-operative societies.

(2) }  
(3) } They do not arise.

919. (1) Yes.

(2) No.

(3) It does not arise.

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\* Joint reply : relates to Sagaing, Mandalay and Kyaukse districts.

919. (1) Yes.  
(2) Yes.  
(3) Improving the management of the societies and so attracting more deposits.

*Sagaing District.*

917. (1) Difficulties are due entirely to lack of funds.  
(2) Inability to get loans at the required time and to repay at the time fixed.  
(3) Provision of sufficient funds and grant of longer time may be able to remove this defect.
918. Same answers as for 917.
919. (1) It would.  
(2) No.  
(3) Can be removed by providing funds. This might not be possible in the case of (1) as artisan may not be able to furnish any security. Traders too may not appreciate the unlimited joint liability system.

*Katha District (Kawlin and Wuntho Sub-committee).*

917. (1) No loans to traders by Co-operative Societies have been experienced in this subdivision.  
(2) Ditto.  
(3) Ditto.
918. (1) No loans to artisans by the Co-operative Societies have been experienced in this Subdivision.
919. (1) There would be difficulties in obtaining enough money, if the number of Co-operative Societies for lending to traders and artisans were largely increased.  
(2) Yes.  
(3) The difficulties can be met by getting the mortgage bonds of the immoveable properties of the members mortgaged to the Central Bank.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu districts.\**

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(2) There is no defect provided the members are genuine. The movement has been defeated by double dealing among the members themselves.  
(3) Only by being careful to immediately exclude and penalise dishonest persons from the movement.

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\* See footnote at page 520.

918. (1) As for other loans.

(2) Though there is ample work to keep going individuals willing to work, there are seldom big enough orders to warrant the formation of a society. One society of stone-masons did exist, but they found that they did better individually, and the cost of running the society became a needless expense.

(3) By better organization of labour and improvement of tools and methods, in order to enable the goods produced to find a wider market.

919. (1) There should be no difficulty for well organised societies. Money loans should be avoided and replaced by loans of material, implements, etc., from Wholesale supply and Produce Societies run for their benefit.

(2) Not if all societies had to provide the bulk of their own capital.

919. (3) As per answers regarding crop loans, etc.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch) Myinmu Range.\**

917. (1) The difficulty met is:—

Want of sufficient funds for loans to traders.

(2) Traders cannot store sufficient commodities.

(3) The difficulties and defects can be removed if there is an industrial bank to deal with this class of borrowers.

918. (1) The difficulty met is want of sufficient funds for loans to artisans.

(2) Artisans cannot store sufficient raw materials and consequently they cannot be kept engaged throughout the year.

(3) The difficulties and defects can best be removed if there is an industrial bank to deal with this class of borrowers.

919. (1) Yes.

(2) Yes.

(3) The responsible authorities should organize sufficient members of financing bank and introduce an improved system for better circulation of money.

*Range Officer, Co-operative Department, Insein.*

917. (1) So far no difficulty has been experienced.

(2)

(3) } They do not arise.

918. (1) No difficulty with the co-operative societies.

(2)

(3) } They do not arise.

919. (1) Yes.

(2) No.

(3) It does not arise.

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\* Joint reply ; relates to Sagaing, Mandalay and Kyaukse districts.

*Charge Officers, Co-operative Department, Henzada and Proma.*

917. (1) For want of funds.  
(2) Such loans are required to be repaid by instalments according to byelaws and, this being so, in time of depression of trade the traders find it very difficult to repay on the fixed date.  
(3) They can be removed by allowing an extension of time if such societies can afford to wait.
918. (1) to (3) The answers would fall under the same category as above.
919. (1) Yes.  
(2) Yes, it automatically follows.  
(3) The only remedy lies in the Government providing approved societies with enough funds.

*Committee of Officers of the Co-operative Department.*

917. (1) No such difficulties are met with.  
(2) The main defect which traders find in the co-operative system is that repayment is expected.
918. See answers to question 917.
919. No difficulty in obtaining enough money to supply all reasonable loans to members will be experienced, provided that the investing public is satisfied that the lending banks and the borrowing societies are under adequate supervision and control.

*Mr. P. L. L. N. Narayanan Chettiar (Pyapon).*

917 to 919. No Co-operative Societies here.

**Section 7.—Bills.**

*Akyab District.*

920. (1) Yes, we think they can be taught though there may be difficulties standing in the way. We think trading societies will try to repay the money promptly when due. Agricultural Societies will not be able to pay unless the time is extended till harvest and disposal of their crops. Favourable conditions prevailing, they will be more prompt in payment.

(2) In case of societies which honestly try to pay but are unable to do so a certain latitude must be given to them and the loan may be renewed on payment of interests due. If necessary even further loans should be given to them to help them out of the difficulty. In case of societies which make wilful default further credit should be refused and the payment must be demanded according to law.

921, and 922. Nil.

*Pegu District.*

920. (1) Yes, and they will pay promptly on due date when their business is favourable and when the date of repayment is fixed according to the nature of the business for which a loan is issued, e.g. members of the agricultural societies need such loans in May, June, July and

August and the repayment can be made conveniently during the coming harvest, i.e. in January, February, March and April. The period for which bills may be drawn will therefore be from six months to nine months only. So, also the Trading and Artisan Societies can be made to pay promptly on due date when the arrangements for drawing up the bills are made according to the nature of the business for which the Bill is drawn and the period for which it is required. The most important thing to be considered in accepting these Bills by the societies is to see if the amount of bill drawn by each individual member is well within his capacity of paying it promptly on due date and that he has given tangible property to the value of Rs. 100 for every Rs. 75 of the amount of bill drawn by him as security and that such property is easily realizable, i.e. crops of the agricultural societies, merchandise of the Trading Societies and gold or jewellery of the Artisan's Societies.

(2) In order to have these bills paid up promptly on date of maturity, societies (1) should give say, 7 or 15 days previous notice regarding the date of maturity of their bills, (2) urge them to pay up on due date. If they fail to do so after giving them a few days grace, sales of the properties that have been pledged with the society may then be legally effected.

921. Use of bills may advantageously be introduced in co-operative marketing and purchase societies in the manner described below :—

The produce of each individual member may be sent to the Society and draw Bills for the amount he requires but it should not exceed 75 per cent of the total value of his goods at the current price. Period for such Bills will depend on the marketable nature of the produce. These Bills may then be discounted at the Central Banks concerned.

Before due date the goods shall be sold out at any moment when the price rises and in cases when a profitable price is not obtainable until due date and if the members agree, the Bills may quite safely be renewed for a month or two as they are quite secured or they may be sold out at current price when the bills are falling due. By doing so, the society cannot in the least sustain any loss on account of the Bills accepted by them as the goods, the society has received with them, is 25 per cent above the value of the Bills.

After the sales, society may charge say about 3 per cent or 4 per cent commission for necessary expenses such as godown, clerical expenses, etc. Then the Bills may be paid and the balance refunded to the members concerned.

922. Yes, the use of Bills may be extended in Burma if the above scheme is adopted.

#### *Insein District.*

920. (1) (a) Yes (b) No.

(2) Their only remedy is the Civil Court where justice is a most uncertain commodity.

921. The rules governing their issue would have to be extremely stringent.

922. Possibly, my Committee has not been fully advised on the subject.

*Prome District.*

920. (1) Yes they can be taught. They can repay provided the cultivators have a good year and the artisans and traders have good trade etc.

(2) In the case of bad year extension of time must be given, otherwise it is essential that loans be repaid promptly.

921. No experience of such societies.

922. Yes they can be extended after they have been properly taught the principles of working of these.

*Amherst District.*

920. (1) We believe they can be taught. Not as promptly at the beginning.

(2) Some agencies should be appointed by the Government for the purpose.

922. Yes. We think so.

*Minbu District.*

920.)  
921.) } Bills are not used and understood in this district.  
922.)

*Mandalay District.*

920. (1) Yes, they can be taught.

(2) The societies can repay by raising loans on the security of members' goods or by disposing of the members' goods.

921. It could be introduced when the Co-operative Credit Societies deal with industrial societies, Co-operative Purchase Societies or with Joint Stock Companies or with wholesale dealers.

922. There is much hope for it.

*Kyaukse District.*

920. (1) and (2) Co-operative societies can be taught to take loans by bills on banks, but they will find that they cannot promptly pay up unless the Credit Societies take up efficiently the business of purchase, sale and storage, and provision of fluid resource or work in conjunction with societies for carrying on such business. If they do so, they can dispose of the stock and pay up or fall back on the fluid resource.

921.) Educating the mass through Government agency is necessary

922.) in the matter of transactions by bills.

*Remarks by the Deputy Commissioner, Kyaukse. -*

920. (1) The Secretaries of the societies could be taught the necessary formalities but the money would not be repaid promptly judging from previous experiences in all class of society.

(3) The societies should sue their members in the Civil Courts. In fact, however, they will not do so and the loans will remain unpaid.

921. The proposal is too advanced for Upper Burma and Co-operative markets and purchase societies have in many cases failed to show any progress in rural districts.

922. Members of societies would have no objection to sign bills for loans taken from their societies and written promises to repay have sometimes been demanded but owing to the difficulty of realising in the event of failure to repay, them such bills would be little better than waste paper.

*Sagaing District.*

920. (1) Yes. Not likely—by any class of society.

(2) By provision in the bye-laws for the expulsion of defaulting members, recovery of arrears by arbitration or suit, and repayment of amount due on the money lent out of the Bill in the first instance.

921. Could suitably be used in the case of Co-operative marketing societies on the security of their stock. Considered not practicable for other kinds.

922. Not recommended at this stage.

*Katha District (Kawlin and Wuntho Sub-committee).*

920. (1) Yes, Co-operative Societies can be taught. Yes, they will be able to repay promptly once year in the case of Agricultural Societies twice a year in the case of Trading Societies and Artisan Societies.

(2) The Societies will be made to take drastic measures against the defaulting members.

922. Yes, it could be extended in Burma.

*Joint Registrar, Co-operative Societies, Pakokku Myingyan and Minbu districts\*.*

920. (1) No. They will certainly not repay promptly, if they behave as they have done in the past and are doing at present.

(2) The societies will come to grief as they are doing at present.

921. The suggested Co-operative Wholesale and Produce Societies, including their co-operative estate departments might utilize discounted bills in connection with the local banks in order to obtain short-term loans with which to pay for seed, etc., advanced seasonally to their members. Such societies would of necessity be of good standing and their bills would have a negotiable value.

922. From experience it would be much too risky, only the bills of a responsible unit could be accepted with any certainty.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch) Myinmu Range.†*

920. (1) Yes. They will pay the money promptly when it becomes due. The payment will be more effective than the present system of lending on pro-notes, which is indefinite as to dates of payment.

(2) In the same way as other money-lenders would deal with their clients.

921. The use of bills can be introduced in co-operative marketing societies, etc., if there are banks which are ready to discount the bills issued by warehouses, godowns, etc.

922. Yes.

*Range Officer, Co-operative Department, Insein.*

920. (1) Yes. As the conditions now stand there is no certainty whether they will repay the money promptly when it comes due.

(2) They have to take up the matter to the Civil Courts, where the real defaulters are set free from liabilities.

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\* See footnote at page 520.

† Joint reply; relates to Sagaing, Mandalay and Kyaukse districts.

921. Unless some stringent rules are brought into force for easy recovery of the loans from the borrowers, at initial stages at least, the system of issuing loans by means of bills is likely to fail.

922. Yes, provided there be stringent rules for easy recovery of the loans from the borrowing members.

*Charge Officers, Co-operative Department, Henzada and Prome.*

920. (1) Yes, they can be taught. They can repay provided the cultivators have a good year and the artisans and traders have good time.

(2) In the cases of bad year and bad time, extension must be made.

921. They could be introduced with advantage if reasonable time is allowed, and extension given in time of bad years and bad times.

922. Yes, they can be extended after they have been properly taught the principles of working of these.

*Committee of Officers of the Co-operative Department.*

920. (1) Societies can be taught without difficulty to take loans from their central banks by drawing bills. Loans so obtained will not be repaid any more promptly than loans obtained under the present methods.

(2) Societies must harry their members by means of the arbitration procedure or otherwise in order to recover the loans and must in the meanwhile seek indulgence from their creditor banks. The degree of indulgence granted by the bank would presumably depend upon the extent to which the members of the society had failed to repay.

922. The central bank would much prefer to hold the promissory notes of societies executed by the appointed officers under the present procedure.

*U Shwé Tha, K.S.M.*

920. I think Co-operative Credit Societies can be taught to take loans from their Central Bank by drawing bills. Any Society which uses bills must see that their members do pay the money promptly on due date. Such societies should receive a demand deposit from its members and in case of some members are unable to meet their liability on its due date for special reasons, the Society can make use of the demand deposit money for payment to the bank.

922. Yes.

*Mr. P. L. L. N. Narayanan Chelliar (Pyapon).*

920. (1) Yes, depends on the status of society,

921. It can be introduced after checking the account of such societies.

922. Yes.



## Section 8.—Debentures.

### *Pegu District.*

923. (1) Issue of debentures is suitable for Co-operative Banks to get part of their working capital when Government guarantees.

(2) The maximum amount of working capital to be got by issuing debentures should be up to the extent of the paid-up capital of the Bank.

(3) Such debentures being guaranteed by Government there will be no necessity to offer security.

(4) When the bank is in need of working capital and its working is approved by Government, Government should guarantee up to the extent of the Bank's own capital for such debentures.

(5) These debentures should be made redeemable from 15 to 20 years and the rate of interest should be fixed at 6 per cent per annum.

(6) As a source of working capital, debentures are preferable to long-term deposits as (1) they are negotiable whereas the long-term deposits are not ; (2) rates of interest being lower than those which are offered on long-term deposits.

(7) It is preferable that various Banks should issue debentures independently.

(8) Not answered as the Indian Trust Act is not extended to Burma.

### *Pront District.*

923. (1) The debentures should be made current easily transferrable but unless guaranteed by the Government we do not think they would be taken up.

(2), (3), (4) and (5) We cannot advise.

(6) Debentures as negotiable instruments may be kept afloat without disturbing the working capital, because they will be simply changing hands, whereas, deposits are generally required to be repaid within the limited time and they are subject to call even before the appointed time. Comparatively debentures are of a more permanent nature than the fixed Deposits which when repaid on due dates or when recalled before time, may be a drain upon the working Capital of the Bank.

(7) The issue of debentures should be restricted to one Apex Bank which lent the proceeds to the other Banks. The Central Banks which purchased Government Papers should deposit them in the Apex Banks to serve as security in proportion to the advance drawn from it.

(8) We are unable to answer.

### *Minbu District.*

923. (1) Debentures are not likely to be successful in this district.

### *Mandalay District.*

923. (1) to (8) " Debentures " in a country where Co-operative Societies are successful and a country where cooperative societies will be successful, the Government should encourage it.

921. Unless some stringent rules are brought into force for easy recovery of the loans from the borrowers, at initial stages at least, the system of issuing loans by means of bills is likely to fail.

922. Yes, provided there be stringent rules for easy recovery of the loans from the borrowing members.

*Charge Officers, Co-operative Department, Henzada and Prome.*

920. (1) Yes, they can be taught. They can repay provided the cultivators have a good year and the artisans and traders have good time.

(2) In the cases of bad year and bad time, extension must be made.

921. They could be introduced with advantage if reasonable time is allowed, and extension given in time of bad years and bad times.

922. Yes, they can be extended after they have been properly taught the principles of working of these.

*Committee of Officers of the Co-operative Department.*

920. (1) Societies can be taught without difficulty to take loans from their central banks by drawing bills. Loans so obtained will not be repaid any more promptly than loans obtained under the present methods.

(2) Societies must harry their members by means of the arbitration procedure or otherwise in order to recover the loans and must in the meanwhile seek indulgence from their creditor banks. The degree of indulgence granted by the bank would presumably depend upon the extent to which the members of the society had failed to repay.

922. The central bank would much prefer to hold the promissory notes of societies executed by the appointed officers under the present procedure.

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922. Yes.

*Mr. P. L. L. N. Narayanan Chettiar (Pyapon).*

920. (1) Yes, depends on the status of society,

921. It can be introduced after checking the account of such societies.

922. Yes.

## Section 8.—Debentures.

### *Pegu District.*

923. (1) Issue of debentures is suitable for Co-operative Banks to get part of their working capital when Government guarantees.

(2) The maximum amount of working capital to be got by issuing debentures should be up to the extent of the paid-up capital of the Bank.

(3) Such debentures being guaranteed by Government there will be no necessity to offer security.

(4) When the bank is in need of working capital and its working is approved by Government, Government should guarantee up to the extent of the Bank's own capital for such debentures.

(5) These debentures should be made redeemable from 15 to 20 years and the rate of interest should be fixed at 6 per cent per annum.

(6) As a source of working capital, debentures are preferable to long-term deposits as (1) they are negotiable whereas the long-term deposits are not; (2) rates of interest being lower than those which are offered on long-term deposits.

(7) It is preferable that various Banks should issue debentures independently.

(8) Not answered as the Indian Trust Act is not extended to Burma.

### *Prome District.*

923. (1) The debentures should be made current easily transferrable but unless guaranteed by the Government we do not think they would be taken up.

(2), (3), (4) and (5) We cannot advise.

(6) Debentures as negotiable instruments may be kept afloat without disturbing the working capital, because they will be simply changing hands, whereas, deposits are generally required to be repaid within the limited time and they are subject to call even before the appointed time. Comparatively debentures are of a more permanent nature than the fixed Deposits which when repaid on due dates or when recalled before time, may be a drain upon the working Capital of the Bank.

(7) The issue of debentures should be restricted to one Apex Bank which lent the proceeds to the other Banks. The Central Banks which purchased Government Papers should deposit them in the Apex Banks to serve as security in proportion to the advance drawn from it.

(8) We are unable to answer.

### *Mingun District.*

923. (1) Debentures are not likely to be successful in this district.

### *Mandalay District.*

923. (1) to (8) " Debentures " in a country where Co-operative Societies are successful and a country where cooperative societies will be successful, the Government should encourage it.

*Kyaukse District.*

923. (1), (2), (3), (4), (5), and 7.—Debentures issued by the Land Mortgage Bank should be made available to the public through Co-operative Banks and Societies at 50 or 60 per cent of the value of the title deeds deposited as security by members for the loans made from societies. The societies would receive loans, made available by the Land Mortgage Bank through the Central Banks. Investments in debentures should be initiated by Government which should take up the financial responsibilities to the extent of the value of debentures issued. The rates of interest on debentures should not be more or less than that on the deposits.

(8) Debentures should be added to the list of investments under Indian Trust Act, on such conditions as are imposed on Government Securities.

*Remarks by the Deputy Commissioner, Kyaukse.*

923. (1) to (8). In my opinion it is unsuitable for Co-operative Banks to issue debentures as it is not desirable that a body of shareholders should be formed who have no direct part in the profitable management of the banks.

*Commissioner, Sagaing Division.*

923—938. In the general decay of Co-operative Societies in Burma I can see no hope for Co-operative Banks.

*Sagaing District.*

923. (1) On Government guarantee only.

(2) To the extent of half the share capital.

(3) Government security.

(4) Government should guarantee to the whole extent and in all circumstances.

(5) This may be left to the Government.

(6) The only advantage is that the banks can use the money so raised permanently, while on the other hand it will incur permanent charges for its interest. The banks' credit too will be adversely affected.

(7) Should be confined to Provincial and District banks only and smaller banks to get their funds on the security of their assets.

(8) Yes—it should be added. The latter part of this question has been left unanswered.

*Katha District (Kawlin and Wuntho Sub-committee).*

923. (1) The issue of debentures subject to the guarantee by Government is a suitable way for Co-operative Banks to get part of their working capital.

(2) Half of the working capital should be got by issuing debentures.

(3) Mortgage bond of members' immoveable property should be offered as security.

(4) For administrative convenience Government should guarantee such debentures to the full extent.

(5) No other term could be thought of.

(6) I think debentures and deposits are equally good for obtaining working capital.

(7) Various Co-operative Banks should not issue debentures independently. The issue should be restricted to one Bank which lent the proceeds to the others. The Burma Provincial Bank should be the Apex Bank in the arrangement.

(8) Yes, the debentures should be added to the list of investments.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu districts.\**

923. It would be very difficult after the experience the public has had with co-operative banks. They could offer their debentures to the Public and Co-operative Societies. Provided the Banks were run on the lines suggested above under the chapter on Indigenous Banking. Wholesale Societies dealing with the Banks could be required to invest a portion of their reserves in debentures. Unless the Banks are definitely connected with the Joint Stock Banks the debentures would not be taken up.

(2) They should not be allowed to issue debentures above the amount of their reserves which should be held in immediately realizable security.

(3) The banks reserves would be the security for debentures.

(4) There should be no guarantee by Government.

(5) Nil.

(6) They would be negotiable.

(7) As it has been suggested above that no Central Reserve Bank should be formed, debentures should be issued by the local banks upon their own resources, but the Joint Stock Bank with limited shares in the local bank might possibly like to guarantee the debentures, in such cases additional facilities might be given for the raising of debenture loans, i.e. the local directorate might issue debentures, in excess of its reserves up to the amount guaranteed by the Joint Stock Bank.

(8) Provided the reserves of the banks are invested in immediately realizable securities or the debentures guaranteed as suggested, there would appear to be no harm in this.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch) Myinmu Range†.*

923. (1) To get long-term loans.

(3) Co-operative system, and real security in the form of mortgage deeds, if preferred.

(4) Government should guarantee up to the extent of due interest and a certain proportion of the principal, because it is the bounden duty of the Government to look into the welfare and interest of its people.

(6) *Advantage*—can be repaid by small instalments during the long period in which they are repayable.

(7) The issue should be restricted to one bank only and this bank should be an Apex Bank. This plan would be arranged by affiliation of district banks which should be share-holders in the Apex Bank.

\* See footnote at page 520.

† Joint reply; relates to Sagaing, Mandalay and Kyaukse districts.

*Charge Officers, Co-operative Department, Henzada and Promé.*

923. (1) Debentures should be made current and guaranteed by the Government. Only in this way it would make a suitable way for co-operative banks to get part of their working capital.

(2) They should regard as a maximum amount of working capital the maximum borrowing limit fixed by the byelaws of the central banks.

(3) The co-operative banks should invest part of their funds with joint stock banks in Government promissory notes, and they may be regarded as security.

(4) They should buy about 50 per cent. of Government papers for the debentures issued by the Co-operative Banks.

(5) We cannot suggest.

(6) Debentures as negotiable instruments may be kept afloat without disturbing the working capital, because they will be simply changing hands, whereas deposits are generally required to be repaid within the limited time, and they are subject to call even before the appointed time. Comparatively, debentures are of a more permanent nature than the fixed deposits, which when repaid on due dates or when recalled before time, may drain upon the working capital of the bank.

(7) The issue of debentures should be restricted to one Apex Bank which lent the proceeds to the other banks. The central banks which purchased Government papers should deposit them in the Apex Bank to serve as security in proportion to the advance drawn from it.

*Committee of Officers of the Co-operative Department.*

923. No necessity for issuing debentures has arisen in Burma and no experience on the subject is available.

*U Shwe Tha, K.S.M.*

923. I do not think that debentures issued by Co-operative Societies will be acceptable to the public unless there is Government guarantee behind them.

**Section 9.—Long-term Deposits.**

*Akyab District.*

924. In Urban Co-operative Banks, the necessity for long-term deposits is not yet seen and therefore no encouragement need at present be given for inducing such deposits. But in Rural Co-operative Banks which deals with cultivators, long-term deposits, if available, will go to help the members in obtaining long-term loans from the banks. With them long-term loans are the extreme and the urgent necessities. But long-term deposits obtained by inducement of higher rate of interest offered to the depositors would, instead of being a help to them, be another cause of their economic distress. The rate of interest should not exceed 6½ per cent. on the deposits, and the longest may not exceed thirty years. The inducement should be of the nature of Government guarantee based on the strength of mortgages accepted for the creditors of the banks.

*Pegu District.*

924. Yes. Co-operative Banks should try to obtain deposits for longer period for making long-term loans but it can in no way be successful as it is not negotiable in time of emergency.

*Prome District.*

924. Yes, it is absolutely necessary. For redemption of lands, by the members of the Societies.

We can point out to the public the safety of their money, in addition to higher rate of interest, as their money will be lent out only to those who mortgage their lands to the Banks.

The interest on such deposits should be between Rs. 10 and Rs. 11 per cent. per annum, and Rs 12 per cent. be paid by borrowers.

The longest period for loans and deposits should be 15 years.

*Thaton District.*

924. (1) Yes. To redeem mortgages, and to buy new lands.

(2) By notifying to the public that deposits are safe and secure and that receipt of interest is regular and punctual.

(4) Fifteen years should be the longest period at the start and the period may be extended when experience is gained in course of time.

*Amherst District.*

924. Yes. To grant long-term and intermediate loans to Co-operative Societies. By Government guarantee. Nine per cent. as maximum. Twelve years.

*Minbu District.*

924. It is doubtful that long-term deposits would be made for the present, but if any would be made the Co-operative Banks should gladly receive them for the purpose of making long-term loans. Twelve per cent. for a ten-year deposit might be fairly attractive.

*Kyaukse District.*

924. Long-term deposits would be necessary to supplement the deficit of loans made available by the proceeds of the debentures. The rate of interest paid on them should in no way exceed that of debentures. Long-term deposits should be limited to five years.

*Remarks by the Deputy Commissioner, Kyaukse.*

924. (1) Yes.

(2) For issue of long-term loans.

(3) By improving the management of the banks.

4. Seven or eight per cent.

5. Five years.

*Sagaing District.*

924. Yes. For lending out to societies and other banks. The public might deposit if higher rates or interest are offered, but the rate should not be raised to more than 8 per cent. per annum. The longest period should be for 10 years.

*Katha District—(Kawlin and Wuntho Sub-committee).*

924. Yes, the Co-operative Banks should try to obtain deposits for long periods by offering high rates of interest. Such deposit would be used as loans to Co-operative Societies.

The public could be induced to make such deposits by given high rates of interest. Rates of interest should be regulated according to the length of period required to deposit the money. The longest period should be 10 years and the maximum rate of interest should be Rs. 10 per cent. per annum.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu districts\*.*

924. There is not a sufficient margin of profit on such deposits to make long-term Deposits worth while.

Such deposits could be used to finance long-term loans but would render the latter very expensive.

By very high rates of interest ; or guarantee by State or Joint Stock Bank.

About 9 per cent. or 10 per cent. There is a tendency for this rate to increase owing to the Co-operative movement having failed in many localities.

Fifteen years.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch) Myinmu Range†.*

924. Yes, but no higher rates of interest. Such deposits would be used for long-term loans to societies. The public could be induced to make such deposits by reputation of the borrowing bank and careful supervision by Government. The rate of interest should not exceed 7 per cent. per annum. The longest period should be 20 years.

*Charge Officers, Co-operative Department, Henzada and Prome.*

924. Yes, it is absolutely necessary. For redemption of lands, by the members of the societies.

We can point out to the public the safety of their money, in addition to higher rate of interests, as their money will be loaned out only to those who mortgage their lands to the banks.

The interest for such deposits should be between Rs. 10 and Rs. 11 per cent. per annum and Rs. 12 per cent. to borrowers.

The longest period for loans and deposits should be for 15 years.

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\* See footnote at page 520.

† Joint reply ; relates to Sagaing, Mandalay and Kyaukse districts.



*Committee of Officers of the Co-operative Department.*

924. Co-operative banks should try to obtain deposits for long periods. Such deposits would be used for long-term loans for purposes such as redemption of debts and purchase of land. The public will need no inducement beyond the rate of interest to make such deposits provided it knows that the banks concerned are under a reasonable measure of supervision and control. In Burma practically unlimited amounts of money can be obtained on deposit for 10 or 12 years at 7 or 8 per cent. In view of the probable tendency in interest rates for some time to come, 10 years would probably be the most suitable maximum period.

*U Shwe Tha, K.S.M.*

924. Co-operative banks should not try, by offering a high rate of interest or otherwise, to obtain deposits for long terms of ten or twelve years.

*Mr. A. D. Kiernander.*

924. I strongly suggest long-terms deposits with a Government guarantee. Trust money would pour in and so would other deposits.

I, at present, have 10 years deposit fixed in the Co-operative Bank and would leave it permanently if the Bank undertakes to deal as Trustees and pay out interest.

A Government guarantee on 10 years loans or larger would give the Bank more than what it would handle provided the interest is enticing enough.

*Mr. P. L. L. N. Narayanan Cheltiar (Pyapon).*

924. If they try so their profits will be very small. They will have to close the bank then depositors will suffer loss.

## Section 10.—Privileges.

### *Akyab District.*

925. (1) In respect of interest received from securities held by Co-operative Societies, income-tax should be exempted.

(2) We are not aware of any defect.

926. Post Office Savings Banks should not compete with Co-operative Societies, and where it is allowed, the interest of the Post Office should be lower than that given by the societies.

927. The present system of remittances between societies and Central Banks by R.T.R. works satisfactorily. We do not approve of the adoption of systems prevailing in other province.

928. We have not had occasions to deal with other financial transactions, and so we are not in a position to suggest other concessions.

929. Where the stability of the Bank is considered sound, there should be no objection to depositing the funds of District Councils and Municipal Committees. Such deposits should be of Provident Funds and other sinking funds or other funds of permanent nature. The option of making such deposits should be left at the discretion of the public bodies concerned.

930. As the Postal Saving Bank Deposits are of the nature of temporary entrustment or keeping, the transfer of them to Co-operative Banks or Societies would place the latter at times in difficulty for money for payment to depositors, when there is a rush for them.

931. The deposit by contractors, bailiffs and others in Co-operative Societies should be accepted by the Government and other bodies on certificate of such deposit being granted by the respective societies, and their liability may in that even be considered as having been transferred to the said societies up till the purpose for the deposit is over.

*Pegu District.*

925. (1) No changes whatsoever is necessary in the concessions given by the Government, but the Committees recommend exemption of income-tax on the interest received in respect of securities held by the members of the Co-operative Societies in order to stimulate the growth of co-operative movement.

(2) The only defect in the working of these concessions is the delay caused by making remittances made by cash order.

This defect may be removed with the concession for the use of Postal Money Order for remittances free of charge.

926. Yes.

927. Yes, because there are no Post Offices or Sub Post Offices in every village where societies are opened and therefore expenses to go to the nearest Post or Sub-Post Office have to be charged to the societies accounts in addition to the remittance charges for Money Order. Government should therefore pay the whole in order to stimulate the movement.

928. None at present.

929. Yes. Such deposits should be made with the Co-operative Banks approved by Government. (2) None. (3) Yes.

930. Yes. It may be done by depositing with the Central Banks which are financing the Co-operative Societies of the area concerned.

The area adopted should be in places where there are District Central Co-operative Banks.

931. Yes. Such deposits should be made with the Co-operative Banks approved by Government and no other restrictions are desirable as the accepting of the deposits are already restricted by the bye-laws of the Co-operative Banks.

*Insein District.*

925. (1) No.

(2) No serious defects.

926. Yes.

927. Yes, as recommended in Madras. Any obstacle which prevents members remitting money is to be avoided, and prompt repayment of loans is most important.

928. Remission of Stamp duty on the awards of arbitrators has been suggested.

929. and 930. At present no.

931. Yes. The principal restriction required is that the bank itself should be solvent.

*Prone District.*

925. (1) We consider that no income-tax should be paid on the interest received on account of securities held by the Co-operative Banks, and also no Money Order Commission should be charged on money transactions by Co-operative institutions.

(2) So far we detect no defects in the working of these concessions.

926. Yes, the more the merrier.

927. Money orders are not made much use of, as the maximum amount that may be sent is too low. In cases where they are used commission should not be charged for remittance between societies. The reason is that the societies should be encouraged.

928. All local bodies should be required to deposit their moneys with the Co-operative Societies. The societies must be so arranged as to meet the calls of funds by such bodies.

929. Yes, municipal and district councils should deposit all their funds with Co-operative Banks in Burma, up to the extent of their maximum borrowing limit.

930. Yes. It may be arranged through the Co-operative Central Banks. This should be adopted only in the areas where there are Co-operative Central Banks.

931. Yes. Such deposits should be withdrawable only under proper authority by Government and the local bodies concerned.

*Thalon District.*

925. (1) Co-operative societies should be exempt from income-tax on interest on securities and debentures held by them.

(2) None.

926. Yes.

927. The whole of the commission should be paid to the Government, as recommended by the Committee on Co-operation in Madras, because commission of 2 annas only is charged when money is remitted, duly insured in notes.

928. The Co-operative Societies should make loans to non-members on sufficient security. Government should remit half of the Stamp Duty and Fee payable under the Registration of Deeds Act.

929. Yes. Restrictions are desirable according to circumstances. Yes. Current funds, etc., should be deposited.

930. No.

931. Yes. Such deposits should be accepted as security after due enquiry from the co-operative banks.

*Amherst District.*

926. Yes.

927. Yes. This plan should be adopted in Burma. The Government should pay the whole commission.

929. Yes. Only balances of Provident Funds and Sinking Funds should be deposited.

930. Yes. It should be lent through Central Co-operative Banks. Each district.

931. Yes.

*Minbu District.*

925. (1) No changes seem to be necessary in the existing concessions.

(2) None.

926. Yes.

927. Very little use is made of the Post Office for remittances at present and no recommendations are called for.

928. No recommendations.

929. Yes. But in the present state of Co-operative banks such deposits are not desirable.

930. Yes, with modified reasons as above.

931. Yes when the banks have become permanently established and sound.

*Mandalay District.*

925. (1) No change is necessary but Government should exempt stamp duty on filing awards of arbitrators in Civil Courts as such arbitration will be resorted to by societies in future.

(2) Although registration fee is exempted yet expenses incurred for accelerating the registration of documents of members of Co-operative Societies. Still more difficult for the members living far away from the Registration Offices. To remove this difficulty the Registration Officer should register these documents when he goes on tour to such villages.

926. Yes, it should.

927. Privileges as recommended by Madras Co-operative Enquiry Committee should be acted upon for the following reasons :—

As remittances can be made through treasuries yet some people live far away from them. However it is a great burden to the Treasury Officers. It is easier to remit through Post Offices but there are very few Post Offices in this country.

928. Rules followed by Treasuries and Post Offices should be adopted.

929. Such funds should be deposited in Provincial and District Co-operative Banks.

930. The Township Banks and District Banks should start such dealings with Post Offices.

931. Such deposits should be accepted by the Provincial and District Central Co-operative Banks.

*Kyaukse District.*

925. (1), (2) and (a). The Committee desires with a view to encourage the Co-operative movement that no income-tax should be levied on any kind of investments in any of the Co-operative institutions by themselves or by members and non-members. The number of shares that can be taken by an individual and the amount of annual profit have been restricted by the Co-operative Societies Act and thus desire by anyone to exploit the movement has been restricted. The shares taken are only to stimulate the movement, and income-tax should not be levied on the dividends or bonuses paid on them. The deposits and other investment in Co-operative institutions are also to stimulate but not to exploit the movements ; but the Committee considers it necessary to restrict the amount deposited and invested in a society by an individual person.

(b) In rural areas it is found difficult to secure stamps to fix on the documents relating to the business of the society but executed by the non-members. It is desirable that all documents relating to the business of the society whether executed by society or member or non-member should be exempted.

(c) The members of societies, lying not in the headquarters of the Registration Office, found hardship in having the deeds registered. The Committee desires to recommend that equitable mortgage should be extended to all societies in Burma, and that records in a society's register of the name of the security should be as good as a deed registered in Registration Office. The report of the transfer can be made by the society direct to those concerned or a special agency for registration of society's deeds should be provided without expense to the society. It is also found that some judges do not appear to understand Co-operative financing system *i.e.* successive loans are issued and promised to the mortgager as well as to the persons for whom he stand as surety on the security of the deed of mortgage previously executed and registered, and the amount outstanding at the time of execution, but not that shown in the bond as a charge on the mortgage. It is desirable.

(1) that judges should be instructed on this point.

(2) That society's outstandings against judgment debtors, as borrower and as surety should have first charge on realisation of the mortgage.

(3) Societies should have a claim for proportionate distribution prior to the second and successive mortgagers with or without possession.

(d) Most of the societies in rural areas do not easily understand, and if, understood, forget the method of remittance by Remittance Transfer Receipt or Cash Order. The Committee desires to introduce the system of remittance through the Government treasuries by chalans in quadruples. Societies will provide forms of chalans, will prepare them by themselves and produce them in quadruplicate with the money. The treasury will return two copies noting number, date, and acknowledgement, and take up two copies—one for transmission to the treasury where the money is to be drawn and the other for itself. The payer will keep the third copy and forward the fourth portion to the payee for drawing on the treasury concerned. It is also found that the societies have to come more than once to remit through sub-treasuries and arrangements are necessary to accept remittances at once. The minimum allowed is also high, it should be reduced from Rs. 150 to Rs. 15. Remittance through treasury should be permitted for all purposes, not only for payment of loans and interests.

926. The Post Office Savings Bank should give interests at a rate not lower than that paid by a society on its Savings Bank deposit.

927. The Committee do not desire to press for abatement, if recommendation [925 (d)] for remittance through Treasuries are accepted. If not accepted payment by societies of commission on Post Office money orders should be exempted. Loss of commission to Government will amply be compensated in stimulating societies to accumulate reserve funds.

928. (a) It has been found that it is a great financial burden on societies to provide agency for supervision, and audit. Such agencies

should be provided free by Government for not less than ten years of a society's existence and till the time a society has accumulated a strong reserve equivalent to half of its working capital.

(b) It is desirable that a co-operative society should be allowed to have a current account opened in Treasuries in the same way as Municipalities and other self-Government bodies, in order to meet sudden and urgent calls on its funds.

(c) The Committee desires that exemption should also be given to societies from payment of Court and Process fees, but not witness and other fees.

(d) A living co-operative society should have the option of recovery of its dues as arrears of land revenue by executing the decision of a Co-operative Arbitration Court in a case of dispute between the society on one part and a member or a non-member, or an ex-member on the other part or in case of default, payment of dues to it by a member or an ex-member or a non-member.

929. Provident funds and Sinking funds should be deposited in societies on security of their title to immoveables mortgaged to them, up to 60 per cent of the value. Current fund deposits should only be received by societies which have strong Savings Bank branch and fluid resource.

930. In urban areas Post Office Deposits should be received by societies which have strong savings bank branch and fluid resource, at the rate of interest which they receive on their deposits in the Post Office Savings Banks.

931. Security deposit on behalf of Government, Municipalities, and District Councils should be accepted by societies on security of their titles to immoveables pledged to them.

*Remarks by the Deputy Commissioner, Kyaukse.*

925. (1) No, I consider the present privileges are sufficient if societies are well managed.

(2) Copying clerks are by no means delighted to copy a number of documents for co-operative societies free and such documents are generally postponed in favour of documents on which a fee is paid. I see no way of remedying this defect in human nature.

926. I see no reason why the general tax payers should finance in co-operative societies by 1 per cent, or any other amount, on their deposits.

927. I see no reason why the Government should finance societies' remittances at the tax payer's expenses.

928. I do not consider it desirable to grant further financial privileges to co-operative credit societies. If a society is well managed it can succeed with the present privileges. If a society is well managed the society merely puts the tax payers' money into the pockets of dishonest committee members.

929. I should not advise such a course as co-operative banks in Upper Burma have not attained sufficient stability for the investment of provident and sinking funds.

930. For the reasons given under question 929 I do not think such a system is possible in Upper Burma.

931. Municipal Committees and District Councils might accept such security provided that the societies or banks are classified as in A or B Class by the Registrar of Co-operative Societies.

*Sagaing District.*

925. (1) No change is necessary.

(2) No defect.

926. Desirable.

927. Yes. Government should pay three-quarters of the cost. Just to encourage societies to remit money through the Post Offices.

928. Fees charged for copies of maps of land mortgaged to societies and banks should be remitted.

929. Yes, only in banks approved of by the Government. Desirable to deposit all funds.

930. No : it will complicate accounts.

931. Yes, by assignment of deposit receipt.

*Katha District (Kawlin and Wuntho Sub-committee).*

925. (1) No change should be made in the concessions already given.

(2) I see no defects in the present way of stimulating the growth of the co-operative movement.

926. Yes, the Post Office Savings Bank should give interest 1 per cent. above the ordinary rate for deposits made by Co-operative Societies.

927. The whole of money order commission should be paid by Government in Burma if the Apex Bank is managed by Government staffs.

928. No other financial concessions is desirable to grant to Co-operative Societies.

929. Yes, this should be done in Burma with the restriction to deposit the sum up to the total amount of reserve fund and the share capital.

Yes, they should also be deposited.

930. Yes, a part of the deposits received by the Post Office Savings Bank should be lent to the Co-operative Societies of the same area.

931. Yes, deposits by contractors, bailiffs and others in a Co-operative Bank can be accepted as security. The sum should not exceed the total amount of reserve fund and the share capital.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu districts.\**

925 (1) They should be placed upon the same business footings as other undertakings run for profit, as the conferment of privileges leads to misconception that Co-operative institutions are quasi-Government bodies. It also leads the members to feel that they are to some extent part of a Government Department.

There appears no valid argument in favour of these privileges, except a desire to promote the movement, and the Co-operative movement is not likely to succeed unless it is strong enough to stand on its own legs. It is a movement which should be essentially business like and run for profit, and as such, should stand on the same footing as other businesses run for profit.

(2) Mistaken impressions are gained as outlined above and the members are inclined to take advantages of the privileges. The defects can best be removed by removing the privileges.

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\* See footnote at page 520.

926. No such treatment would be altogether unbusinesslike.

927. Government should pay nothing, the movement will never be sturdy if it is continually spoon-fed. The argument which might be put in in favour of such a privilege is that remittances should be made as easy and inexpensive as possible in order to encourage prompt repayment. As a matter of practice however the members do not use the Post Office, but the lugsyis of the societies come and pay remittances personally into the Bank, thereby transferring the Post Office charges into their own pockets in the form of Travelling Allowance and getting a day or two, outing at the expense of the society.

928. Nil.

929. It is not desirable from past experience. The movement is much too insecure and is likely to continue so for some time at least.

930. No, such policy would be risking public security to too great an extent under present prevailing conditions.

931. They are accepted at present in some cases. If the system of local banks outlined above were adopted, such deposits should be sufficient security, under present conditions they are not.

932. (a) to (d) Nil.

933. Under the suggestion made above under Chapter VII and in connection with the answers regarding debentures, local banks would replace co-operative bank, or the latter would be absorbed into them, thus local banks could raise funds by means of debentures guaranteed by Joint Stock banks which would indirectly amount to deriving fund from them.

934. No. The danger of an Apex Bank is that it tends to encourage bad habits by being too lenient with its dependants. So long as local banks have direct dealing with Joint Stock Banks they must keep up to scratch. The establishment of an Apex Bank removes one of the safeguards for keeping the movement on sound business lines.

935. (1) The Banks formed as suggested above should conduct current account business.

(2) The Parent Joint Stock Bank could manipulate such resource of and among its local banks.

(3) The same conditions as for ordinary Joint Stock Banks. The banks suggested are not really co-operative banks but Joint Stock banks which would deal with co-operation through wholesale societies.

936. (1) It is not necessary nor advisable as to do so would confine such loans to members of co-operative societies, whereas many outside the movement are entitled to them.

(2) and (3) do not arise.

927. It has provided far too freely, often resulting in a destruction of the cultivators conception of the value of money where such conception struggled to exist.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch) Myinmu Range.\**

925. (1) No.

(2) No defects, other than the minimum limitation of the amount of money sent by R.T.R. or cash order. No limitation should be imposed.

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\* Joint reply : relates to Sagaing, Mandalay and Kyaukse districts.



926. Yes.

927. Yes, to reduce the working expenses in co-operative societies and thereby to encourage the formation of such societies. The Government should pay the entire commission charged.

928. In view of the nature of public duty the office bearers of a society have to perform, they should be exempted from capitation and thathameda taxes. No precautions and limitations are necessary.

929. Yes. Only balances of provident funds and sinking funds should be deposited.

930. No.

931. Yes. It should, however, be at a lower rate of interest than an ordinary one, and the deposit should not be allowed to be withdrawn without the knowledge and cognisance of the institution which has accepted the security.

*Range Officer, Co-operative Department, Insein.*

925. (1) No.

(2) No serious defects.

926. Yes.

927. The plan recommended by the Committee on Co-operation in Madras should be adopted in Burma. The main reason is to remove all difficulties met by the members in sending as much money as is available for repayment and as often as they like. Prompt repayment of loans by the societies to the financing banks is the most important business that leads a society to success.

928. Yes. Remission of stamp duty on award of arbitrators (co-operative).

929. }

930. }

931. }

Under the present conditions the answer is in the negative.

*Charge Officers, Co-operative Department, Henzada and Promé.*

925. (1) No income-tax should be paid on the interest received on account of securities held by the co-operative banks and also no money order commission should be charged on all money transactions by co-operative institutions.

(2) So far we detect no defects in the working of these concessions.

926. Yes, the more the merrier.

927. No money order commission should be charged at all for remittances between societies. The reason is that the societies' members are already great debtors, and as such they must try and save as much as possible.

928. All the local bodies should be required to deposit their moneys with the co-operative societies. The societies must be so arranged as to meet the calls of funds by such bodies.

929. Yes, municipal and district councils should deposit all their funds with co-operative banks in Burma, up to the extent of their maximum borrowing limit.

930. Yes. It may be arranged through the co-operative central banks. This should be adopted only in the areas where there are co-operative central banks.

931. Yes, such deposits may be withdrawn only by persons properly authorised by Government and Local Bodies concerned.

*Committee of Officers of the Co-operative Department.*

925. (1) No.

(2) No serious defects have been found in the working of these concessions.

926. Yes, with the object of encouraging societies to keep their cash balances in the Post Office Savings Bank.

927. This plan should be adopted in Burma. The main reason for it is the desirability of encouraging agricultural co-operative credit societies. The concession reduces the management expenditure of societies *pro tanto* and enables them to increase their reserves more rapidly. No strong reason against the plan can be suggested. Government should pay the whole amount as the procedure involved in obtaining recovery of three-quarters of the commission involves expenses of trouble, time and possibly cash on the part of the society.

928. At present an award of an arbitrator appointed under the Co-operative Societies Rules must bear a stamp which may amount to Rs. 5 when filed in Court for the purpose of execution. It is most desirable that such awards should be exempted from payment of stamp-duty because they are frequently for small sums and the necessity for payment of stamp-duty may easily deter a society from attempting to enforce an award. See page 130 of Calvert's Law and Principles of Co-operation.

931. In general, the answer is in the affirmative. The only restrictions desirable are those dictated by the degree of stability of the banks. It is difficult to suggest how Government or local bodies can inform themselves on this point.

*Mr. A. D. Kiernander.*

931. Should be accepted if the bank is guaranteed by Government.

*U Shwe Tha, K.S.M.*

926. Yes.

930. Yes. Half of the deposit money received from a specified area should be lent to the co-operative societies of that area provided they help the people of that area to keep their savings in the Post Office Savings Banks. Rules form, etc., of the Savings Bank should be kept in such Societies.

931. Yes, but such deposits should be received only by the Societies selected by the Co-operative Officers.

*Mr. P.L.L.N. Narayanan Chelliar (Pyapon).*

925. Concessions are sufficient.

926. Yes.

927. The whole should be paid by Government. This plan can be adopted in Burma to encourage the movement.

929. This should be done in Burma.

930. As a rule should not be given.

931. Can be accepted if the bank is well established.

## Section 11—General.

*Akyab District.*

932. (a) The Akyab Co-operative Bank with which only we have connection had not had any financial relation in the past except the current account opened there. But the Co-operative Bank has been assured on over-draft by the Imperial Bank on the Security of Government Paper deposited with them to something near eight-tenths of their face value. Otherwise its credit is not recognized there.

(b) & (c) Nil.

(d) The Co-operative Town Bank has cash credit account with the well established money-lending house at Akyab. The said house grants an interest of 4 per cent. per annum.

933. Nil.

934. On principal, it is desirable to have such a bank.

935. (1) Yes.

936. (1) & (2) No.

(3) If the question refers to practicability of making loans through co-operative banks or by the banks themselves, we do not approve of the idea.

937. As the economic difficulty in Arakan is due not to lack of organization but to scarcity of money owing to the poverty of the cultivators and others depending on them, the chances of obtaining capital for co-operative organizations from the heavily indebted cultivators appears rather remote. Trade depression, ever increasing cost of cultivation, diminished return from agriculture due to uncertainty of weather, loss of plough cattle and other causes too numerous to mention, will, for years to come, stand in the way of agriculturists' ability to contribute towards the capital for such societies. Barring Chittagonians Arakanese cultivators are as a rule thrifty and their standard of living is low of all the classes of people in Burma. If the death rate of cattle can be arrested and the breed improved we are of opinion that the present financial distress amongst them can be expected to show a brighter turn. At present, the money necessary for agriculture is provided by the land lord in case of cultivator-tenants in the hope that a prosperous harvest might be met. And for reasons stated above those land lords themselves are now very heavily in debt. So both the land owner cultivators and non-cultivator landlords are in very bad ways. We can only say that the only hope of salvation for them lies in the grant of long-term loans to them to tide over their present distress, when urgent steps are taken to stop causes of economic distress.

938. (1008) In urban area, practically all classes of people, except the Government servants, make use of the saving departments.

(1002) (1) No. The practice of investing in Government Security is not popular. The investors should be induced to invest in local undertakings or to make deposits in banks or co-operative societies which are sources for financing local undertakings. We do not think that investment in Government Securities can be made as a training ground for wider investment.

(1027) (1) We have no idea of this business.

(2) Where stability is doubted, fear of depositors for making deposits does exist.

*Pegu District.*

932. So far as the Committee know, some Co-operative Banks—  
(a) Receive Cash Credit Advances on the collateral security of the societies crop-loan'pronotes and overdraft on the security of the Government Papers from the Imperial Bank of India (b) Deposit the surplus money with the Joint Stock Banks during the surplus season.

(c) No relation exists between the Chettiars and Co-operative Banks.

(d) Professional Burmese money-lenders are in the habit of depositing their surplus money in current accounts with Co-operative Banks.

933. No. Co-operative Banks can obtain funds from the Imperial Bank only.

934. Yes.

935. (1) Yes.

(2) In order to have available cash to meet all possible demands for payment of cheques, at once, the Imperial Bank should make such an arrangement so that a Co-operative Bank or Joint Stock Bank may have the authority to draw to a certain amount on the local Treasury out of the overdraft account granted to it on the security of Government paper.

(3) No restrictions whatever is necessary to be imposed upon the Co-operative Banks doing this business as the accepting of deposits have already been restricted by their respective bye-laws duly accepted by the Registrar.

936. (1) Yes. Requirement of each individual members should be forecasted and the required money may be loaned out to Co-operative Societies on the understanding that agency is to bear the loss arising therefrom.

(2) It should be granted for (a) agricultural expenses and (b) improvement of lands.

(3) The maximum periods of loans granted in this way should be (a) one year in the case of agricultural expenses and (b) four years in the case of the improvement of lands.

937. The main cause of the failure of co-operative system in Burma to provide credit is lack of close supervision and control. It is therefore necessary to tighten up the official control over the co-operative institutions by frequent visits and close supervision of the financial appliances.

938. Answered in Chapter V. (Question 511).

*Insein District.*

932. In this district Co-operative Societies deal with the Provincial Co-operative Bank in Mandalay.

933. Joint Stock Banks have little faith in co-operative principles. Faith is the substance of things hoped for and while it is a recognized and working principle in many societies, banks somewhat cynically prefer a tangible security for their money to a promise based merely on a series of principles, however lofty. Only a Government guarantee could solve the difficulty and this is not likely to be forthcoming.

934. Yes.

935. (1) Yes.

(2) & (3) These are questions which my committee are unable to answer except in purely general terms.

936. (1) (i) Yes. (ii) Probably a distinct board comprising at least two officers to sit once a year. (iii) Only unencumbered land should be given as security.

(2) only for (a) improvement of land, (b) purchase of land, (c) settlement of old debts to redeem mortgaged land.

(3) One opinion given me is 20 years, in my opinion 7 is ample.

937. I quote the only opinion received from a Co-operative Department Officer. The remedy is doubtless known to the Committee on Co-operation.

"The co-operative system in Burma fails to provide credit under one or more of the circumstances shown below :—

(1) It was quite premature in allowing the ignorant people a free democratic administration of the co-operative bodies that had been established, while their commercial morality was not so reliable as to call for such a principle.

(2) It was an error to adopt a *laissez faire* policy and allow the movement to sail more at the sweet will of the ignorant and amateur pilots.

(3) It was an error that, in view of the morality of the people, there was nothing provided in the Act, Rules and Bye-laws so as to ease prompt recovery of the society's money. Leaving to Regular Civil Law for such recoveries during the initial stages of the co-operative movement in Burma is most objectionable.

(4) In some cases the societies found a great difficulty to save their members from hardships met in consequence of continuous unforeseen mishaps. The loans they could allow were either short-term or intermediate, the result being that many of the cultivators had to abandon the industry."

#### *Prome District.*

932. (a) The Prome Central Co-operative Bank obtains a cash credit of rupees one lac from the Imperial Bank of India, Rangoon.

(b), (c), (d) No connection.

933. The Joint-stock Banks should grant Cash Credit to Co-operative Central Banks which furnish genuine securities in the shape of Societies' pronotes, after they have been duly certified by the Co-operative Department. The longer period the better.

934. Yes.

935. (1) Yes.

(2) Sufficient cash and fluid resource must be maintained to meet the deposits drawable by cheques, as required by the circular issued by the Registrar, Co-operative Societies. The fluid resource should be granted by the Imperial Bank or the Apex Co-operative Bank. See also reply to question 507.

(3) In doing this business, Co-operative Banks must follow Registrar, Co-operative Society's Circular.

936. (1) Yes, such loans should be lent under the aforesaid Acts on personal and property securities. Such documents and bonds should be deposited with the Government by the Bank to serve as a security.

(2) For agricultural purposes and land improvement purposes.

Agricultural purposes :—Food seed and cultivation purposes.

Land Improvement purposes :—Irrigation, improvement of soil, etc.

(3) Ordinarily *one year* for the agricultural loan, provided it is followed by a good harvest; and between four and five years for loan under Land Improvement Loan Act.

937. According to the present co-operative system, Co-operative Central Banks issue three kinds of loans, *viz.* A, B and C according to which these loans are required to be repaid within one year for the former and two, three, four years for B and C loans. (A) Loan is crop loan repayable at the next harvest and in case the crop fails the difficulty comes in and so the only remedy is to amend bye-laws to allow extension in bad year. Even then cultivators will require fresh crop loans for seed, food and cultivation purposes for the next year and unless the Bank issues such fresh loans, co-operators will have to borrow from outside with high interest; hence it follows that the bye-law should be amended to allow fresh loan in the genuine bad year. (B) loan is repayable in three instalments in three years and (C) loan in four instalments in four years. This is the present system. This system has inherent weakness inasmuch as it is impossible for a cultivator to repay as stated above as the instalments are doubtlessly very much higher than the net profit left over after deduction of seed, cultivation expenses, cattle purchase, irrigation and other works. Hence it follows that (B) and (C) loans should be so arranged as to require cultivators to pay only out of their annual profit as their instalments. It automatically follows that the period must be extended to several years (say about 14 to 15 years). In short, only by allowing longer period than at present the defect can be cured.

*Thaton District.*

932. (a) and (b) For the purpose of fluid resources, the Co-operative Banks are obliged to purchase Government Securities and Postal Certificates and lodge them with the nearest Imperial Bank and other Joint Stock Banks.

(c) Chettiers used to make deposits with Co-operative Societies Banks for the purpose of hundis.

(d) Same as above.

933. Co-operative Banks should be able to obtain funds on furnishing securities, in the shape of government securities, cash certificates, land properties, etc.

934. (1) Yes. (2) By having fluid resources.

(3) Co-operative banks should be permitted to receive deposits within the limit of fluid resources.

936. (1) Yes. Government should finance the co-operative societies to enable them to make loans to members as well as non-members, while, on the other hand, the co-operative banks should furnish security by depositing title deeds.

(2) For the purposes mentioned in the two Acts.

(3) One to four years under the Agriculturist Loans Act.

Five to ten years under the Improvements Loans Act.

937. Co-operative system in Burma fails to provide credit in several ways, some of which are as follows—

- (a) Failure due to mismanagement by the members.
- (b) Failure due to loans being made to the relations of members.
- (c) Failure due to the societies being located in places where lands are occasionally subject to floods, droughts, pests, etc.
- (d) Members are not acquainted with the working of Societies.
- (e) Co-operative Societies are not systematically inspected.

The defect can be cured as follows—

- (a) By formation of co-operative societies in places where the cultivation is generally successful.
- (b) Teaching of economy and principles of the working of the Co-operative Societies and Banks should be introduced in all schools and colleges. Subjects on Geometry, Algebra and similarly less useful subjects should be deleted from the curricula of text subjects in all classes. Geography should be a class-subject.
- (c) By regular and frequent inspection of the Co-operative Societies by authorities concerned, for the purpose of imparting instructions.
- (d) By calling a general meeting of which two-thirds of the members present should be non-relations of the governing body.

*Amherst District.*

932. The Amherst District Central Co-operative Bank has no relations with banks, Chettiars and professional money-lenders, except with the Imperial Bank, Moulmein Branch, at which the Co-operative Bank deposits surplus money on current account without interest.

933. By deposit of promissory notes executed by Co-operative Societies on their behalf on Government guarantee.

934. Yes.

935. (1) Yes.

936. (1) Yes. Through the Central Bank. No security except the bond executed by the borrowers.

(2) For all purposes specified under these Acts.

(3) Maximum period of loans under the Agriculturist Loans Act should be three years and that under Land Improvement Loans Act should be ten years.

*Mindou District.*

932. The Sagu-Salin Bank has relations with the Provincial Co-operative Bank, Mandalay, only.

933. No suggestion.

934. An apex Co-operative Bank in Burma seems to be desirable at present.

935. (1) Yes.

(2) Arrangement may be made with Government treasury through the apex bank.

(3) Deposits should be Rs. 500 or over and withdrawals should be multiples of fifty.

936. (1) No. Government loans may be made as at present.

(2)  
 (3) } These questions do not arise.

937. Co-operative Societies in Burma have been formed and loans given out rather too generously. The present policy of weeding out undesirable Societies should be pushed on and a restart made with select societies only. Compulsory saving should be insisted on for every member and it might be declared by law that the Society has the first claim on the yearly produce of the land owned or cultivated by the members for monies due to the Society. Loans should be made in three instalments as mentioned in paragraph 903.

*Mandalay District.*

932. The Burma Provincial Co-operative Bank and the Pegu District Central Co-operative Bank deal with the Imperial Bank of India within certain maximum borrowing limit.

933. The Government should arrange with the Joint Stock Banks. Such relations exists in India.

934. It is desirable to have apex bank, District Bank and Township Bank.

935. (1) If the above suggestions are provided with Co-operative Societies, they can certainly do much business.

(2) As above.

(3) When they start to do business restrictions should be laid when necessary.

936. (1) Such loans can be made through Township Banks and societies as recommended by the Registrar. (The society should stand guarantee by levying a reasonable commission or should accept such as deposits and may be loaned out to members as usual.)

(2) For purchase of seeds, for cultivation expenses, for purchase of food and for improving land.

(3) Loans for purchase of seeds, food and for cultivation expenses may be repaid by 2½ or 3 annual instalments as the amount varies. Loans for improving land or clearing jungle land should be repaid by from 5 to 10 annual instalments as the amount varies and on default of an instalment may be repaid by 2 annual instalments.

937. Suggestions given to Burma Co-operative Enquiry Committee is herewith submitted.

*Kyaukse District.*

934. It is desirable that Burma should have an Apex Co-operative Bank.

935. (1) Current account withdrawable by cheques should be opened by Co-operative Banks in trade centres.

(2) They should have a strong Savings Bank Branch. Fluid Resources provided and should open current deposit account in treasuries to meet possible demands.

(3) On condition that the funds provided in the last two ways should be equal to the amount in current deposit account.

936. (1), (2) & (3). Omitted. The Committee is not in favour of the loans under Agriculturalists Loans Act or the Land Improvement Loans Act, as it desires the Government to foster the land mortgage system and other system of financial assistance as stated elsewhere.

937. Needs no further answer, particular circumstances, and the remedial measures have been stated and suggested in the foregoing answers.



*Remarks by the Deputy Commissioner, Kyaukse.*

932. Chettiars and other professional lenders of money are business rivals of Co-operative Societies and there are no business relations between them.

933. By pledging the mortgage deeds of dependent primary societies with the Joint Stock Bank.

934. Yes as Burma is an independent economic unit and an Apex Bank appears to be needed as it is desirable that central banks should be able to draw money in time of crisis from such a bank.

935. (1) It would be difficult to secure proper management for such banks outside the large towns, and Co-operative banks do not appear to be capable of doing the work.

(2) Liquid resource would have to be arranged with an Apex Co-operative Bank and sums obtained lent out locally on call. Even then notice of one or two days would have to be given before encashment of cheques for a large sum.

(3) Fluid resource should be equivalent to at least half the amount held on current account.

936. I disagree with the Committees' views in this matter and consider that suitable non-official agency is not available for the distribution of those loans in the present state of primary education in this province. The machine of Government is clumsy and probably needs greasing by a certain amount of palm oil but at least the money is given out on some sort of security and collected more or less to time. This would not be the case if such loans were to be made through co-operative agency.

937. The chief defect of the co-operative system is that it fails to secure punctual repayment of existing loans generally throughout Upper Burma ; as management is poor ; the money does not circulate ; and therefore it is not possible to find a sufficient number of persons willing to entrust their money to the societies. This defect can only be cured by a rise in the general level of primary and higher education and public honesty in the province. In my opinion the working of the Co-operative system is not worse than might be expected from the general level of education at the present stage of the development of Upper Burma. The cultivator would repay in good years if the lenders gave him a fair chance, but when the lenders are in default as they often are the ordinary loan holders will not take extra exertion to repay his loans

*Sagaing District.*

932. None.

933. No suggestions.

934. An apex bank will not be necessary when the central banks are strong.

935. (1) Not desirable at this stage. No answers arise for other questions.

936. (1) Yes. A suitable portion of the sanctioned advance should be allotted to the Co-operative Societies Department which should give out loans on the recommendation of Departmental Officers after the usual enquiry. They should, of course, be given on the security of the societies.

(2) & (3) For the purposes and period mentioned in the Acts and Rules.

937. To begin with, we are of opinion that societies were too loosely organized and that loans too were given too freely, and they too were not properly used in many cases. When an unfavourable year came members were unable to repay the loans and when such years came in succession the societies lost almost all their credit. The defect can be cured by reorganisation of Societies, and strict auditing and supervision..

938. (509) None.

(510) None.

(1008) (1) (2) None.

(1022) (1) No. Much more desirable. Not likely to be successful.

(2) No suggestions whatever.

(1027) Yes, for both sub-questions.

*Katha District (Kawlin and Wuntho Sub-committee).*

932. (a) The Co-operative Bank usually keep their money in custody with the Imperial Bank of India.

(b) (c) & (d) No relations.

933. Co-operative Banks could obtain funds from Joint Stock Bank by issuing debentures.

934. Yes, it is desirable to have an Apex Co-operative Bank in Burma.

935. (1) Yes. Co-operative Banks outside or in Rangoon should receive deposits subject to withdrawal by cheque.

(2) There must be a restriction in the withdrawal by cheque.

(3) Only those who deposit Rs. 500 and upwards at the start should be given the privilege of withdrawal by cheque.

936. (1) Yes, Government's loans under the Agriculturists Loans Act and the Land Improvements Loans Act should be made through the Co-operative Agency. The agency should give mortgage bonds of members' immoveable property to Government as security.

(2) Loans should be granted for agricultural and land improvement purposes.

(3) The maximum period of the loans should be three years.

937. Co-operative system in Burma fails to provide credit which it might reasonably be expected to provide in the present stage of its development, as the members fail to mortgage their property to the Society.

The defect can be cured by making the members mortgage their immoveable property to the Society.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myodk (Co-operative Branch) Myinmu Range.\**

932. (a) The existing relations are :—

(1) that the Imperial Bank grants a certain amount of assured cash credit, and

(2) serves as treasurer.

(b) }  
(c) } Nil.  
(d) }

934. In the same way as co-operative banks obtain funds from the Imperial Bank of India.

\* Joint reply : relates to Sagaing, Mandalay and Kyaukse districts.

934. Yes

935. (1) Yes.

(2) By opening savings bank accounts in local post office which should however remove all restrictions as to the maximum limit of the amount of the deposit and withdrawal.

(3) Restrictions should be made as regards the amount in cheques.

936. (1) Yes, but for members of co-operative societies only.

Applications from intending borrowers should be made through a co-operative society on whose security only the loans should be granted.

(2) For purposes for which each is intended.

(3) Agricultural loans should be repayable as harvest. Loans taken under the Lands Improvement Loans Act should be fixed to be repaid according to the nature of work of improvement for which the loan is taken.

937. Co-operative banks, as a rule, are not permitted to find funds in wider fields by improved methods. To cure the defects, see answer to question 22(3).

*Range Officer, Co-operative Department, Insein.*

932. Co-operative societies in the Insein District deal with the Provincial Co-operative Bank, Mandalay, so I have no accurate information for this purpose.

933. Generally joint stock banks have not much faith in co-operative principles. They would rely not on principle but on substantial security, which the co-operative banks cannot offer at their initial stages. The Government guarantee only may enable the co-operative banks to obtain funds from joint stock banks.

934. Yes.

935 (1) Yes, but only those banks which have enough fluid resource and enough daily cash transactions as deposits received and loans repaid need undertake this business.

(2) If the conditions specified in (1) are fulfilled there is no fear of not finding cash for payments of cheques.

(3) Restrictions should be made in accepting such deposits which should be in proportion to the quantity of fluid resource the bank has at its command.

936. (1) Yes. A board may be appointed by the Government to see to this. The security that should be given ought to be mortgage-deeds which should embrace unencumbered landed property.

(2) For lending money to the members of the co-operative credit societies :—

(a) for improvement of land,

(b) for purchase of land, and

(c) for settlement of old debts, redeeming the landed properties that have hitherto been under mortgaged.

(3) 20 years.

937. The co-operative system in Burma fails to provide credit under one or more of the circumstances shown below :—

(1) It was quite premature in allowing the ignorant people a free democratic administration of the co-operative bodies that had been established, while their commercial morality was not so reliable as to call for such a principle.

- (2) It was an error to adopt a *laissez faire* policy and allow the movement to sail more at the sweet will of the ignorant and amateur pilots.
- (3) It was an error that, in view of the morality of the people there was nothing provided for in the Act, rules and bye-laws so as to facilitate prompt recovery of the societies' money. Leaving such recoveries to regular Civil Law during the initial stages of the co operative movement in Burma was most objectionable.
- (4) In some cases the societies found a great difficulty in saving their members from hardships met with in consequence of continuous unforeseen mishaps. The loans they could allow were either short-term or intermediate, the result being that many of the cultivators had to abandon the industry.

*Charge Officers, Co-operative Department, Henzada and Prome.*

932. The Prome Central Co-operative Bank obtains a cash credit of Rs. one lakh from the Imperial Bank of India, Rangoon.

(b), (c), (d). No connection.

933. The joint stock banks should grant cash credit to co-operative central banks which furnish genuine securities in the shape of pronotes after they have been duly certified by the Co-operative Department. The longer period, the better.

934. Yes.

935. (1) Yes. (2) Sufficient cash and fluid resource must be maintained to meet the deposits drawable by cheques, as required by the circular issued by the Registrar, Co-operative Societies. The fluid resource should be granted by the Imperial Bank or the Apex co-operative bank.

(3) In doing this business, co-operative banks must follow the Registrar, Co-operative Societies' Circular which must be enforced.

936. (1) Yes. Such loans should be lent under the aforesaid Acts on personal and property securities. Such documents and bonds should be deposited with the Government by the bank to serve as a security.

(2) For agricultural purposes and land improvement purposes.

Agricultural purposes :—food, seed and cultivation purposes.

Land improvement purposes :—irrigation, improvement of soil, etc.

(3) Ordinarily *one year* for the agricultural loan, provided it is followed by a good harvest, and between *four and five years* for loan under the Land Improvement Loan Act.

937. According to the present co-operative system, co-operative central banks issues three kinds of loans, *viz.* A, B, and C, according to whether these loans are required to be repaid within 1 year for the former, and 2, 3, 4, years for B and C loans. An A-loan is a crop-loan repayable at the next harvest and in case the crop fails the difficulty comes in, and so the only remedy is to amend bye-laws to allow an extension in bad year. Even then cultivators will require fresh crop loans for seed, food and cultivation purposes for the next year and unless the bank issues such fresh loans, co-operators will have to borrow from outside with high interest; hence it follows that the bye-laws should be amended to allow a fresh loan in a genuine bad year.

(B) loan is repayable in three instalments in three years and (C) loan in four instalments in four years. This is the present system. This system has inherited weakness inasmuch as it is impossible for a cultivator to repay as stated above as the instalments are doubtless very much higher than the net profit left over after deduction of seed, cultivation expenses, cattle purchase, irrigation and other works. Hence it follows that (B) and (C) loans should be so arranged as to require cultivators to pay their instalments only out of their annual profit. It automatically follows that the periods must be extended to several years (say about 10 to 15 years). In short, only by allowing a longer period than at present can the defect be cured.

*Committee of Officers of the Co-operative Department.*

932. (a) The Pegu and Prome District Central Co-operative Banks have assured cash credits of one lakh each with the Imperial Bank of India.

(b) In the repayment season district central co-operative banks frequently deposit large sums with joint stock banks at Rangoon.

(c) There are no dealings between co-operative banks and Chettiars.

(d) There are in general no relations between co-operative banks and other professional lenders of money.

933. By assured cash credits based upon societies' pro-notes or upon the deposit of Government security documents.

935. (1) No, until co-operative banks are working on a firmer basis and with more competent and experienced staff.

(2) By maintaining a minimum cash balance based on their average transactions (as the ordinary joint stock bank does) and by fluid resource arrangements, based on deposit of Government securities with joint stock banks of standing.

(3) They should be required to prove their ability to maintain the necessary cash balances and also that they should entertain a staff competent to deal with current account business.

936. (1) Yes, so far as loans under the Agriculturists' Loans Act are concerned—in areas not served by a co-operative central bank. The loan should be made on the recommendation of the local officer of the department and should be issued and collected by the Township Officer in the way exactly as loans are made to individual cultivators. On the assumption of reasonably honest and efficient societies the security afforded by unlimited liability, coupled with the responsibility of the local departmental officer for recommendations made by him, should be sufficient.

(2) Loans under the Agriculturists' Loans Act will ordinarily be granted for crop purposes only and possibly for replacement of cattle in times of exceptional mortality.

(3) Loans for crop purposes should be for one year only and those for replacement of cattle for a maximum of three years.

937. The principle defects are in respect of cattle insurance and sale credit.

*Mr. A. D. Kierander.*

932. No banks, Chettiars or money-lenders will advance money on co-operative deposit receipts.

936. The Co-operative Societies sound very nice in theory, but an advance is subject to money being docked under various pretexts and the ultimate amount received by the cultivator is very much less than the amount applied for, so that the interest on money actually received is very heavy. Graft should be made to disappear. At present no agriculturist of any standing will join a society and be burdened with the bad debts of others. Only the very impecunious join.

*U Shwe Tha, K.S.M.*

933. Co-operative Banks could obtain funds from Joint Stock Funds banks on the security of their reserved Fund invested in Government Security Bonds and on depositing their bills and bonds with the joint stock banks.

934. I think an Apex Co-operative bank is necessary in Burma.

935. The use of the cheques would be increased if more Co-operative banks could do such business. Such Banks should open current accounts with some joint Stock Banks to enable them to meet the cheques on their presentation and also to arrange to get demand deposit money daily from the people of their locality.

936. Yes. Government loans should be lent through Primary Credit societies and money for use as intermediate loans should be lent by Government to the societies formed specially for that purpose. The security of such Government loans should be the properties of the members transferred to the Society and the joint security of the members and the bonds on which such loans are issued. There should be a rule that Government loans shall have a prior claim on all the security property the Society possess. Crop loans for six months to one year and intermediate loans for one to three years.

*Mr. P. L. L. N. Narayanan Chettiar (Pyawôn).*

932. The relations are quite cordial and friendly.

933. They could obtain money by loans.

934. Yes.

935. (1) Yes.

(2) They can have always available cash necessary for meeting demands if they make arrangements with other joint stock banks.

936. (1) Yes, the agency can give to Government what they have already got as security from agriculturists.

(2) For agricultural purposes.

(3) Till the next harvest.

937. The co-operative system has failed for want of co-operation.

## CHAPTER X.—SAVING AND INVESTMENT

## Section I.—General.

*Akyah District.*

1001. Generally both classes by purchase of jewellery on which they can raise loans. Persons in possession of large sums may lend it out. Some make deposits in Town Co-operative Bank.

(2) All buy jewellery or lend the money.

(3) (a) and (b) Yes, under existing conditions.

(4) Nil.

1002. (a) Probably because it gives a tangible security which is not liable to theft as in the case of jewellery or default as in the case of borrowers of money.

(The general tendency in this district at present is not to invest surplus money in purchase of land).

(b) Yes.

(c) Insecurity in the case of loans, theft in the case of jewellery, unattractive interest in the case of Government securities, and non-acceptance without verification of vernacular signatures in the case of the latter.

1003. (1) Not in Akyah.

(2) Very little. (This can only be given as an opinion).

(3) Yes.

1004. (1) Yes.

(2) (a) Rs. 200, (b) Rs. 50, (c) Rs. 50, (d) Rs. 30, (e) Rs. 30 to Rs. 50 for Akyah District.

(3) No.

1005. It is believed mostly by borrowing on land or other security including hire purchase system of selling motor cars as borrowing. It is not considered much represents gold or silver hidden away.

1006. (1) Not as far as known. (b) and (c) Not known.

(2) *Omitted.*

(3) We can suggest none as better interest can be obtained elsewhere.

(4) As far as is known very few people purchase here and it is not thought they affect the operations of banks.

1008. (1) Almost all classes (especially women).

(This refers to the Local Town Bank).

(2) None

1009. (1) Imperial Bank including Savings Banks Department, Chettyars in the case of their regular customers.

(2) *Omitted.*

(3) We have none to suggest.

(4) None locally.

(5) None.

1010. Not in this district.

1011. Not under present conditions.

1012. (1) Its advantages are obtaining interest, ultimate possession of gold, but a disadvantage is that many people (probably the majority) like to have gold in the form of ornaments so that it can be worn at festivals, etc. Also people do not like sovereigns but prefer gold bullion.

(2) Would be unaffected.

(3) Probably not.

(4) No.

(5) Probably they would prefer land to guard against risk from damages mentioned in (6).

(6) Only ordinary precautions could be adopted.

1013. A portion would be collected and made into ornaments.

It is doubtful if it would have any effect on existing storage of gold.

1014. No suggestions.

*Pegu District.*

1008. (1) Mostly Burmans make use of the Savings Department of the Co-operative Banks, whereas the number of Indians, Chinese, Anglo-Indians and others is very few.

(2) In towns a better rate of interest will attract them more and every encouragement should be made to teach the public the habit of saving money ;

In rural areas Post Office Savings Banks should be freely opened in important areas and more encouragement to be given to deposit their savings in Co-operative Societies of sound financial stability.

*Tharrawaddy District.*

1001. (1) Very few people in towns have large sums of money and if they do have they keep them in their houses. Those who can buy safes keep their money in their safes. Those who have small sums keep them in their houses at places considered safe by them.

(2) Very few people who live away from towns own large sums of money. If they do they keep their money in their houses for a short period or bury it and then either buy paddy lands, lend it out or store paddy. Those who have small sums invest in cattle or in trade.

(3) No, in the case of those who keep large sums of money and those who hoard up their money in earth. Yes, in the case of persons who have a little money.

(4) The establishment of a local bank by Government may be the means of having their money in safe custody. It will also be a good thing if Government Treasury would accept deposits.

1002. Because investment in land is safest. No, with regard to good lands. Advantages are greater in the case of use of money by other ways but the risk is greater.

1003. (1) No, not now.

(2) There is hardly anything in the Tharrawaddy Subdivision.

(3) The practice is dying out.

1004. (1) Yes, increasing but not during recent years.

(2) (a) About Rs. 200 worth.

(b) About Rs. 50 worth in few cases.

(c) and (d). Practically nil.



(e) About Rs. 50.

Estimate is made from Tharrawaddy Subdivision.

(3) No.

1005. The money came, nearly all of it, from borrowed capital.  
Hardly any.

1006. (1) No.

(2) Nil.

1007. (1) Some Indians from urban areas and none from rural areas.

(2) Nil.

(3) (a) to (i) Yes.

1008. (1) Member-Villagers.

(2) Government should take it upon themselves the responsibility of securing the deposits.

1009. (1) Nil in our Subdivision.

(4) Local Banks run by Government.

(5) Same as (4).

1010. No, it is not a case in Burma.

1011. (1) and (2) Yes.

1012. (1) It would teach Burmans the art of saving money and we recommend its adoption.

(2) Yes, to some extent.

(3) Few in its experimental stage.

(4) There is hardly any hidden gold or silver. Not likely.

(5) Yes, to a certain extent.

(6) By depositing them in Government Treasury.

1013. Unless Government impresses on the people and takes drastic measures against those who destroy sovereigns for making ornaments and unless Government fixes one uniform value for the gold coins they would still be liable to conversion and storage. Yes.

1014. We cannot suggest.

*Tharrawaddy District (Zigón Sub-committee).*

1001. (1) People in towns who have a surplus of only small sums usually keep them in their houses. Those who can spare large sums either hoard it up or lend them out on interest. These sums are occasionally used in extending their business or buying up new paddy lands.

(2) There is not much difference between people living in and away from the towns as regards the manner of the disposal of their excess cash.

(3) Since they have been following this custom from time immemorial it is to be presumed that these methods are satisfactory to both wealthy persons and also persons who have only a little money.

(4) It might be safer to deposit these sums with banks if there is one in the locality but it is felt doubtful if they will make use of banks because their present methods bring in more money as interest. No improvements can therefore be suggested.

1002. People think that the best investment they can have is in the purchase of land because it has been looked upon almost as a custom, because such investment yields good and steady interest, because the money so invested is secure and largely because the prices for the lands might increase. Thus given them a profit on the outlay itself

quite apart from the annual rent they yield. Not much difficulty is experienced in finding and dealing with tenants as a rule. The little trouble one may have on that score is amply repaid by having a steady and fair income. The investment of one's money in anything except in lands may be more paying in some cases but is regarded as less secure.

1003. (1) There is still, but this old custom is gradually dying out especially in towns.

(2) We cannot guess.

(3) Yes.

1004. (1) Yes, especially in towns.

(2) (a) Rs. 60 to Rs. 70.

(b) Rs. 25 to Rs. 30.

(c) Nil.

(d) Rs. 25 to Rs. 30.

(e) Rs. 50 to Rs. 70.

These estimates are made for Zigôn Subdivision.

(3) Not much.

1005. Mostly with borrowed capital. Hidden wealth does not play any appreciable part in the several businesses mentioned.

1006. (1) People do not as a rule buy cash certificates. They do so under special circumstances, e.g., when the Government want to raise the loan during the war time, etc.

(2) to (4). As very few people from this locality go in for post office cash certificates as a means of investment these questions do not arise.

1007. (1) Very few put money in Post Office Savings Bank. People from rural area do not make use of them at all.

(2) Nothing.

(3) No comment except that these suggestions appear to be good and desirable.

1008. Cannot answer.

1009. Nil.

1010. This is not the case in Burma at present because the rustic people do not invest money either in Post Office Savings Bank or in the purchase of Post Office Cash Certificates.

1011. As these bodies now stand financially we do not think that Savings Bank should be opened by them.

1012. (1) The adoption of the plan outlined in this question is recommended provided the Savings Certificates could be cashed anywhere and everywhere in Burma.

(2) to (5). In view of the present customs of the people and their general enlightenment we would be inclined to answer them in the negative.

(6) We should think that it is their lookout.

1013. If the Government issue gold coins it is very likely that the people will very likely turn them into ornaments or store them away as coins to be used in case of necessity.

1014. No suggestions can be made.

*Hanthawaddy District.*

1001. The majority of men with large sums convert their money into land and jewellery, a few deposit with Chettyars and a very small number

deposit in Rangoon banks. The men with small sums buy clothes and jewellery;

- (2) The same applies in towns and elsewhere.
- (3) Yes.
- (4) None.

1002. There is nothing which offers a better or sounder investment than land.

- 1003. (1) Not now.
- (2) Does not arise.
- (3) It has disappeared.

- 1004. (1) No.
- (2) The Syrian Sub-Committee say—
  - (a) Rs. 400 to Rs. 500.
  - (b) Rs. 50 to 150.
  - (c) Rs. 200 to Rs. 500 in Hanthawaddy District.

The other Sub-Committee say that any gold or jewellery that you see is mostly sham.

- (3) No.

1005. The money came from the unprecedented rise in the value of paddy and the purchases have been made possible by the instalment payment system. There has been very little selling of jewellery to buy motor cars, etc. The Committee does not believe in any hidden store of gold or silver.\*

1006. (1) Most people in this District do not know what they are. Very few people buy them, if any.

- (2) No.
- (3) Propaganda.
- (4) Does not arise.

- 1007. (1) Clerks and some Indians in town ; no one in rural areas.
- (2) Propaganda.
- (3) We approve of them all.

1008. (1) No classes at present make use of the savings departments of the co-operative banks in this district.

- (2) Does not arise.

1009. None.

1010. This is not the case in Burma.

1011. (1) It is not desirable that district councils, municipal committees or other public bodies should open savings banks.

- (2) Does not arise.

1012. We do not see any advantages in this.

- (1) to (5) No.
- (6) No means of securing the required safety.

1013. Very little in this country.

1014. We know of none.

#### *Insein District.*

1001. Information is incomplete.

1002. (a) Burmans say "land cannot be stolen" and they regard their income as comparatively certain.

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\* Note by the Deputy Commissioner, Hanthawaddy :—This has been a great surprise to me. Every Sub-Committee and all members of the District Committee scoffed at the idea of people hiding their money and jewellery: they say it is only at the time of selling their paddy that the people have money hidden in their houses.

(b) No if the land is good.

(c) The other alternatives are money-lending and house building, both precarious.

1003. (1) No.  
(2) Impossible to say.  
(3) Yes.

- 1004 (1) and (2) No.  
(3) Not known.

1005. Partly from Germany : partly from the pernicious hire-purchase system.

1006. (1) No.  
(2) (3) and (4) Information is insufficient.

1007 (1) Both in towns and rural areas men of the durwan, artisan and small trader class.

(2) and (3) Experience is insufficient to answer except (3) (c). They should not.

(3) (h) There would be an immense risk of fraud in this illiterate land, and also of robbery on the postman's rounds.

1008. Nil as far as this district is concerned.

(2) Does not arise.

1010. It is not so. In fact, the reverse is the case in Insein.

1011. No : they have too low a standard of honesty and education as yet and are badly served by their staffs.

1012. Our information suggests that at present this plan has no advantages.

(2) Gold is very rarely brought to post offices in this District.

(4) and (5) No.

(6) Not until Burman villages are largely rebuilt on a pukka scale. One member of the Committee has suggested the Accountant-General as the safe custodian of these certificates. I cannot subscribe to this view.

*Prome District,*

1008. (1) All classes except the Europeans.

(2) A depositor should be allowed to draw-deposit by cheque and cash should always be ready for call. In urban areas the only difficulty is to keep a permanent cash balance to meet call from depositors, and it would be still more difficult in the rural areas. Until this difficulty is removed there can not be Savings Banks in villages which will be accessible to all.

*Henzada District (Majority reply).*

1001. (1) Buy Jewellery, deposit in Savings Bank (Post Office) Co-operative Bank and with Chettyars.

(2) Rural people hide money underground.

(3) No.

(4) Establishment of rural banks to receive short notice deposits on interests.

1002. Safety of the investment induces people to buy lands, in spite of the usual trouble with tenants.

1003. (1) Yes.  
(2) Impossible to estimate.  
(3) No.

1004. (1) No.  
(2) Impossible to estimate.  
(3) Yes.
1005. Very small fraction of these expenses represents hoarded wealth. Most of the larger developments are backed by foreign capital.
1006. No, only Government Officers and a few lawyers buy postal cash certificates. Other people do not know or understand this method of investment. The suggestion in clause 4 is not true for Henzada.
1007. Government Officers, lawyers and a few educated traders.  
(3) (a) (b) (c) (d) and (e) Yes (f) and (h) Yes. (g) and (i) No.
1008. Share-holders of the Bank and a few traders residing in the proximity of the bank premises. Same improvements as in the case of postal savings bank should be attempted.
1009. (1) Chettyar moneylending firms.  
(2) Many traders and local lawyers.  
(3) No improvements are necessary.  
(4) and (5) More co-operative banks should be started.
1010. The suggestion is untrue. This is not the case in Burma.
1011. This is not desirable.
1012. I do not recommend the adoption of savings certificates. Judging from the mentality of the local people, they will neither bring out their hidden gold to buy these certificates nor will they refrain from buying lands to purchase the savings certificate.
1013. If gold coins are given currency people will not collect them to store away or to make ornaments. On the other hand the craze of the people to collect and hoard gold will cease.
1014. No suggestions.

*Henzada District (First minority reply).*

1001. (1) Towns people deposit their excess money in savings banks and other banks. Rich people deposit their money with banks but people who are not rich keep their savings in their boxes.  
(2) Villagers bury their savings to save them from the hands of the dacoits and thieves.  
(3) (a) Investing money in banks is a safe course for the rich people provided the banks are solvent.  
(b) the method of burying money is not safe at all.  
(4) Establishment of solvent banks.

1002. Because that is the safest course now available. Banks may go insolvent any time but there is no chance of losing immovable properties.

Dealing with the tenants is not at all troublesome if care is taken at the time of leasing the land.

Purchasing lands is the earliest mode of investment and is well known to everybody in the country whereas other modes of investment are known to few.

1003. (1) I think so.  
(2) In dealing with clients we come to learn all about it.  
(3) Yes, amongst the town people.
1004. (1) Not increasing.
1005. Yes. Mostly borrowed from the Chetty bankers. Insignificant portion, say 25 per cent.

1006. (1) Some people do but not many. Professional men and public servant. For the purpose of saving the money.

(2) No.

(3) By giving better interest.

(4) As Government is the most solvent debtor so people prefer buying cash certificates. Moreover the rate of interest is in no way worse than that of the banks. If the rate of interest decreases less people will buy cash certificates.

1007. (1) Town people.

(2) Rate of interest ought to be increased and people should be allowed to deposit more than Rs. 750 per year. People should be allowed to deposit Rs. 1,000 per year.

(3) (a) Maximum ought to be increased.

(b) Yearly deposit ought to be increased.

(c) Business hours ought to be from 10 a.m. to 4 p.m.

(d) Yes as is done by the Central Bank Limited.

(e) Yes.

(f) Nomination ought to be allowed.

(g) No, it ought not to be free from attachment as that would encourage cheating creditors.

(h) Village depositors should be given that advantage.

1011. (1) No.

1013. When enough gold coins would be available people would not melt them for making ornaments. With the establishment of solvent banks the habit of storing money will disappear.

*Henzada District (Second minority reply).*

1002. Because, the people think that it is the safest way of investing their money. There may be trouble with the tenants etc. But with all that, their investments would be safest. As far as buying paddy lands are concerned, there is little disadvantage. But if other lands are bought, possible there may not be tenants, etc., and consequently, the investments would not bring any return.

1003. (1) I do not think that any considerable amount of money, etc. is hidden. But a considerable amount of gold is made into ornaments and is thus idling. A campaign of wide-spread education of public opinion to decrease this practice ought to yield excellent results.

(3) Even if there is some hiding, etc., I believe it is decreasing.

1005. To my knowledge, Chettiar Firms have increased in importance in recent years owing to more capital coming from India. The development in trade also is another factor. Partly it is just possible a part of jewellery is also converted into money.

1009. (1) The Chettiar Firms.

(2) Some large land owners.

(4) A very reliable bank, which would also receive small savings, etc.

1013. I believe that if Government issued gold coins, its effect would be to make the people at present hoarding gold and gold coins, release the same. When it becomes very easy to get gold if and when required, people would not attach so much importance to it as they seem to do now.

*Maubin District.*

1001. (1) Hoard them.

(2) By placing in glazed jars and burying some. People with large sums buy cheap iron safes and some have cement vaults. People living away from towns to some extent keep their money in safe keeping with relations in town.

(3) (a) No. (b) yes.

(4) Opening of joint-stock banks in which local people hold shares.

1002. Holding of land gives the holder a status and a means of raising money when required. If the land is good land no such trouble arises. The disadvantages are that a borrower may become insolvent and house property uninsured is risky.

1003. (1) Very considerable.

(2) Cannot say. No.

(3) Yes.

1004. (1) Yes : among the poorer classes.

(2) (a) About 30 ticals of gold.

(b) About 10 ticals of gold.

(c) About 2 ticals of gold.

(d) About 4 ticals of gold.

(e) About 6 ticals of gold.

For Maubin.

(3) Not much additional value.

1005. Money from savings half and from profits in trade half.

1006. (1) No.

(2) No.

(3) Propaganda.

(4) The opposite is the case. Some people have sold out Post Office Cash certificates to make fixed deposits in banks. No.

1007. (1) Clerks, petty contractors, artisans and small shopkeepers.

(2) Nil.

(3) (a) Yes, as the money which would be deposited would be diverted to other uses.

(b) As above.

(c) The hours between 10 a.m. and 4 p.m. should be available for Savings Bank business.

(d) Not necessary. The initial outlay would be heavy for an ordinary depositor.

(e) Yes : there are no restrictions in many banks.

(f) Yes : this will encourage deposits.

(g) to (i) No.

1013. Yes : people who now store gold coins will store up more.

*Thalon District (Kyaukto Sub-committee).*

1001 (1) Money not required at once is kept in strong boxes or safes in houses. No special precaution except the use of safes.

(2) Coins and notes are hidden under ground. The former in earthen pots and the latter in bamboo tubes.

(3) Not satisfactory to either.

(4) Habit of investing money in banks should be encouraged.

*Kyaikto Sub-committee.]*

1002. Because chances of loss of the value of land are few. Other means are full of danger of losing the capital invested.

1003. (1), (2) and (3). No.

1004. (1). Yes. (2) and (3) None known.

1005. Partly from people's own savings and partly from borrowed money. None known.

1006. (1) Few Government servants. To have safe custody and interest.

(2), (3) and (4). None known.

1007. (1) Government servants in town and none in rural areas.

(2) If bank rate of interest is allowed and if tables of savings showing the total amount which will be obtained are published for public information.

(3) (a) Rs. 5,000.

(b) No limits.

(c) From 10 a.m., to 4 p.m.

(d) " Home Safes " should be provided.

(e) to (i) Yes.

1008 and 1009. None known.

1010. None known.

1011. (1) Yes.

(2) No.

1012. None known.

1013. No. The practice will cease.

*Amherst District.*

1001. (1) People with large sums to spare deposit them with Chettiars or other money-lenders on interest, if not lent to borrowers on higher rate of interest. People with small sums rarely invest their money and they take the risk of loss by fire, etc.

(2) Not much difference.

(3) Methods adopted by persons who have only a little money are not satisfactory.

(4) By opening of Post Office Savings Banks in rural areas.

1002. Not so many people now-a-days think purchase of land is the best use of their money on account of fall in the price of paddy and the ever increasing land revenue. Chettiar firms with which deposits are made sometimes fail or disappear.

1003. (1) No. Not now.

(2) Yes.

1004. (1) No. It is decreasing.

1005. From cultivation of paddy and from borrowed capital but of these investments, some of them are lying idle and others are being offered for sale and would be gladly parted with for very much less than cost price. There are almost no buyers. Very little of these investments represented gold or silver hoarded or kept in unproducing form.

1006. (1) No.

(2) Yes. Increase in the redeeming value.

(3) By better facilities and more courteous and trustworthy

Postal Officers.

(4) No. No.

1007. (1). Small salaried clerks and labourers of Indian nationality.

(2) No comment to make.



1008. (1) Small salaried clerk and people, who have little income, and of both Burmese and Indian nationalities.

1009. No.

1010. No.

1011. No.

1012. We do not recommend.

1013. No. Yes.

*Tavoy District.*

1001. (1) People in town with large cash invest their money either in land, let out on interest, deposits in Banks, buy Government securities, e.g. cash certificates Government promotes buy jewellery and trade. Those who have small sums generally put in Post Office Savings Bank also let out on interest in their own way. At first Chinese and Indians safeguard risks from fire, etc., in this locality and insure their houses and their stock-in-trade. The rest keep their holding in their own houses.

(2) Those who live in the district keep their savings in their own houses and some let out on interest.

(3) From our point of view these methods are not satisfactory both to the wealthy and those who have small sums of money.

(4) We suggest that they should deposit their saving in banks or by Government securities. But there is one Bank, i.e., The Chartered Bank of India, Australia and China which deal with a certain class of people only.

1002. Because they need not be afraid of risk from fire, robbery, flood, white ants, etc. In this district land is limited. Population is increasing. Therefore this disadvantage does not exist in the Tavoy District. Because the investment in land are comparatively much safer than any other investments.

1003. (1) We do not think people in this district hide their savings under-ground except the Karens who live on the hills.

(2) It is impossible for us to make an estimate.

(3) Yes.

1004. (1) Yes.

(2) One-fourth per cent. of their savings. All classes of people invest their money in jewellery, Tavoy District.

(3) No.

1005. For industrial purposes they mortgage their lands and jewellery but to buy luxuries such as motor cars and motor lorries they get their money out of their profits in trade or cultivation.

1006. (1) No. Only rich people. People living outside the town do not buy Post Office Cash Certificates at all for the purpose of investment.

(2) We suggest to change the price of Cash Certificate from Rs. 77-8-0 to Rs. 70 per cent. so as to enable purchasers to get more redemption value. And to pay interest at the completion of one month instead of one year. And to any more interest; pay 6 per cent. per annum.

(3) *Like* above answer.

(4) We do not think it is true because interest is paid in Cash Certificate after the completion of a year whereas the Bank pays after the completion of a month. Yes. Yes.

1007. (1) Poor classes in town. In the district none.  
 (2) To increase the rate of interest to 5 per cent.  
 (a) to (b) We agree to make changes as stated as to (h) we are against it.
1008. (1) We have no knowledge of Co-operative Banks as there is none in this district.
1009. (1) The Joint Stock Bank in this town, Tavoy.  
 (2) Trading classes.  
 (3) To pay higher rate of interest.  
 (4) We suggest a Land Mortgage Bank establish at each town in the province.  
 (5) We also suggest for the establishment of Central Law Mortgage Banks at each Headquarters and the division to finance the district Land Mortgage Bank.
1010. It is not the case in this district.
1011. Certainly not.
1012. (1) No answer.  
 (2) Doubtful.  
 (3) No.  
 (4) We do not think so.  
 (5) No.  
 (6) By depositing it in Joint Stock Bank.
1013. Yes, people would collect gold coin to make ornaments but it is not likely that they would collect gold coins for non-circulation.
1014. If we pay high rate of interest all this saving will come out.

*Minbu District.*

- 1001 (1) People who have large sums of spare money invest the same in buying paddy lands. Those who have small sums buy jewellery. No particular precautions are taken against loss by fire, rats, etc.  
 (2) Same answer as above. No change.  
 (3) Investment in land is satisfactory but investment in jewellery is not so.  
 (4) No suggestion unless savings bank facilities are available in towns.
1002. Land investment is considered to be most secure and safe and to be more profitable than other ways of investment. The trouble of finding and dealing with tenants is not considered to be a great disadvantage.
1003. (1) Small amounts of money are believed to be hidden away in rural villages but large amounts are always invested in land or spent in building kyaungs, pagodas, shinbyus, etc.  
 (2) It is difficult to make this estimate.  
 (3) Yes.
1004. (2) (a) Rs. 150 to Rs. 200.  
 (b) and (c) Nil.  
 (d) Rs. 50 to Rs. 100.  
 (e) Rs. 100 to Rs. 150.
- Estimate is made in Salin Township.
- (3) Precious stones are not much used in rural areas.

1005. The greater portion of the capital for these enterprises is borrowed money raised on the pledge of property or jewellery from Chettiars. The persons engaged in these enterprises do not belong to the class of persons who used to hoard money during the last ten or twenty years.

1006. (1) No one buys Post Office Cash Certificates.

(2) No recommendation acceptable to Government can be made. Government rates of interest would not be attractive enough to Burmans.

(3) No steps can be thought of.

(4) Answer to No. 2 applies to this question.

1007. (1) People with English education and some Indians in town made use of the Post Office Savings Bank. Burmans from rural areas do not make use of it.

(2) Postal Department should be Burmanized, as much as possible and Postal officials should be trained to do propaganda work and make themselves a good deal more popular.

(3) All the suggestions enumerated in this item are commendable. In short Savings Bank Departments of Post Offices should be expanded as much as possible and the people taught the art of saving and economy by various propaganda work by Post Office officials.

1008. (1) A few bazaar sellers at Sagu at present make use of the Savings Bank department of the Sagu Co-operative Bank.

(2) Vigorous propaganda work by Co-operative officials.

1009. Chettiars receive deposits from some personal friends with no fixed periods.

1010. It is not the case in Burma.

1011. (1) Yes, it is desirable that District Councils and Municipal Committees should open Savings Bank which will go a long way to do propaganda work. Some restrictions should be laid down as in the case of Post Office Savings Banks and the funds may be deposited in the Co-operative Banks.

1012. The experiment is worth trying. The fact that these certificates are issued by Government direct will inspire more confidence in the minds of ignorant people than the Post Office Cash Certificates. The Executive Officers will be able to effective propaganda work during their tours if certificates could be sold direct from sub-treasuries.

(1) No disadvantages could be seen.

Adoption is recommended.

(2) Yes. Very likely with the propaganda work of Executive officers.

(3) Rather likely to some extent.

(4) Hidden money might be brought to buy such certificates. Surplus jewellery might be sold to buy such certificates.

(5) People would rather prefer land to these certificates as the return from the former will be more.

(6) No suggestion could be offered on this question.

1013. They are likely to do both. There is not much crude gold hidden away. Jewellery is as a rule not hidden but worn openly on occasions.

1014. No other methods besides expansion of Savings Banks as much as possible.

*Mandalay District.*

1001. (1) They place it on deposit or give it out on loan.  
(2) Above remarks apply.  
(3) Yes.  
(4) Increased facilities in the shape of—  
Banks, Co-operative Societies, Savings Banks (Post Office).
1002. Because they have plenty of money and consider that they will have less worry by such investment and run no risk of loss by theft or fire.
1003. (1) No.
1004. (1) No. Decreasing.  
(2) Cannot say.
1005. Part original owner's capital, part borrowed from Chettiers and other money-lenders. Probably 25 per cent.
1006. (1) Not many, generally officials, as an investment.  
(3) By Burmanization of Services in—  
Banks, Co-operative Societies, Post Offices.  
(4) Not true. We do not think so.
1007. (1) Postal authorities should supply the answer to this.  
(2) See 1006—sub-question (3).  
(3) (a) Yes, to at least Rs. 1,000.  
(b) Yes.  
(c) Yes. We suggest Post Offices should open one hour earlier.  
(d) Suggestion is good ; and we recommend its adoption.  
(e) Not recommended.  
(f) Yes.  
(g) No. Bank custom should be followed.  
(h) Yes. Suggestions should be adopted.  
(i) Yes.
1008. (1) All classes. Burmese, Zerbadis, Indians, Chinese and other indigenous races (but mostly Burmese).  
Note.—This reply of course does not apply at the present time for reasons well known to the Government.  
(2) If these Societies were run on the same lines as Joint Stock Banks, there would be no room for complaint. As it is people have lost faith in the movement.
1009. (1) None.  
(2) Omitted.  
(4) Land mortgage banks.  
(5) Branches of above.
1010. We do not think this is so.
1011. (1) Not desirable.
1012. (1) Would encourage thrift. Yes.  
(2) Omitted.  
(3) Burmese would probably buy less jewellery, this should naturally benefit the country by stimulating circulation of currency.  
(4) Probably small portions would when the benefit of holding certificates was fully realised.  
(5) Difficult to say.  
(6) By Banks and Post Offices offering facilities for the safe custody of securities for a small yearly charge.  
(Custom adopted by Thomas Cook & Son is worthy of consideration.)

1013. We do not think more than 10 per cent<sup>s</sup> would be out of circulation through conversion into jewellery. The issue by Government of gold coins would, in our opinion, be a step in the right direction.

1014. By extension of Banking movement to all towns of any importance (Land Mortgage Banks would provide for this).

*Kyaukse District.*

1001. (1) In towns surplus funds after liquidation of prior debts are usually deposited by people who have large sums in current accounts opened by Chettiars, and people who have small sums keep by themselves in a way known to themselves only.

(2) In rural areas the surplus funds are generally hidden away in rice baskets or the roofs till they are required for use in business.

(3) Hoarding is not generally liked by any class.

(4) There should be established Co-operative Societies where current and savings banks deposit accounts should be opened, on the understanding that funds will be available for withdrawing when necessary.

1002. They are ignorant of the system of modern banking and investments in land mortgage is more secure against falling market and loss and insures a regular annual profit without any danger of being attacked by dacoits and with a low expense ; besides there exists social standing.

1003. (1) There is not any considerable amount of money hidden away for long periods but for a short time to meet calls in the near future.

(2) The amount of long-term-idle money in this district is small and the estimate is shown below :—

			Rs.
Myittha	...	..	1,000
Kyaukse	...	...	10,000
Singaing	...	...	30,000
Yeyaman tract	...	...	300

The estimate is proposed in consideration of the increase of idle money in villages and not in towns owing to bad trade.

(3) Hoarding of savings are rare occasions now.

1004. (1) The practice of keeping jewellery for show at ceremonies and festivals and for pledge in case of necessity is increasing. The jewellery is often kept in pledge and not used excepting on festival days.

(2) The rough estimate for the whole district of the value of jewellery this kept up by the wife and family of (a) an ordinary cultivating land-lord is about Rs. 25 to Rs. 100 (b) a tenant Rs. 10 and (c) a labourer—nil and (d) artisan is about Rs. 50 and (e) shop keeper is about Rs. 200.

(3) Precious stones and pearls form a part in the jewellery in towns.

1005. Expensive developments are made on borrowed capital from money lenders who amassed money from the surplus of paddy in times of high price. The prosperity is now departing for which over four-fifths of the jewellery are mostly pledged but rarely sold.

1006. (1) (2) (3) (4) Cash certificates are brought by local associations such as the child welfare society for purpose of custody but not by the people and the committees does not propose to recommend any steps to popularize the sale of them.

1007. (1) (2) (3) Post Office Savings Banks are used only by employees of the Government and Public Offices and Railways owing to the low interest and the committee cannot make any recommendations or comments.

1008. (1) In Kyaukse Co-operative Popular Bank traders, local associations and Trust Funds make use of the saving department. In rural areas there are hardly any saving bank deposits.

(2) Improvements necessary in every area are that saving bank deposit coupons should be issued to facilitate accountancy that home-safes should be provided and that every facility should be provided for withdrawals.

1009. (1) to (5) Omitted. Only Chettiar firms open current accounts, no other institutions.

1010. Much complaint cannot be made by this district against the drains by Post Office as the amount invested is small.

1011. (1) and (2) The Committee is against the opening of savings banks by the public bodies but desires that they should propagate to make saving deposits in Co-operative Societies through the schools to which they give financial aid.

1012. (1) to (6) Omitted. The scheme will not be popular in this district.

1013. Only people of small means will make arrangements out of gold coins to pledge when necessity arises, and to wear when there is no necessity to pledge, and gold would not be hoarded if available in the treasury.

*Remarks by the Deputy Commissioner, Kyaukse.*

1001. (4) I agree with the committee provided that such Societies and Banks are audited and inspected by competent Government auditors, but am of opinion that the difficulty of providing liquid resource would be very great.

1002. The possession of the land gives social standing and property in the shape of land cannot be lost by robbery or cheating on the part of an agent.

1003. I do not think that the practice of hiding money exists in the villages of this district to any considerable extent but it is possible that Chinese and Indian traders in the railway towns keep a large amount of money hidden for use in case of return to their own countries. I should estimate the amount in this district at about Rs. 20,000 and the total amount of idle money in the district as about Rs. 75,000.

1004. I agree with the estimates of the Committee.

1005. In my opinion the money has come out of the increased price of the paddy in the world market during the war and the years succeeding the war. Much of this money found its way in the hands of Chettiers and other money lenders who issued money on mortgage to the owners of mills and other substantial buildings as soon as they were built. I do not think that any considerable proportion of the money represented gold or silver formerly hidden away or kept as jewellery.

1006. (1) Cash Certificates are not popular as the rate of interest given is too low to attract the public, and the certificates are not readily realizable.

(2) In view of these fact I do not think any change in the terms of arrangements for redemption would succeed in popularizing them.

1007. (1) I agree with the Committee's views on this point.

(2) The employment of Burmese Postmasters and Postal Officials might do something to popularize the Savings Banks.

(3) (a) Persons who could afford to invest Rs. 500 do not put it in the postal savings bank.

(b) See (a).

(c) The hours of business are sufficient at present.

(d) Home safes are not likely to become popular owing to the danger of theft and in fact experience in the Co-operative Department shows that the Burman cultivator is generally unwilling to save regularly in small amounts. He prefers to put by what he can save in one lump sum at the time of harvest.

(e) These restrictions might be relaxed but the effect would not be very great.

(f) Burmese Buddhists would be unwilling to nominate any one to receive money after death as anything in the form of a will is against Buddhist principles.

(g) I see no reason why Government should exercise benevolence in this way at the expense of creditors.

(h) The rural Postmen are not sufficiently reliable agents to carry out this work, and would stand a very good chance of being robbed in remote areas.

(i) Interest at 1 per cent. above the ordinary rate would not attract deposits from Co-operative Societies.

1008. (1) Urban classes only ; In rural societies such depositors as there are invariably take out loans in excess of their deposits.

(2) The stability of the bank must be ensured either by closer Government auditing and inspection or an improvement in the general standard of honesty in management throughout the province.

1009. (1) As Chettiar firms cannot be called institutions no such institution can be said to exist. (2) and (3) do not arise.

(4) Existing joint stock banks might open branches in the large towns and accept minimum deposit of Rs. 5 which could be withdrawn only after notice.

(5) Outside the larger towns the lack of persons suitable to act as manager or committee members of any institution or branch of any institution renders the project impossible at present.

1010. The Post Office and Telegraph Department spends a great deal of money locally in constructions maintenance of telegraph lines. I do not think that Government is draining away money to any considerable extent in this manner.

1011. (1) I do not think that District Councils and Municipal Committees at the present state of public advancement are capable of managing satisfactorily saving banks.

(2) If the Municipal Committee had a lien upon the accounts in respect of taxes the bank would not receive popular support.

1012. (1) The scheme is too advanced for this district and would not be popular.

(2) Gold and silver are not hidden away to any extent in this district.

(3) to (5) No.

(6) Presumably such certificates could be kept in a tin box in the holders' possession. There is not sufficient staff in the Treasury or Post Office to keep these certificates on behalf of those payers, and in any case the rural public is naturally averse to having continuous dealing with Government offices.

1013. Gold coins would not pass constantly as notes are more convenient in paying large sums. There would be some tendency to make ornaments out of them amongst the artisans and small trader class.

1014. Such money is given at present to the Chettiars or in remote parts to Burmese money lenders. I do not think that any Government or non-Government agency is likely to be able to compete with the Chettiars in the economic use of such sums.

*Commissioner, Sagaing Division.*

1001. Rich people in towns for the most part keep their money in safes. Smaller people keep their money in locked boxes or bury it.

The same answer applies to people in villages.

These methods are very unsatisfactory but can only be improved on by encouragement to deposit in banks.

1002. Land is a safe and profitable investment. The trouble of finding and dealing with tenants is not considered a disadvantage.

1003. Immense sums in the aggregate are hidden away. It is quite impossible to make any estimate.

The practice is not decreasing except among the richer classes who can afford to buy safes and build pucca thief-proof houses.

1004. (1) No.

(2) Quite impossible to make an estimate. Every woman who can afford it at all will have some of the family savings in gold or jewellery.

1005. The money comes from sale of agricultural produce.

1006 No.

1007. (1) Salary earners.

The use of Post Office Savings Bank is not likely to become more popular until the number of Post Offices has largely increased and this is not at present a paying proposition. Many rural Post Offices are still run at a loss. The people of the country have not yet arrived at the stage of being willing to deposit their savings.

1011. No. Audit reports on local bodies show that the working of the bodies is very inefficient and corrupt.

1012. In the present stage of development of the country the saving certificates would not be bought to such extent as to make their introduction worth while.

1013. The issue of gold coin would result in more coin being converted into jewellery or hoarded.

*Bhamo District.*

1001. (1). People with money which they do not wish to enjoy at once usually deposit it either at Post Office or with the Chettiars. People who have only small sums buy gold, diamonds or other jewels, so as to enable them to sell or pledge them when the necessity arises.



(2) People living away from towns formerly used to bury their money, but now they do not do so. They appear to buy and keep paddy for sale when the market is good.

(3) These methods appear to be satisfactory or presumably they would not be adopted.

(4) A Bank.

1002. People prefer the purchase of land though there is trouble in this as it becomes their personal property. If there is any more advantageous method known to them they would not purchase land at all.

1003. In ancient times, people used to have their money hidden. But now conditions and expense of living prevent hoarding.

1004. It is imagined that the practice of keeping savings in the form of gold and jewellery has increased fivefold.

(2) No.

(3) Apparently not.

1005. Money which was formerly kept hidden or kept as savings in the form of these developments.

1006. Post Office Cash Certificates are bought only in large towns and cities in small Towns, only the Indians, Chinese and the foreigners purchase them.

1007. (1) The Indians, Chinese and the foreigners chiefly make use of the Post Office Savings Bank. People from rural areas seldom make use of it.

(2) If interest is given at a higher rate than that ruling at present there would more depositors.

1008. Presumably traders.

1009. (4) Besides the institutions quoted none other appears to be required.

*Mytkyina District.*

1001. People in Mytkyina Town have no surplus money which they do not wish to enjoy at once. Even for the purpose of their business, they have to raise loans at times.

(2) }

(3) }

(4) }

This question does not arise.

1002. As lands in this district are held under communal tenure, people do not go in for purchase of land.

1003. None here.

(2) This question does not arise in view of the answer to (1) above.

(3)

ditto.

1004. (1) With the class of people who have no business acumen in any other form of investment, the practice of keeping savings in the form of jewellery has never declined but with business men, it is the other way about.

(2) (a) Rs. 150. (b) Rs. 50. (c) None. (d) Rs. 70. (e) Rs. 70.

(3) No.

1005. The increase of rice-mills etc. is due to the development of business. The price of these is generally met from the profits made in business and not from gold and silver kept hidden away or in the unproductive form of jewellery.

1006. (1) No.

(2) to (4) These questions do not arise in view of the answer to (1).

1007. (1) In Myitkyina town, mostly Indians, a large percentage being Military Policemen. People in rural areas do not make use of it.

(2) Omitted.

(3) (a) The amount should be increased to Rs. 10,000.

(b) To be increased to Rs. 1,500.

(c) The present hour of business is quite ample.

(d) No.

(e) The present restrictions should not be relaxed.

(f) Yes, but whether this recommendation would hold good in the case of Burman Buddhists as they are not legally empowered to make wills, is a point for further consideration.

(g) Yes, provided deposits are made 3 months previously and not during the time when one is being sued.

(h) Yes, if the Post Office is prepared to face the responsibility of bearing loss through the fault of Postman or by accident.

(i) Yes.

1009. None here.

1010. This complaint does not apply to this district.

1011. Decidedly no. Without any desire to cast aspersion on the management of these local bodies, one cannot overlook the fact that there have been many cases of mishandling of public money by some of these institution in recent years.

*Myitkina District (Mogaung Sub-committee).*

1001. (1) Towns (2) Villages { The money is lent out at interest, big as well as small amounts. Interest is about 3 to 5 per cent per mensem for small amounts, viz. Rs. 100 to 500 or so ; and 1½ to 3 per cent for larger amounts.

(3) Satisfactory for both wealthy persons and those who own a little money only.

(4) None. There is no fear of fire, etc., as savings are generally in hard cash, not in notes.

1002. People here do not think so.

1003. (1) None here.

(2) and (3) Do not arise.

1004. (1) Yes.

(2) (a) One tola of gold valued at or about Rs. 30.

(b) One-fourth tola of gold valued at or about Rs. 7-8.

(c) Nil.

(d) Half tola valued at Rs. 15.

(e) Two tolas valued at Rs. 60.

For Mogaung Subdivision—town and villages.

(3) No.

1005. These expensive developments have been paid for out of the savings of traders in paddy and also in miscellaneous goods and in jade.

One rice-mill owner was formerly only a cultivator. No hoards here. No jewellery has been sold.

1006. (1) No. They are afraid of losing the certificates.  
(2) No.  
(3) No other steps need be taken.  
(4) Not said here.
1007. (1) Only non-Burmans and non-Shans in towns and rural areas.  
(2) Increase the rate of interest.  
(3) All are good.
1008. to 1010. None here.
1011. Not here.
1012. Not required here.
1013. At first—Yes. After 2 or 3 years—No. They would cease of store up after 2 or 3 years' regular issue.
1014. If Government will open banks they will not be resorted to unless the rate of interest is the same as that obtainable locally.

*Deputy Commissioner, Myitkyina.*

1004. (1) Yes.  
(2) No.  
(3) Frequently.
1005. In the area first settled in 1909 the average local price for four years of 100 baskets of paddy was Rs. 47 while the average selling price for the 8 years 1921 to 1928 was Rs. 136. The resulting increased prosperity goes a long way to account for expensive developments. New roads will inevitably bring motors. Little of this development represents sale of buried hoards or jewellery.
1012. Much too complicated for any one to buy here.
1013. The gold would be hoarded or converted into jewellery. It would not circulate. People who now store up gold would add more.
1014. The people here are not ripe for short deposit business.

*Katha District (Kawlin and Wun'ho Sub-committee).*

1001. (1) People in towns usually keep their money in big fire-proof iron safes. Thus avoiding the risk of losing it by fire, rats, white ants, theft, flood etc. ; people who have small sums keep them in their ordinary box properly chained to a post.

(2) People living away from towns also keep their money in big fire-proof iron safes and some keep their money secretly under ground.

(3) These methods are not satisfactory both to wealthy persons and those who have only a little money.

(4) They should deposit their money in the Post Office Savings Bank close to them or deposit them in any Co-operative Societies or Co-operative Banks.

1002. The best use of money is the purchase of land as it cannot be stolen or destroyed by fire. Finding and dealing with tenants is not considered a trouble.

1003. (1) Yes, there are people who keep hidden away a considerable amount of money or of gold or silver.

(2) Estimate can hardly be made in this connection.

(3) The practice of hiding away savings is decreasing.

1004. (1) The practice of keeping savings in the form of jewellery is also decreasing.

(2) Estimate can hardly be made in this connection.

(3) No.

1005. The money comes from the Agricultural produce and one-third of money would represent gold or silver formerly hidden away in hoards or kept in the unproductive form of jewellery.

1006. (1) Not many people in this subdivision buy Post Office Cash Certificates.

(2) No change could be recommended.

(3) To persuade more people to buy them, the redemption value should be increased.

(4) The buying of Post Office Cash Certificate is not plentiful. The majority of country people are not in a position to deposit money in Banks.

1007. (1) The salary earners' class of people make use of the Post Office Savings Bank at present. In rural areas the Post Office Savings Bank is not made use of.

(2) No improvements could be suggested.

(3) (a) to (i) No comment could be made.

1008. (1) The middle class of people make use of the savings departments of the Co-operative Banks.

(2) No improvements could be suggested.

1009. (1) Imperial Bank of India and Messrs. Lloyds Bank have also opened the Savings Bank account.

(2) The middle and high classes of people make use of these Savings Banks.

(3) No improvement could be suggested.

(4) As Post Offices are in large towns no further institutions are required.

(5) No further institutions are required outside the large towns.

1010. Unless it should become compulsory that a villager should either deposit a certain amount in the Post Office Savings Bank or buy a certain number of Post Office Cash Certificates it cannot be said that Government drains away from a rural place money which ought to be used for rural improvements as no one uses this form of investment. As the depositing of money and the buying of Post Office Cash Certificates are left to the option of the rural public, the case does not arise in Burma.

1011. (1) No, as the majority of the people are not in a position to deposit money in the bank.

1012. (1) Savings Certificates can safely be recommended for adoption.

(2) to (5) Yes, a good number would be attracted.

(6) Certificates could be safely kept in an ordinary fire-proof iron safe.

1013. If Government issued gold coins some people would store them away and some people would make ornaments out of them. People who are in position to store up gold coins would not cease storing up gold coins.

*Katha District.*

1001. (1) and (2) Some is kept in safes. The majority hidden or buried.

(3) Unsatisfactory to all. It is a continual anxiety.

(4) Local Branches of Banks.

1002. Land is the safest investment and capital can easily be realised.

1003. (1) In this District every penny of surplus cash is hidden.

(3) No.

1004. (1) No.

1005. The money has come from increase in price of paddy.

1006. (1) No.

1007. (1) No one practically except clerks required to provide security.

*Deputy Commissioner, Upper Chindwin.*

1001. (1) As a rule people living in towns lend out their surplus money ; but a few make use of safes.

(2) A few hoarded their savings, but the average villager either lends it out or purchase lends or jewellery.

(3) The answer is in affirmative.

(4) By opening banks and keeping money in deposit in them.

1002. Because the money spent in purchasing land is quite secure and the product of the lands served as interest and because by owning lands they have credit to take loans and their status is raised. The trouble of finding and dealing with tenants is a great disadvantage. Other ways of using money are not considered safe, though they may be more advantageous.

1003. (1) I don't think so.

(2) and (3). Do not arise.

1004. (1) No.

(2) (a) Approximately Rs. 200 worth.

(b) About Rs. 30 or 50, worth.

(c) About Rs. 20 worth.

(d) About Rs. 30 or 50, worth.

(e) About Rs. 100. The estimate is made for Kalewa

Subdivision.

(3) No.

1005. Several such persons raise the money by selling their lands and jewels in the proportion of 2 to 1.

1006. (1) No.

(2), (3) and (4). The answers do not arise.

1007. (1) Indians. Mostly from towns.

(2) None.

(3) Unable to comment.

1008. None.

1009. None.

1010. People in this locality do not make use of the Post Office Savings Bank and do not buy post office cash certificates.

1011. (1) Save one Town Fund Committee at Mawlaik Town which is composed largely of officials there are no district councils. I do not

*Upper Chindwin.]*

think it advisable that a savings bank should be opened by the Town Fund Committee.

(2) The answer does not arise.

1012. Unable to answer.

1013. The people would collect them and make ornaments of them. I do not think that the people would cease to store up gold.

*Accountant-General, Burma.*

1011. I consulted the Examiner of Local Fund Accounts on this matter and his reply is as follows :—

“ In view of the in-efficient management of the Local Funds as reflected in periodical audit reports I do not think that the time is as yet ripe to experiment on the capacity of the local authorities to run a bank (though on a small scale) on sound lines. In my opinion the proposal will be unworkable as the officers who may be entrusted with the administration of the Bank lack the necessary knowledge and ability to exercise proper check and run the Bank business efficiently, also it is not likely that the Committee who only hold office for a short period would be likely or able to study the financial aspects, or attempt to learn even the routine work necessary for the satisfactory management of a bank. Presidents and Vice-Presidents state they are busy men and have not sufficient time to spare to see to the Local Fund properly, and would not give the necessary time and trouble to run a banking business as well.”

I concur in his opinion.

*Administrator of Government Estates, Burma.*

1005. Increase in the number of motor cars, etc., is due to the profits made in the rice trade in recent years. Lands are mortgaged in order to pay for motor cars.

*Assistant Commissioner of Income-tax, Rangoon.*

1001. (1) Apart from those people who take their surplus money down to the Kyaikasan race-course and lose it, the others who have surplus money are people who would generally place the money in a bank or with Chettiers or other money-lenders. It does not appear that there is any appreciable number of people in Rangoon who have surplus money who hoard their money or keep it in their houses in any form. There are a few Burmese traders and lenders in Rangoon who do keep a certain amount in the form of specie and jewellery, but their number is insignificant as compared with the total population.

1002. The advantage of land is that the capital is never lost but in a very large percentage of cases increases steadily with the effluxion of time. In a city like Rangoon the question of dealing with tenants is not a very difficult one if the tenants have been carefully chosen.

1003 (1) From an examination of the accounts of people who import bullion into Burma, it would seem that there is a certain amount of bullion which is hidden away.

(2) It may be that in the whole of Burma there is gold and silver to the value of five lakhs of rupees hidden away. This is probably an outside figure and so much only exists by reason of the fact that people of other races have displaced Burmans to a great extent.

1004. (1) So far as the indigenous population of Burma is concerned, it would seem from such evidence as is available that there is no increase in the habit of saving in Burma at all, whether such savings are in the form of gold or otherwise. Such saving as there is in Burma is effected mainly by people who are not indigenous to Burma.

1005. Money to provide the assets mentioned in this question has been provided mostly by money-lenders of various sorts or by people who are advancing money or selling goods on the hire purchase system. The increase of business and the change of methods of carrying on business are responsible for the purchase of such things as motor lorries and fittings in large shops. Very little of the money for these developments represents gold or silver formerly hidden away or kept as jewellery.

1006. The only remark to make is that it would appear that the certificate can be popularised to a certain extent by making the interest payable in accordance with the period for which they have been held instead of by the year. In the case of a person who has had a certificate for say eleven months, no interest is paid at all.

*Assistant Commissioner of Income-tax, Eastern Range.*

1001. Most people invest their spare cash in land or jewellery. Some lend it out on interest or place it on deposit in a Chettiar firm or co-operative society. Some hoard it. Some have even been known to bury it. Usually those with large sums lend it out on interest or deposit it in a Chettiar or co-operative bank. Those with small sums buy land or convert their money into jewellery. This form of investment is very common in Burma.

(2) The only difference with people living away from towns is that they have no banking facilities and usually prefer to buy land or jewellery with their savings or lend to others.

(3) These methods are not very satisfactory either to wealthy persons or to those who have only a little money.

(4) The provision of more co-operative banks and societies after placing the movement on a firm basis and reassuring people as to its stability and gaining their confidence.

1002. Primarily because land is a tangible asset and save for an act of God nobody can take it away from them. Secondly because the possession of land is an outward and visible sign of prosperity and affluence, and it flatters the vanity of the average Burma, who is at heart very vain, to be thought a wealthy land-owner by his friends and neighbours. There is not much trouble involved in finding tenants. The trouble comes afterwards. But this is to a large extent eliminated by the landlord having a lien on the crops. I do not think the Burman landlord looks upon such troubles as he has with tenants as a disadvantage. There are after all risks and disadvantages attendant to every form of activity in pursuit of money.

1003. (1) I should say that there is in Burma quite a considerable amount of both money and gold and silver which people keep hidden away.

(2) It is impossible to give a reliable estimate.

(3) The practice of hiding away savings, though decreasing still exists.

1004. (1) No. People spend more money on luxuries now-a-days and have less money saved than formerly.

(2) Practically all women except the very poor labourers possess jewellery—such as ear-rings, bangles and rings. All Burmese women scorn imitation jewellery and what they possess is made of pure gold and real stones. It is impossible to give accurate estimates. Conditions vary localities.

(3) Certainly. They love diamonds, rubies and other precious stones and buy them whenever they can afford to do so.

1005. Part of the money spent on the luxuries mentioned undoubtedly represents gold or silver formerly hidden away or kept in the unproductive form of jewellery. For the rest I suppose the people who go in for these luxuries are able to afford them by curtailing their expenditure in other directions. Another probable factor is that the general standard of living has gone up with a corresponding increase in wages.

1006. I do not think many people in Burma with the exception of Europeans and some educated Indians buy post office cash certificates. The advantages of this form of investment are not generally known. I do not think any revision of the terms of these certificates is called for. They seem to be sufficiently generous as they are. What is needed to make them more attractive is intensive propaganda. I do not think they are at present a serious menace to banks or co-operative societies, but they might well become so if the advantages of buying them were given wide publicity and people got to know about them and appreciate them. If the terms of these certificates were made less favourable some of those who buy them at present would probably prefer to deposit their money in banks or societies and such deposits by increasing the liquid assets of the banks and societies would react beneficially on the economic conditions of the country.

1007. I do not think many people who live in villages make use of the Post Office Savings Bank. In towns the people who make most use of them are the lower middle classes such as clerks and artisans on small pay. Indians belonging to these categories are the largest body of depositors. Few Burmans of any class deposit their money in the Post Office Savings Bank. The suggestions detailed in the question are all, in my opinion, very sound and if adopted would probably tend to increase the number of depositors.

1008. (1) There are people of all classes who make the use of the savings departments of co-operative banks. If one class predominates over the others it is the agriculturists—landlords and wealthy tenants—who are directly in touch with the co-operative movement. Many Europeans also used to invest money in the larger co-operative banks, but owing to changed conditions I think most of them have withdrawn their deposits.

(2) This can best be answered, and has probably been answered, by the Committee on Co-operation.



1009. (1) In the mofussil the Chettiar firms of course offer the public most assistance in the investment of their savings. All classes make use of them. In the large towns there are joint-stock banks which take deposits on favourable terms. Many of these banks also have a Savings Bank department. The establishment of small banks on similar lines at the headquarters of each district and possibly at other important centres as well would fill a long-felt want.

*Joint Registrar, Co-operative Societies, Pakshku, Myingyan and Minbu Districts.*

1008. (1) Local Bazaar sellers and traders.

1008. (2) The establishment of a current account department, allowing interest on minimum monthly balances, where the latter are sufficiently big to provide a margin of profit.

*Charge Officers, Co-operative Department, Henzada and Promt.*

1008. (1) All classes except the Europeans.

(2) A depositor should be allowed to draw deposits by cheque and the cash should always be ready for call. In rural areas the only difficulty is to keep a permanent cash balance to meet calls from depositors, and it would be well if a similar policy can be adopted in the rural areas. Only then will there be Savings Banks in villages which will be accessible to all.

*Postmaster-General, Burma.*

1007. (2) I have nothing to suggest. During the many years the Post Office Savings Bank has been in existence a very satisfactory system has been developed and I doubt if very much improvement is possible.

(3) (a) and (b) I see no need for the present limits.

(c) I think 10 to 3 as working hours quite suitable and do not consider extension necessary.

(d) I agree, if the depositors pay for them.

(e) I see no objection if there is a real demand for it.

(f) This would save the Postmaster-General a great deal of trouble. There is often considerable difficulty at present in deciding to whom deposits of deceased depositors should be paid.

(g) I am not prepared to express an opinion on this.

(h) I do not agree. This is somewhat a dangerous proposal and means still further increasing the risk incurred in sending out cash by low paid officials. It might facilitate fraudulent withdrawals.

(i) I see no reason why Co-operative Societies should receive more favourable treatment than private individuals.

1010. A question more for the District Officer than for the Post Office official to answer.

1012. I do not recommend the introduction of Savings Certificates. The cash certificates system covers very much the same ground. If the ultimate payment, in gold, of the proceeds of Savings Certificates is considered an attraction to investors, the principle might be applied to cash certificates.

*Burma Indian Chamber of Commerce.*

1012. My Committee are strongly in favour of the introduction of gold savings certificates as recommended by the Hilton Young Currency Commission and the continuance of the postal cash certificates. Both classes of certificates should be made negotiable with the limitation that no individual possesses at any time more than the maximum amount laid down in the rules. Such limitation should be waived in the case of banks when the certificates are transferred to them as security for loans. Transfers from one holder to another may be registered at the nearest post office without any charge.

*Mr. J. S. Furnivall, (I.C.S. retired).*

1003. So far as I can gather townfolk even more than rural folk live on credit, and, barring a few exceptions, never have money to enjoy. Even the motoring classes buy their cars, almost without exception, on the instalment system. It is my impression that any spare money goes on land, buildings and jewellery, the surplus (very small except for a very few) being lent out to acquaintances. But I fancy that most ordinary trades-folk have two or three, say at most five, hundred rupees hidden away in the house, to lend or spend as occasions demand. Still, I really have no knowledge of the matter and my failure to answer fully is due rather to ignorance than to laziness.

*Mr. A. D. Kiernander.*

1001. (1) They are chary about lending money for fear of the income-tax department assuming larger amounts given out and consequently those with small sums which they would like to give out are held up and money made tight.

(3) Even the wealthy are afraid of the income-tax worrying and sit tight on their hoard.

*Mr. P. S. Subbaiya, B.A., A.I.B. (Rangoon).*

1001. (1) People understand the facilities of Banks and so invest their money in Fixed Deposit with the Banks and Chettiars. Some think it a more safe investment in land and buildings.

Those who have only small sums to lay by generally put it in Savings Banks in the Post Office and Banks and in Post Office Cash Certificates.

(2) People living away from towns where there is no bank to invest their money in, invest it in the Post Office Savings Bank.

(3) (a) Wealthy persons are not satisfied with the interest offered by Banks and the Post Office, and so invest their money in land, buildings or trade.

(b) Persons having a little money invest it with Chettiars who give a distinctly higher rate than the Banks or the Post Office. They would like to have a more safe and lucrative investment.

(4) I suggest the following improvements :—

(a) The price of the Post Office Cash Certificates should be reduced to Rs. 7½ per Rs. 10 Certificate and should never be raised.

The limit of individual holding can be reduced to Rs. 5,000, as the poor man never generally saves more than that. At the same time the higher interest yield cannot seriously affect the money market.

(b) By encouraging the formation of small co-operative banks among salary earners, whose business should be confined to current accounts among the members only and the grant of loans to them. The

surplus funds should be deposited with the Imperial Bank of India or other Bank or in Government Securities. The limit of the Treasury Bills should be reduced for such Banks.

1002. Because there is no risk of loss by theft, fire, bad debts, failure or other causes. The immovability of the land is the matter.

The trouble of dealing with tenants is a great disadvantage no doubt but the consideration of security overweighs all other considerations.

Buildings may be vacant fetching no rent or may not fetch adequate rent, or may be destroyed by fire or earthquake.

Securities may be stolen or eaten by white ants or destroyed by fire.

Banks are liable to failure.

Shares are subject to heavy fluctuation and lead to further loss by having had to pay unpaid calls.

Loans to business men may prove bad.

1003. No. Not to my knowledge.

(2) Cannot say.

1004. (1) Jewellery is increasing not so much as a saving as to satisfy the wearers' vanity.

(2) Cannot say.

(3) Yes ; in the case of middle and higher classes.

1005. It has come from the profits of business which has recently increased very much in volume and also from the increased prices obtained for the produce of the land. Also from speculation. A considerable amount of foreign capital imported into the land has stimulated its growth.

1006. (1) Not many. Some middle class men have bought Post Office Cash Certificate. Salary earners in towns and educated people living outside the towns have bought them. They have bought as an investment of their savings for a rainy day.

(2) The Post Office Cash Certificates should be issued at prices which will result in a yield of at least 6 per cent. per annum compound interest for the full term of five years.

Redemption values should be so graduated as to give a yield ranging from 4 per cent. to 6 per cent. according to the period of holding, e.g.

Within one year	Principal only.
1 to 2 years	... Principal plus 4 per cent interest for 1 year.
2 to 3 years	... do. 4½ per cent. do. 2 years.
3 to 4 years	... do. 5 per cent. do. 3 years.
4 to 5 years	... do. 5½ per cent. do. 4 years.
Full 5 years	... do. 6 per cent. do. 5 years.

(3) By educating people in its advantages over other forms of investment.

By making employers purchase them for their employees free of cost as and when wanted by them, and by remunerating the employers by a small percentage on the nominal value of the Certificates just as is done in the case of new issues of G. P. Notes to Bankers and brokers.

(4) Yes, when the purchase price was Rs. 7½ but not when it was raised to Rs. 8.

Some may do for the better security of a portion of their savings. The country is not injured.

1007. (1) Mostly salary earners in towns.

(2) The delay in the withdrawal should be considerably reduced. I would suggest for this purpose that the withdrawal should

be by cheque. The presentation of the pass book therefore should not be insisted on at the time of the withdrawal. The Postmaster or any person authorising payment should immediately attend to the cheque whatever may be his other business.

(3) (a) It is not necessary to increase the maximum amount.

(b) Yes, the amount added per year should be increased to Rs. 1,200.

(c) Not extended but altered to 9 a.m.—12 noon in the morning and 3—5 p.m. in the evening.

(d) 'Home-safes' system may be introduced.

(e) Yes, the restrictions should be relaxed.

(f) Yes, most assuredly. The payment to legal representative after the depositor's death involves the production and proof of will if any, or taking out letters of administration or succession certificate which are all costly and delaying, largely deters a person from depositing his money in the Post Office Savings Bank or for the matter of that any other Bank.

(g) Freedom from attachment should not be given effect to as it might lead to gross abuses of the freedom.

(h) Withdrawals for some time to come should be made in person or by some authorised messenger and not delivered by the postman. If allowed to be delivered by the postman it might lead to misappropriations by the postman just as is done in the case of money orders.

(i) It may be even 2 per cent.

1008. (1) Salary earners, well moneyed men, and some traders who have no necessity to frequently draw use the Savings Bank department of the Co-operative Banks.

(2) At least in towns the withdrawals may be by cheque and no condition should be imposed on the negotiability of the cheque.

That withdrawals should be made not oftener than once a week may be retained for the extra interest allowed but it may be laid down that if more than one cheque is presented within a week it should be paid but interest for the month may not be allowed.

1009. (1) The Imperial Bank of India, and some other Joint Stock Banks.

(2) Salary earners, and some other middle class men who have money to invest but have not many demands to meet.

(3) See answer to 1008 (2).

(4) & (5) Co-operative Banks among salary earners and other men of limited means should be encouraged both in and outside the large towns.

1010. This is not in my opinion true of Burma. The rates offered by the Post Office Savings Bank and the Cash Certificate are not sufficiently high to attract the surplus funds if any from the Burmans.

1011. It would not be desirable that District Councils and Municipal Committees do savings bank business, for the following reasons:—

(i) It does not come within their proper duties.

(ii) The councillors returned to these institutions do not necessarily possess the expert knowledge required for carrying on the banking business.

(iii) In view of the infancy of these institutions it would be unwise to add to their responsibilities by entrusting them with the administration of the savings of the people.

1012. I do not see the special advantage of the savings certificates over the Post Office Cash Certificates. The right of demanding gold is no special privilege at all as the gold has to be converted into rupees for currency purposes.

(2) I do not believe that gold and silver are hidden away for purposes of safety.

(3) As jewellery is made to satisfy the vanity of men and women and not for safety it will continue to be made and worn even after the introduction of the savings certificates.

(5) People who go in for the Post Office Cash Certificates may go in for these Certificates also.

(6) The Post Office should undertake the safe custody of these Certificates for a nominal charge.

1013. They will circulate as coins provided gold bullion of standard fineness is also made available for sale at a price slightly below its currency value say 2 per cent. to discourage the melting of the coins.

*U Shwe Tha, K.S.M.*

1001. (1) Some invest their money in the Post Office Savings Banks Accounts. Some invest either with Chettiar or with some well known merchants to be kept for safe custody before a need arises. Such money bears no interest.

(2) The same procedure exists in the places away from towns.

(3) This method is not satisfactory to wealthy persons but is good enough for persons who have only a little money.

1002. The investment of money in land is considered to be safer than depositing in Banks. Good interest (3 per cent. per month) is obtained by lending money to tenants. The produce of that land is also bought and sold with profit.

1003. I do not think so. No money could be hidden like in olden times. People have learnt to use their money in a profitable way. In very remote places the old practice of hiding money may exist but such money is not of a large amount.

1004 (1) and (2). The practice of keeping savings in the form of jewellery is decreasing. I think, since the advent of Motor cars about three-quarter of the savings in the form of jewellery and precious stones have left the hands of the people of Burma. The loss in paddy business is also largely responsible for this decrease. Jewellery and precious stones are now-a-days borrowed for occasional use from Chettiar Banks, from rich people and from dealers in such goods. People think it is more economical to do so than to possess them for wearing. The possessors of jewellery and precious stones make money, by lending such jewellery to women who need them to wear on festival days. The pawnshops have also laid hold of much jewellery from the poor who have been compelled to allow it to remain with the pawnshop keeper unredeemed.

(3) No.

1005. Such money has come from gradual conversion of land, jewellery and precious stones into money. Their lands and jewellery remained unredeemed with the Chettiars and big money-lenders and Indian land grabbers with whom these properties were mortgaged for loans. The modern people of Burma first think of possessing a motor-car if they have spare money. Jewellery and precious stones are of secondary importance to them. A motor-car can be possessed by pay-

ment in instalments. Rice mills are mostly started by middle class landlords and the cost of erection of rice mills met partly with money borrowed from the chettyar banks on the security of the paddy land and the mills. Most of the small rice mills are very rarely free from encumbrances of one kind or another in Burma. That is the reason why small millers become bankrupt when depression in paddy business continued for two to three years.

1006. (1) Only the educated classes buy Post Office Cash Certificates and these are mostly Indians. They buy with a view to save money. Very few Burmans have spare money to invest in such form of savings. If they have, they do money-lending business in a small way which they consider more profitable.

(2) and (3) It will be more popular if the old scale is kept, *i.e.* Rs. 7-8-0 for ten rupees cash certificates, the investor should be allowed to nominate a person to discharge the certificates in case he dies. As Buddhist cannot make wills at present, Burmans fear there will be difficulty in cashing such certificates after death.

Cash certificates should be made transferable by endorsement as is done in the case of Government Promissory Notes. Postmasters should keep such certificates for safe custody or they should be allowed to be kept in the Treasury like Government security bonds.

If these changes can be effected more people would save in the form of Post Office Cash Certificates.

(4) Persons who buy Post Office Cash Certificates are not of the class who deposit their money in Banks. They will not go to a Bank but will rather keep their money with them and do money lending in a small way in the locality they live in. The country would not be injured by Government selling Cash Certificates.

1007. Mostly Indians and a few educated Burmans make use of the Post Office Savings Bank at present. The same applies to Towns and Rural areas.

The suggestions made in clause (3) are all good and practicable suggestion. The popularity of depositing money in the Post Office Savings Bank will be greatly increased and is likely to extend to other classes of people who do not now use such form of savings.

1008. (1) Mostly Burmese bazaar sellers and small shop-keepers. The distribution of a home safe to likely depositors like what the Central Bank of India at Rangoon has been doing will be a good method for the Co-operative Banks to adopt to get money through their Savings Banks.

1009. Joint Stock Banks also open Savings Banks Accounts, but very few people deposit money to this account with those banks. The reason is that they are not quite in touch with the class of people who are likely to do so.

1010. The only remedy is for Government to make use of such money for issue to the cultivators of the locality as crop loans direct or through some of the crop loan societies.

1011. I do not think it is desirable.

1012. (1) This is a very good recommendation.

(2) Yes. I recommend its adoption.

(3) I think people would buy these certificates instead of jewellery.

(4) Yes. If they have much money.

(5) Yes.

(6) Some Government Officers should be authorized to keep such certificates, if so desired, for safe custody.

1013. I do not think they will make much use of such gold coins in making ornaments of them so much as they used to do previously. Public opinion has changed greatly and has discouraged the keeping of gold as ornaments.

1014. I have answered this subject somewhere.

*Nattukkottai Chettiars' Association.*

1013. A gold currency should be established in India. It is only then that India can come up to the level of western countries in the matter of banking, trade, commerce and agriculture. A modest beginning should at once be made in coining a small quantity of gold as evidence of making a beginning in gold currency. Persons offering gold at the mints of the requisite fineness and quality and paying a small fee are to be given gold coins minted at the Government mints. Power should be given to the directorate to mint gold freely and necessary legislation should be undertaken to make it obligatory on the Reserve Bank to give gold coins for currency notes or silver coins as soon as the Reserve Bank is in a position to accept the obligation. Though there is not much evidence of the hoarding habit, if the gold currency is established the hoarded wealth will be brought out and will be available through the banking institutions for use in trade, commerce, industry and agriculture. Free flow of capital from abroad will be accelerated leading to the full attainment of economic stature by India.

*Mr. P. L. L. N. Narayanan Chettyar (Pyaṣṭn).*

1001. (1) Some have it with them, some deposit with banks and Chettiars.

(2) People living away from town keep it in strong box.

(3) Yes.

1002. Because land cannot be stolen or destroyed by fire. If money is deposited in bank, profits will lose if the bank fails.

1003. (1) and (3) Yes.

1004. (1) Yes.

(2) Cannot give. Depends on the condition of each cultivators.

(3) Yes.

1005. Due to increased value of lands and houses. Owners of lands could raise more money now than, say 20 or 30 years ago.

1006. (1) No.

(3) As money is not easily available ; people cannot be induced by them.

(4) As few people buy Post Office cash certificate this country is not injured by this.

1007. (1) Mostly salaried men and poor people.

(2) Money should be paid immediately without delay.

(3) (a)—(c) Yes.

(d) People could save even without "home-saves" if they want to.

(e) No.

(f) Yes.

(g) No.

(h) and (i) Yes.

1008. No co-operative bank in this locality.  
1009. None.  
1010. Only a person who has excess money invests in Post Office Savings Bank and cash certificates. Therefore no drain.  
1011. No.  
1012. (1) None.  
(2)—(5) No.  
1013. No.  
1014. More money could be collected if withdrawals will be easier and rate of interest higher.

## Section 2.—Stock Exchange.

### *Henzada District.*

1015 and 1016. Stock exchange questions do not arise at Henzada.

### *Mandalay District.*

1015—1016. (1), (2), (3) Rangoon should supply answer to these questions.

### *Myithyina District.*

1016. (3) Not here.

### *Deputy Commissioner, Myithyina.*

1015. Know nothing of it.

1016. Cannot say.

### *Accountant-General, Burma.*

1016. (1) This office is not aware of any reason for the non-existence of a market in Rangoon for Government Securities and for shares and debentures.

(2) It will be advisable to start a market on the same lines as at Bombay or Calcutta. The Imperial Bank may be consulted.

(3) For the present, Rangoon seems to be the only suitable place.

### *Burma-Indian Chamber of Commerce.*

1016. My Committee advocate the opening of a branch of the Public Debt Office in Rangoon to facilitate verifications of endorsements, enforcement for interest, etc., and this would help to create a more active market in Government securities, Rangoon.

### *Rangoon Stock Exchange.*

1015. The Rangoon Stock Exchange has no evidence or reply to put forward in this connection.



### Section 3.—Government Securities.

#### *Akyab District.*

1017. (1) Through Imperial Bank and Post Office. Yes, vernacular signatures have to be verified by Magistrate, etc.

1018. (1) It is suggested that there might be some provision whereby holders of Government securities who wished to sell them might notify the Treasury, who would publish such lists and buyers and sellers could be brought into direct touch and negotiate sale price themselves.

If such securities could be bought and sold more easily than at present, people might be more inclined to buy them, but there is a good deal of trouble and delay involved in purchasing through the Imperial Bank on the Calcutta Stock Exchange.

(2) Not known.

1019. Not as far as is known except in respect of vernacular signatures.

1022. (1) The Committee favours the investment in local banks and Co-operative Societies.

(2) Answer given in reply to 1018. Unless arrangement can be made to purchase or sell such stocks through the Treasury.

#### *Pegu District.*

1022. (1) Yes. The deposit in banks or co-operative societies which finance local undertakings.

No.

(2) It is left to the Government to make provisions for the benefit of the people with small savings and to afford them an easy investment.

#### *Tharrawaddy District.*

1017. (1) Through the Treasury and Post Offices.

No special difficulties.

1021. (a) Yes, (b) yes, in important towns.

1022. (1) No. They should rather be induced to invest in local undertakings and deposit in banks, etc. Yes.

#### *Hanthawaddy District.*

1017. No one wants to do so in this District.

1019. No transfers in this District.

1021. Not in the Hanthawaddy District.

1022. The interest is too low to attract investors in this District and there is not enough money to invest.

#### *Insein District.*

1022. (1) No : an Indian Government Security at present time is of very doubtful value.

*Prome District.*

1022. (1) Private investors prefer local undertakings or local banks and societies to Government securities. In view of local needs they should not be encouraged to divert their capital more widely.

(2) Does not arise in view of above.

*Henzada District.*

1017 to 1020. Government Securities are at present purchased through the Post Offices generally. There is no difficulty or inconvenience to the intending purchase but an improvement is possible as stated in the next answer.

1021 and 1022. A Public Debt Office should be opened in every District Headquarters Town.

This would facilitate and encourage the sale of Government Securities to private investors.

*Amherst District.*

1017. (1) Moulmein has Imperial Bank which buys and sells Government Securities for applicants.

Yes, there are difficulties for those who cannot read and write English.

1021. Yes, in Rangoon, Mandalay, Moulmein, Bassein and Akyab.

1022. (1) No. Yes. No.

*Tavoy District.*

1017. (1) Through the Post Office or through the Bank. No.

(2) Through exchange brokers.

1019. No trouble.

1020. No change is suggested.

1021. May be opened in Rangoon and in other presidency towns.

1022. (1) Yes. They should be advised to invest their savings at an institution where they get higher rate of interest.

(2) By advertising and by public lectures.

*Mandalay District.*

1017. (1) Facilities for the purchase of Government securities should be provided by all Banks, Treasuries and Post Offices.

1018. (1) Imperial Bank should supply the answer to this question.

(2) Yes, they will buy, but so far as we are aware only for cash. Payment by instalments should in our opinion be encouraged.

1022. (1) They should be encouraged to invest in every way, not particularly in Government Securities, except as suggested as a first investment to inspire confidence, and cultivate the habit.

(2) By providing facilities at Post Offices for Savings Bank depositors, to exchange their holdings at any time they wish for Government securities.

1023. Banks should answer this question.

*Kyaukse District.*

1017 and 1023. There is no demand in this district and the Committee cannot recommend any schemes to provide facilities for their purchase, and is unable to give particular views on the different questions involved.

1018. (1) No assistance is available in this district from any source but the Deputy Commissioner would be willing to give advice to persons wishing to purchase the Government securities if asked to do so. A notice might be posted in the Treasury Office offering to assist in purchasing Government securities.

(2) Not known.

1019. The rules are not available in this district.

1020. The rules appear reasonable but as they are not printed in Burmese so far as I know, a potential investor must rely on the Postmaster to explain them to him.

1021. (1) Yes.

(2) There is not sufficient business in any other town.

1022. (1) As Government securities are the only absolutely secure form of investment the practice of investment in Government security should be encouraged among trustees or those in charge of local fund. Investments in local undertakings should only be encouraged in the case of business men who can watch the progress of the undertaking which is financed.

(2) Post Office Cash Certificates appear to be sufficient for this purpose.

*Remarks by the Deputy Commissioner, Kyaukse.*

1017. (1) There is no market for Government Securities in rural areas owing to the low rates of interest. During the late War Government War Loan was only taken as a result of pressure by the district authorities. Those wishing to buy can write to the Imperial Bank. Those who cannot read and write can always secure the assistance of the petition writer.

*Commissioner, Sagaing Division.*

1016. Because in the present state of development of the province there is little or no demand for such securities.

1017. Easily through any existing bank.

Those who cannot read and write English are not likely to be attracted by the small interest offered by Government securities when money is locally so much in demand at high rates of interest.

1022. I think it impossible at present to encourage investment in Government securities. The opening of branch banks in the districts will encourage deposits but would probably result in a loss to the banks at present.

*Bhamo District.*

1017. (1) Burmans and Indians living outside Rangoon may make arrangements to buy or sell Government securities from the Public Debt Office, Calcutta through the Local Treasury and the Accountant-General, Burma.

1017. (2) Nil.

1018. (1) The Government (*i.e.* Treasury) can give assistance by corresponding with the Public Debt Office through the Accountant-General when applications are received.

1018. (2) None known in Bhamo District.

1019. There appear to be no inconveniences or difficulties in all cases.

1020. No changes are recommended.

1021. For the convenience of the public a Public Debt Office should be opened in Rangoon.

1022. Investments in Government securities should be encouraged *i.e.* either in banks or Co-operative Credit Societies. Yes, Government securities are to be regarded as a first stage of training to invest more widely.

1023. This does not appear to be true.

*Myitkyina District.*

1017. (1) None here.

1018. (1) and (2) None here.

1019. and 1020. None here.

1020. None here.

1021.

(b) Not here.

1022. (1) None here.

(2) None to suggest.

1023. No information here.

*Deputy Commissioner, Myitkyina.*

1017. No one except some person called on to give security to Government buys Government securities. When one is called on the security is generally obtained through the office requiring the security to be given.

1018. (1) Government has published a hand-book.

Know nothing of (b), (c), (d) or (2).

1019. None that I know of.

1020. Can suggest none.

1021. No opinion.

1022. Prefer government securities to local undertaking and co-operative societies.

1023. Cannot say.

*Katha District.*

1022. (1) The private investors should be induced to invest in Co-operative Societies for the good of agriculturists.

(2) If Government securities are transferable, it will encourage people with small savings to take up Government securities.

1023. No.

*Accountant-General, Burma.*

1017. People living outside Rangoon can arrange to buy or sell Government securities through the agency of the Imperial Bank of India or through recognised bankers. There are special difficulties for those who cannot read and write English. There is no difficulty in buying Government Promissory Notes but in regard to selling they have to appear before the Magistrate who has to sign the transferring endorsement for them with a certificate *vide* paragraph 52 of the Government Securities Manual. Going to a Magistrate means in some cases much inconvenience and expense particularly when the party has to go from the interior of a District to a place where there is a Magistrate. There is also the same difficulty in regard to the discharge of Bonds owned by illiterate people *vide* paragraph 76 of the Government Securities Manual.

(2) As in sub-paragraph (1) above.

1018. (1) (a) When a Government of India loan is floated, the loan is advertised in the papers and the posters containing the terms of the loan are sent to banks, brokers, railways, local bodies, clubs, important firms for exhibition in prominent places for the information of the public, and they co-operate accordingly. During the currency of the loan Government securities are issued to applicants. At other times, when anybody wants to purchase Government securities he is directed to Imperial Bank of India. Applicants for the sale of Government Securities are also directed to the Imperial Bank of India.

(b) Floatation. The Imperial Bank of India by special arrangements with the Controller of the Currency take Government paper to a stipulated amount and they arrange for its sale to the general public by distribution through the Head Office and branches. Applicants get the securities they want on application to the Bank. At other times, they help people wanting to purchase or sell Government Securities by charging a small commission.

(c) On behalf of their constituents other banks get Government Securities either from this office or from the Imperial Bank of India when a new Government of India Loan is floated. At other times, they arrange for the purchase or sale of Government Securities on behalf of their constituents through the Imperial Bank of India or through their Head Offices at Calcutta.

(d) This office is not aware of the procedure adopted by other persons or institutions for the purchase or sale of Government Securities.

1018. (2) No.

1019. No generally but see 1017. (1) This can best be dealt with by the Public Debt Office, Calcutta.

1021. (a) Public Debt Office may be opened in Rangoon only and (b) not in any other towns of Burma.

1022. (1) Yes. The practice of investing in Government Securities may be encouraged for the present as the first stage of training to invest more widely. When greater confidence is aroused in the minds of the public investments may be made in other local concerns.

(2) The Imperial Bank of India and other well established banks may be induced to purchase Government Securities on behalf of people with small savings by instalment payments.

1023. No information is available in this office regarding this matter.

*Joint Registrar, Co-operative Societies, Pakokku, Myingyan and Minbu Districts.*

1022. (1) The subject should be allowed an unbiased choice of investment. Government should not attempt to direct his decision.

(2) They already have sufficient scope if they are really desirous of investing money.

*Range Officer, Co-operative Department, Insein.*

1022. (1) The private investors may be induced to invest in co-operative societies but they should not do so blindly.

(2) It does not arise.

*Charge Officers, Co-operative Department, Henzada and Prome.*

1022. (1) Yes, the safest and surest way for depositors is to deposit in banks or co-operative societies which finance local undertakings. Yes, but it is not easily adaptable to the Burmese nature at present.

(2) At present, it is rather difficult to encourage them to do this but if they can be well educated and shown the advantages it may be possible to induce them to do this.

*Official Assignee and Administrator-General, Burma.*

1021. A Public Debt Office should certainly be opened (a) in Rangoon (b) not in any other town of Burma.

*Postmaster-General, Burma.*

1018. Investments in Government Securities through the medium of the Post Office have, as far as I am aware, never been popular. Such securities do not attract the very small investor who finds he is fully catered for by the Department through the Savings Bank and Cash Certificate system and the larger investors prefer to deal through their bank in most cases.

*U Shwe Tha, K.S.M.*

1017. Very few Burmans whom I have come across know how to buy or sell Government Securities. Some buy when Government notifies a sale. As regards disposal of these Securities people find some difficulty in arranging with a bank to sell these Securities.

1018. (2) No. As far as I know.

1021. I think a Public Debt Office should be opened at Rangoon and at Mandalay.

1022. (1) At the present stage of education Government should encourage the practice of investing in Government Securities amongst private investors. I think investment in Government securities is to be regarded as first stage of training to invest more widely. People not generally knowing the working system of banks. Europeans or indigenous, fear to deposit their money. That is one reason why they look for land to invest in.

(2) Post Masters and Treasury Officers should buy for this class of people—Government Securities.

1023. Very few Burmans know how to buy treasury bills. Only Bankers and other big people at Rangoon do buy such Bills. Few Burmans who know how to buy do not take the trouble to tender for such bills.

*Mr. P. L. N. Narayanan Chelleyar (Pyawon).*

1017. (1) None from this district buys.

(2) Generally through banks.

1018. (1) Imperial Bank gives loans on Government bond at low interest.

(2) Not aware.

1019. None.

1020. There should be commission agents for purchase and sale of Government securities.

1022. (1) Yes this also should be done.

(2) Interest should be increased.

1023. No competition.

#### Section 4.—Other Securities.

##### *Akyab District.*

1024. (1) and (2) The Imperial Bank is the only agency locally.

(3) No suggestions.

##### *Hanthawaddy District.*

1024. No one deals in securities in this district.

##### *Henzada District.*

1024. A local public debt office would be of use. The post office at present transacts purchases and sales of securities.

##### *Tavoy District.*

1024. (1) Through banks.

(2) If we have local bank in Tavoy it will facilitate buying Government securities.

(3) The improvement we suggest will be to ask Government to sell their securities through local treasury.

##### *Mandalay District.*

1024. (1), (2) and (3) Same remarks as above apply (*vide* answers in the previous section).

##### *Deputy Commissioner, Kyaukse.*

1024. (1) People living outside Rangoon can transact business through advocates or other agents in Rangoon.

(2) Not known.

(3) Omitted.

*Bhamo District.*

1024. (1) As no such cases have occurred in the Bhamo District no answers can be given.

(2) None.

(3) We are not in a position to make any recommendations as trade does not appear to warrant the opening of a branch of any great bank.

*Myitkyina District.*

1024. None here.

*Deputy Commissioner, Myitkyina.*

1024. Through a bank or stock-brokers.

*Mr. P. L. L. N., Narayanan Chettiar (Pyañ n).*

1024. Not aware of other securities.

**Section 5.—Growth of Investment and Banking.\***

*Akyab District.*

1025. (1) Yes.

(2) The committee is speaking from its personal experience.

(3) Partly lack of education, partly dearth of money, and in rural areas those in possession of money prefer to purchase gold, land or cattle.

It is difficult to suggest remedies in existing circumstances.

1026. (1) and (2) No.

1027. No. There have been no such banks here.

(2) None locally.

1028. Yes, but there should be a limit to the amount they may receive in relating to the bank's total assets.

1029. Not as far known here.

1030. (1) Yes.

(2) It is the Committee's opinion.

(3) To some extent, but main reasons are ignorance of advantage of Government securities or better interest to be obtained elsewhere.

No, because Co-operative Banks at any rate, generally give better interest.

(4) We are unable to suggest any.

*Pegu District.*

1027. (1) Yes. Yes, this feeling deters a good number of people.

(2) Yes. Owing to failure of some of the indigenous bankers and also to the liquidation of many societies and on account of the financial stringency of some of the Co-operative Banks.

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\* With replies to No. 1029 of this section see also replies to No. 747.



*Tharrawaddy District.*

1025. (1) Yes.  
(2) Because no facilities are given to people living outside Rangoon.
1026. (1) No. (2) No.
1027. (1) Yes. Yes.  
(2) Yes.
1028. Yes.
1029. No, but Burmans don't deposit money with a Chettiar.
1030. (1) Yes.  
(2) Because very few make an investment.  
(3) Yes to some extent.  
(4) Because people have not much money to deposit.

*Hanthawaddy District.*

1025. We know neither the amounts deposited nor have we any data on which to base an opinion on the progress of extension.
1026. There are no joint-stock banks in this district.
1027. Same answer as 1026.
1028. There are no co-operative banks in this district.
1029. No.
1030. (1), (2) and (4) Same answer as 1025.  
(3) No.

*Insein District.*

1025. Yes.  
(2) From the number of persons of the trading classes who possess banking accounts. With Bengal and Ireland.  
(3) Undoubtedly the climate and the high mortality in Lower Burma has much to do with the *laissez faire* of the investing classes.
1026. (1) and (2) Yes.  
(3) Cannot answer.
1027. (1) and (2) Yes.
1028. Cannot answer.
1029. Cannot say.
1030. No sufficient material for comparison.
1031. No.

*Prome District.*

1027. (1) Yes. Yes, to some extent.  
(2) Yes there is a similar fear with respect to deposits with indigenous bankers, co-operative banks or societies.

*Henzada District, (Majority reply).*

1025. (1) Yes.  
(2) Because more profit is made at Henzada by trading in paddy and rice, rates of interest in rural areas should be higher than at Rangoon or big towns.
- 1026 and 1027. No I do not think people are averse for any such reasons. They lack the habit of bank investments.
1028. Yes *without restriction*.
1029. Yes, partially so. These investments like Post Office Saving Bank deposits should be income-tax free.
1030. Yes, the answer to question No. 1025 cover other parts of this question.
1031. Yes. Suitable directors and managers will be available.

*Henzada District (First minority reply).*

1025. (1) It is steadily increasing. The increase is slow as solvent banks are far away from most of the towns.

*Henzada District (Second minority reply).*

1025. The growth is very slow at present.

1025. Yes, undoubtedly it deters others from depositing.

(2) The unstability of the Provincial Bank gives some fear to others who have a mind to deposit money with banks, etc.

1029. No People who have money available down in the districts would prefer the Chettyars to other banks, because the former give better interest.

*Amherst District.*

1025. (1) Yes.

(2) Low rate of interest.

(3) As above. Higher rate of interest.

1026. (1) and (2) Yes.

1027. (2) Yes.

1028. Yes. Government supervision.

1029. No.

1030. (1) Yes.

(3) No.

*Tavoy District.*

1026. (1) Yes, we come across certain person who object to this sort of delay.

(2) Yes, on mail days. Sometimes unduly long.

1027. (1) Yes. Yes.

(2) Yes.

1028. We suggest for the opening of a Land Mortgage Bank in Tavoy District.

1029. Apart from the interference of the Income Tax Official with the accounts of Chettiars and other indigenous bankers people are adverse to deposit them for fear of failure. The remedy is to open Land Mortgage Bank.

*Minbu District.*

1025. (1) Yes.

(2) As compared with other Provinces in India.

(3) Want of banking facilities and habits. Expansion of banks and education of the public.

1026. (1) No.

1027. (1) and (2) No.

1028. Yes. Frequency of withdrawal might be restricted as in the case of Savings Banks.

1029. No for all questions.

1030. (1) Yes.

(2) No private person is known to have done this. Compared with European countries.

(3) No.

(4) Government security interest is not considered to be attractive enough.

1031. The system of investment trust is not known and understood in this district.

*Kyaukse District.*

1025. (1), (2) and (3) The practice of banking business is not only slow but rarely in use in this district because the people are not yet sufficiently educated to do this business. In this it is essential that educational facilities should be provided.

1026. (1), (2) and (3) Omitted. The use of cheques in this district is rare.

1027. (2) The quality of management has not yet come up to such a standard as to raise the confidence of the public to make deposits.

1028. See answer 935.

1029. Deposits with Chettiars are not so large as to incur income-tax on their interests and no remedy is necessary.

1030. See answers 1027 to 1022.

*Deputy Commissioner, Kyaukse.*

1025. (1) No.

(2) Because the country is insufficiently advanced for the practice to be widely extended as compared with western European countries.

(3) The Burmese temperament appears to be opposed to saving for distant contingencies.

1026. (1) and (2) No.

(3) None.

1027. (1) No.

(2) Chettiars until the recent failure due to the fall in the price of paddy were seldom known to fail and depositors have confidence in the Chettiar firms. With the exception of some of the better central banks and societies the same confidence has not been felt in co-operative banks and societies owing to the lack of business management in many of them.

1028. No. As Co-operative Banks find it difficulty to provide sufficient liquid resource. If current accounts are opened the proportion of liquid resource to loans issued should be considerably increased.

1029. No. I do not consider that there is anything here calling for remedy.

(1) and (2) See answer to question 1025.

(3) No.

(4) Potential investors prefer to risk their money and get the higher rate of interest. No remedy can therefore be proposed.

1031. Investment Trusts would not be feasible in Burma as suitable and managers could not be found to work on the remuneration the directors Trust could offer.

*Commissioner, Sagaing Division.*

1025. Not in view of the educational backwardness of the Province. The provision of more banks would hasten the process.

1027. (1) and (2) Yes.

1028. Co-operative banks have not been successful in this Division.

1029. No.

1030. There is no inducement to invest in Government or other securities when money available is so much in demand at high rates of interest.

*Bhamo District.*

1025. (1) Yes.  
(2) Because the banks are so few in Burma when compared with those in Europe.  
(3) Slowness appears to be due to the paucity of banks and the ignorance of the people.  
It is only in Districts in which trade warrants it that a Bank can be opened with advantage.
1026. (1) to (3) None known.
1027. (1) and (2) None known.
1028. There are no banks here so this question cannot be answered.
1029. Yes—people appear to be adverse to depositing their money with a Chettiar. The only reason for this is the smallness of the interest given on deposits.
1030. (1) Yes.  
(2) Because the people are naturally not thrifty.  
(3) No. No suggestion can be offered.  
(4) Until the habit of thrift is inculcated the opening of banks is not feasible.
1031. No ; for the reasons given above.

*Myithyina District.*

1025. (1) Outside Rangoon—Yes.  
(2) Because no Shan-Burmans here have banking accounts. With India.  
(3) Want of education in financial matters.  
None to suggest. Banking will come as higher education spreads.
1026. No banking here.
1027. (1) No joint-stock banks here.  
(2) No indigenous bankers here.
1028. No Co-operative banks here.
1029. No Chettiers or other indigenous bankers here.
1030. (1) Yes.  
(2) For reasons given above against 1025. With India.  
(3) No investments here.  
(4) None. None to suggest.
1031. Not here. The difficulty is want of education in financial matters.

*Deputy Commissioner, Myilkyina.*

1025. (1) Yes.  
(2) Observation, England.  
(3) Want of familiarity with a banking system.  
More branches Imperial Bank : advertisement : canvassing.
1026. (1) No.  
(2) No.
1027. Yes.  
(2) Yes : not unjustified.
1028. Not unless they are controlled by bankers.
1029. No remedy required.
1030. (1) and (2) England.
1030. (3) No.  
(4) Develop the country.
1031. Know nothing of them.

*Katha District.*

1025. (1) Yes.

(2) I think it so, because the tendency is to pay land for agricultural purposes rather than deposit money in any banks.

(3) The causes of slowness in Burma are :—

(i) the majority of people are not in a position to deposit money.

(ii) the increase of the majority of the people is once in a year, being an agricultural province which yields her paddy crops once a year.

(iii) the majority of the people are ignorant. People should be taught to cultivate different kinds of crops and to seek several ways of earnings so as to get surplus money to deposit it in the banks.

1026. No answer.

1027. (1) Yes.

(2) Yes, there is a similar fear.

1028. Yes, the restriction should be that deposit should not exceed half of working capital.

1029. No.

1030. (1) Yes.

(2) (i) Because the majority of people are not in a position to invest money.

(ii) Because the majority of the people are ignorant.

(iii) Because the rural agricultural class of the people are apt to invest their money in buying land.

(3) Yes, no other remedies than to keep them in fire-proof iron safes.

(4) Other cause are :—(1) the majority of the people are agriculturists and their income is received only once a year. They should be taught to get incomes from several sources so as to get surplus money to invest in Government securities or deposit in banks.

*Deputy Commissioner, Upper Chindwin.*

1025. (1) Yes.

(2) Because there has been no one as yet in rural areas who keeps money on deposit in banks.

(3) Ignorance of banking and its advantages is the cause banking should be explained to the people in rural areas.

*Accountant-General, Burma.*

1030. (1) Yes.

(2) People in the Districts are illiterate and have small savings.

(3) No.

(4) Most of Government loans have not been issued free of income-tax consequently the interest paid thereon is subject to deduction of income-tax. The income-tax payable is 1½ annas in the rupee. People feel this difficulty and the remedy lies in the issue of Government loans free of income-tax.

*Joint Registrar, Co-operative Societies, Pakokku Myingyan and Minbu Districts.*

1027. (1) Yes. No, the failure of one Joint Stock bank does not necessarily reflect upon the management of another.

(2) Yes, particularly at the moment because of the failure of several fairly large Chettiar firms and co-operative institutions, but it must be remembered that the bad state of trade has a lot to do with this.

*Range Officer, Co-operative Department, Insein.*

1027. (1) Not known.

(2) Yes, there is also fear to deposit with a co-operative bank or society.

*Charge Officers, Co-operative Department, Henzada and Prome.*

1027. (1) Yes, yes, to some extent.

(2) Yes, there is a similar fear with respect to depositing with indigenous bankers, and co-operative banks or societies which are not working satisfactorily.

*U Shwe Tha, K.S.M.*

1027. (1) Yes. I know some Burmans averse to depositing their money in joint-stock Bank for the reason given in this question.

(2) Yes. There is a similar fear with respect to deposits with indigenous bankers or to deposits with a Co-operative Bank or society.

*Mr. P. L. L. N Narayanan Chettiar (Pyapon).*

1025. No.

1026. (1) No.

(2) Not unduly long.

1027. (1) Yes. This deters many people.

(2) Yes.

1028. Yes. There should be a limit.

1029. See answer to Q. 747.

1030. (1) Yes.

(2) Because it is not negotiable.

(3) No.

(4) Interest should be raised. They must made negotiable.

1031. Not feasible. It is difficult for people to impose confidence in trust.

## Section 6.—Insurance.

*Akyab District.*

1032. Life assurance is steadily increasing amongst the educated classes. Insurance of property such as merchandise, houses, rice mills, is steadily increasing. Risk against theft and burglary is not much insured against.

1033. No, cases known, but the insistence of some companies on personal examination of applicants by Civil Surgeon sometimes gives rise to difficulties. It might be met by allowing examination by Sub-Assistant Surgeon at outstations.

1034. None here.

1035. No restriction should be imposed in present circumstances.

1036. (1) Doubtful it if would be popular as an annuity only makes provision for annuitant himself.

(2) Probably not, as such savings are usually made for family provision.

(3) See (1).

1037. Life Insurance is steadily developing now but more accurate death statistics would probably enable companies to reduce premiums and thereby increase business.

*Tharrawaddy District.*

1032. To a considerable extent.

1033. No.

1034. There are no difficulties but the Insurance Companies insure only against fire.

1035. Yes, we approve the view that restrictions should be introduced as the terms of the non-Indian insurance companies are not liberal and as they are uniform in their rates-

1036. (1) Yes.

*Hanthawaddy District.*

1032 (a) 1 per mille in towns, nil in rural areas.

(b) 1 per cent in towns, nil in rural areas except mill-owners.

1033. No.

1034. No difficulty.

1035. The people are not acquiring this habit in this district.

1036. We consider this premature.

*Insein District.*

1032. The practice of insuring property is on the increase among the wealthier traders.

1033. (a) Yes. (b) High rates are demanded because Lower Burma is a notoriously unhealthy country with endemic diseases rife and a population that declines to remove its own rubbish and filth. (c) It cannot be met at present.

1035. No. Too many people are acquiring the habit of "making" by insurance. In my opinion over 70 per cent. of the fires which result in insurance claims are due to arson.

*Henzada District (Majority reply).*

1032. One in every 250 insures life. One in every 500 insures property.

1033. Yes. Difficulty is extravagance. It can be met by practising frugality.

1034 and 1035. No suggestion.

1036. (1) Yes.

(2) Yes.

(3) Yes.

1037. Yes. Government Postal Insurance Department should accept the lives of non-official private persons on the usual examination at Government rate of premia. Annuities should be sold by the post office too as suggested above.

*Henzada District (Minority reply).*

1032. Town people in Burma are insuring their lines, as also their buildings.

*Maubin District.*

1032. To a large extent people insure their lives as well as property

1033. No.

1034. No difficulty, any insurance firm written to will send a appraiser and arrange insurance. There are also a large number of canvassers moving about the province for insurance business.

1035. No, there is a wide field for all.

1036. (1) Yes.

(2) No.

(3) Government servants of small means would buy such annuities.

1037. Much business is already being undertaken without special collection and tabulation of death statistics and there is no reason why it should not expand on the same lines. More accurate statistics will no doubt be required later on.

*Amherst District.*

1032 (a) To a small extent.

(b) House and building to a small extent.

1033. No.

1034. In case of fire no, but for insurance of other kinds there are no facilities.

1036 (1), (2), (3) Yes.

*Tavoy District.*

1032 (a) Very few, (b) very few because the conditions of Tavoy houses are such that the Insurance Company will not accept them. Mostly dhani leaves roofed houses.

1033. We are not aware of any such cases in this district.

1034. One reason is that people are not sufficiently educated yet and other is the local concerns are individual concerns. The remedy is to educate the masses by giving Compulsory Primary Education.

1035. No.

1036. (1) We think the people of this district are not sufficiently educated yet to come to this stage.

(2) We do not think so.

(3) We doubt.

*Minbu District.*

1032. Life insurance is very rare in this district. Say about one in a thousand in Salin and Minbu towns. Rice mills are generally insured probably because creditors insist on this being done. Some Chinese merchants who have dealing with Rangoon firms insure their merchandise and building. Practically no insurance of any kind outside urban areas.



1033. No.

1034. No difficulties are known.

1035. No. No Indian Insurance Companies have made any headway in Burma.

1036. (1) Yes. Annuities will be a safeguard against spendthrift inheritors.

(2) Yes. Very likely, but not much Post Office Cash Certificates have yet been bought in the district.

(3) Yes, they might especially for purposes of children's education.

1037. Yes, nothing need be done.

*Kyaukse District.*

1032. (a) Life insurance in this district is at present done among salary-earners and those who have dealing with public offices.

(b) Insurance for loss of property is not practised in this district. Mills and godowns are not insured but public bodies sometimes insure their respective buildings.

1033. No difficulty is met with.

1034. The practice of insurance against the loss of property except cattle has not yet extended to this part of the district. It is necessary that people should sufficiently be educated in the methods of insurance so as to enable them to work efficiently the practice of mutual insurance. Co-operative Cattle Insurance Societies fail through the idemities not being paid in full value on which premia were paid and premia were never returned to the subscribers so as to treat system of the cattle insurance as one of the savings system. The present system of the cattle insurance should be overhauled so as to identify in full and to become a way of savings.

1035. The committee is neither for nor against the view expressed in the question, but desires that every kind of insurance should be fostered through Co-operative movement so that the people in the district may have thorough grounding in the practice of insurance and fund, realize as premia, etc., may be utilized in the expansion of the movement.

1036. 1, 2, 3 omitted, as the Cash Certificate is not popular in the district and so the annuities will also not be popular.

*Deputy Commissioner, Kyaukse.*

1032. I agree with the Committee.

1033. No.

1034. There is no difficulty in arranging insurance of merchandise except when in godowns built of matting and thatch situated in the middle of the towns and built on inflammable materials for which no reasonably prudent company would accept the risk. Insurance of buildings has in the past been accepted too easily by some companies with the result that cases of arson for insurance are becoming common. Cattle insurance societies have been a dead failure, as the cultivator thought that if his cattle did not die he was getting nothing for his money.

1035. I am against giving the monopoly of insurance to local companies on the ground of encouraging national effort as I consider that the claims of efficiency are preferable to the founding of unsound local companies for political reasons.

*Deputy Commissioner,*  
*Kyaukse.]*

( 638 )

1036. (1) As vital statistics are not accurately kept throughout the province Government would find much difficulty in fixing the rate of annuities.

- (2) Yes ; but very few persons would buy either Cash Certificates or annuities.

(3) Very few.

1037. No. The collection and tabulation of vital statistics cannot be improved without the substitution of an expensive agency which the country cannot at present afford.

*Commissioner, Sagaing Division.*

1032. Very few persons outside Rangoon insure their lives for more than a year or two. Millers insure their mills as a rule.

1034. No respectable person has any difficulty. The principal difficulty is the low standard of morality and the next the impossibility for travelling agents to ascertain the real status and credit of insurers. The third difficulty is the disinclination of people to spare money for insurance.

*Myitkyina District.*

1032. No insurance here.

1033. No. No one insures here.

1034. No agents of Insurance companies visit this Subdivision because no one is interested in this matter.

1035. No insurance here.

1036. No one will buy annuities.

1037. No remarks to offer.

*Deputy Commissioner, Myitkyina.*

1032. Practically negligible extent.

1033. No.

1034. Want of reliable companies in competition and absence of agents.

1035. No.

1036. (1) Doubt if there would be any sale.

(2) No.

(3) Very few. Perhaps a few wise to Income-Tax evasion.

1037. Government should not enter the business. Companies with capital have enough statistics to push insurance if they wish.

No way apparent at present to increase accurate Vital Statistics.

*Katha District.*

1032. Very few persons outside Rangoon insure (a) their lives (b) their property.

1033. No.

1034. The difficulties in arranging insurance of merchandise and other property against fire, theft, flood, and other accidents are (1) people's faith in the Insurance Company is still very low (2) in general

the withdrawal of money insured cannot easily be effected. The difficulties can be overcome, if good canvassers are sent round to explain the necessity of insurance of merchandise, and the Insurance Company acts accordingly.

1035. Yes, restriction on the operations of non-Indian Insurance Companies should be introduced, because money received in Burma and India should be utilised in Burma and India.

*Deputy Commissioner, Upper Chindwin.*

1032. None in this locality.

1033 to 1037. Do not arise in view of answer to 1032.

*Director of Public Health, Burma.*

1037. An attempt is being made to improve the collection and tabulation of vital statistics in Burma ; but, until the Provincial and Local health services have been considerably developed in advance of their present state, little improvement can be hoped for.

*Postmaster-General, Burma.*

1036. Government already sells annuities through the medium of the Post Office.

1037. Life insurance by Government is becoming increasingly popular amongst those classes to whom the facilities are available, viz., Government servants and others connected with certain specified institutions. Were non-Government servants permitted to take out life insurance policies through the medium of the Post Office, there can be no doubt that there would, within a few years, be a considerable response.

*Burma Indian Chamber of Commerce.*

1037. The Government can help in popularising life assurance in the districts by undertaking the business through post offices. At present the life assurance companies are operating mostly in the cities and the larger district towns and have not so far carried their business to the doors of the villagers. Life assurance is an enterprise which the State can take up with justification and without courting opposition from the companies.

*U Shwe Tha, K.S.M.*

1036. (1) Yes. I think Government should offer annuities for sales through the Post Office.

(2) I think so.

1036. (3) Yes. I think others would be likely to buy such annuities as soon as they understand the object of such annuities.

*Mr. P. L. L. N. Narayanan Chettiar (Pyapon).*

1032. In this District 10 per cent insure their lives and 5 per cent insure their property.

1033. No.

1034. No.

1035. No.

1036. (1) Yes.

1037. If death statistics is collected real development will be made.

CHAPTER XI.—MISCELLANEOUS.

Section 1.—Vernacular Script in Banking.

*Akyab District.*

1101. (1) No suggestions.  
(2) English.  
(3) Yes.

*Pegu District.*

1101. (1) No suggestions. The use of vernacular scripts in banking in Burma is recommended.  
(2) Vernacular script and English should be permitted.  
(3) Yes.

*Tharrawaddy District.*

1101. (1) Nil.  
(2) English and Burmese.  
(3) All languages except English and Burmese.

*Prome District.*

1101. (1) No.  
(2) Burmese and English.  
(3) Languages other than Burmese and English should not be used.

*Henzada District.*

1101. (1) Yes, vernacular scripts should be introduced in banking.  
(2) Bilingual scripts should be prescribed for each province *viz.* English and the principal language of the province.  
(3) Other languages belonging to a minor section of the population in each province should not be introduced.

*Maubin District.*

1101. (1) Pass-books and pay-in slips can be conveniently made out in Burmese to suit a customer.  
(2) Burmese may be permitted.  
(3) All other languages outside English and Burmese should be forbidden as far as this Province is concerned.

*Pyawon District.*

1101. (1) The Committee recommended the use of vernacular scripts in banking with the exception of signatures on cheques.  
(2) Burmese is recommended by the committee.  
(3) The Committee would forbid the use of Chinese or any other script with which the general public in Burma is completely unfamiliar.

*Thalon District.*

1101. (1) **Yes.**  
(2) English and Burmese should be the only languages that can be used in banking.  
(3) I would forbid the use of any other languages in banking business, to prevent confusion and fraud.

*Thalon District (Kyaiklo Sub-committee).*

1101. Burmese should be used.

*Amherst District.*

1101. (1) Script in two languages, English and Burmese, should be made.  
(2) English and Burmese.  
(3) *Omitted.*

*Tavoy District.*

1101. (1) I would suggest the use of vernacular script for banking purposes.  
(2) Only English and Burmese, which may be used concurrently.

*Kyaukse District.*

1101. (1) Pass-books and pay-in slips should be bilingual.  
(2) Burmese and English.  
(3) Any language should be allowed to be used in this province, provided cheques, slips, etc. had Burmese and English transliteration.

*Myingyan District.*

1101. (1) As many of people do not understand English, the use of Burmese and Tamil scripts may be recognized. Tamil being the more commonly used script among the Indians.  
(2) As suggested in number (1).  
(3) No such prohibition would be practicable. Languages and scripts suitable to parties may be used.

*Yamethin District.*

1101. (1) **No.**  
(2) English and Burmese.  
(3) **No.**

*Shwebo District.*

1101. (1) Should be bi-lingual, giving user choice of filling in blanks in language he prefers.  
(2) English and Burmese.  
(3) Would forbid the use of all others.

*Sagaing District.*

1101. (1) **Yes.** Burmese language and figures should be used in all Banks in addition to whatever languages that may now be in use.  
(2) **See (1).**  
(3) **No.**

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook  
(Co-operative Branch) Myinmu Range.\**

1101. (1) Cheques, pass books and pay in slips should be bilingual.  
(2) English and Burmese.  
(3) No objection, so long as English and Burmese are included.

*Charge Officers, Co-operative Department, Henzada and Prome.*

1101. (1) Yes, Burmese.  
(2) Burmese and English.  
(3) Languages other than Burmese and English may multiply difficulties as they are not universal ones.

*Mr. A. D. Kiernander.*

1101. Vernacular cheques if countersigned with signature in English by any person approved by the bank might be accepted.

*Mr. P. L. L. N. Narayanan Chettiar (Pyawon).*

1101. No.

## Section 2.—Pawnbroking.

*Akyab District.*

1102. (1) Same as in other parts of Burma.  
(2) None.  
(3) By district or municipal councils. Not necessary to have a guarantor.

*Pegu District.*

1102. (1) The rates of interest charged by pawnbrokers in Pegu is as follows :—

- |                             |   |
|-----------------------------|---|
| (a) from Re. 1 to Rs. 5     | One anna six pies in a rupee per mensem, up to five months. |
| (b) from Rs. 5 to Rs. 20    | One anna in a rupee per mensem, up to five months.          |
| (c) above Rs. 20 (no limit) | Nine pies in a rupee per mensem, up to five months only.    |

The following rates of interest are recommended :—

- |                          |                                     |
|--------------------------|-------------------------------------|
| (a) from Re. 1 to Rs. 5  | One anna in a rupee per mensem.     |
| (b) from Rs. 5 to Rs. 20 | Nine pies in a rupee per mensem.    |
| (c) above Rs. 20         | ... Six pies in a rupee per mensem. |

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\* Joint reply ; relates to Sagaing, Mandalay and Kyaukse districts.

As the Committee do not anticipate any possible evil of the excessive use of a pawnshop by the poor people, the rates suggested above are recommended.

At present the pawnbrokers charge an anna for each pawn ticket from those who pawn their articles. In the majority of cases, the advances made on articles pawned are below Rs. 20 and therefore the Committee are of opinion that the extra charge of an anna for amounts less than Rs. 20 should be stopped.

(2) Since unlicensed pawnbrokers are prohibited by law, no suggestions can be made.

(3) No.

*Tharrawaddy District.*

1102. (1) Two pice to one anna per rupee per month varying with amount loaned. Maximum rate might be fixed at 3 pice. Yes.

(2) Other measures not necessary.

(3) By Government. It's a good plan. Yes. Equitable Mortgages.

*Hanthawaddy District.*

1102. (1) Monthly interest at 1 anna up to Rs. 10.

9 pies from Rs. 10 to 20.

6 pies from Rs. 20 to Rs. 40.

Rs. 2-8-0 per cent from Rs. 40 to Rs. 60.

Rs. 2-0-0 per cent from Rs. 60 to Rs. 80.

Rs. 1-8-0 per cent above Rs. 80.

We are of opinion that the maximum rate should be as low as possible without regard to fall in license fees or problematical excessive use of pawnshops.

(2) None.

(5) Recommend none of those suggestions.

*Prome District.*

1102. (1) One anna is charged for one rupee per month and it should be left as it is.

(2) A police officer not lower than the rank of a head constable should be attached to every pawnshop to prevent loss to the pawnbroker as well as to detect stolen properties.

(3) In urban areas where there are Municipalities it should be opened by them and in rural areas it should be made over to the District Councils. The plan of appointing guarantors might be tried. It need not be combined with the Municipal Banks.

*Henzada District.*

1102. (1) One anna per rupee. This should be reduced to half anna per rupee. There will be some fall in the license fee, but it will not encourage excessive use of pawnshops, on the other hand relieve the poor borrowing public.

(2) It would be very desirable if Municipality and District Council will run Pawn shops departmentally. It may be made a branch of Municipal and Council Banks with advantages.

*Maubin District.*

1102. (1) *In villages.*—Not exceeding Rs. 5, one anna for each rupee or part of a rupee for each month or part of a month. Exceeding Rs. 5 but not exceeding Rs. 20, nine pies for each rupee or part of a rupee for each month or part of a month. Exceeding Rs. 20, six pies for each rupee or part of a rupee for each month or part of a month.

*In towns.*—Not exceeding Rs. 5, one anna for each rupee or part of a rupee for each month or part of a month. Exceeding Rs. 5 and not exceeding Rs. 25, nine pies for each rupee or part of a rupee for each month or part of a month. Exceeding Rs. 25, six pies for each rupee or part of a rupee for each month or part of a month.

I do not recommend fixing a lower rate than the above rates as a maximum. Third part of question does not arise.

(2) No other measures are necessary.

(3) I do not recommend the opening of pawnbrokers' shops by Government or by District or Municipal Councils nor do I think it necessary to appoint a guarantor to each shop. The last part of question does not arise.

*Pyapon District.*

1102. (1) One anna on sums up to Rs. 5 ; nine pies on sums above Rs. 5 and not exceeding Rs. 20 ; six pies on sums exceeding Rs. 20 and not exceeding Rs. 200.

(2) The majority of the Committee was in favour of abolishing all pawshops and no constructive suggestions were forthcoming.

(3) The Committee felt that Government, District Council or Municipal pawnshop would be preferable to a private pawnshop. The plan of appointing to each shop a guarantor was considered impracticable.

*Thalon District.*

1102. (1) The rates of interest charged by pawnbrokers in this District are as follows —

(1) Anna one—on every rupee per month if the amount lent is Re. 1 to Rs. 5.

(2) Nine pies on every rupee per month if the amount lent is Rs. 6 to Rs. 20.

(3) Six pies on every rupee per month if the amount lent is Rs. 2½ to Rs. 100.

We recommend the fixing of the following rates :—

(1) Nine pies from Re. 1 to Rs. 10.

(2) Six pies from Rs. 11 to Rs. 50.

(3) Two pies from Rs. 51 to Rs. 100.

(4) Rs. 1-8 from Rs. 101 upwards.

(2) The rates should be fixed as low as possible so that the pawnbroking business may become unpopular. We are against Pawnbroking as it encourages spend-thriftiness.

(3) No.

Equitable mortgages.



*Thaton District (Kyaikto, Sub-committee).*

1102. (1) Fixed rate of two pies per rupee. Fees will decrease. No evil.

(2) License at fixed rate should be issued by local bodies to person desiring to transact pawnbroking business for receiving gold and silver (jewelleries included) in pawn. This will give an increased revenue to local bodies.

*Amherst District.*

1102 (1) Rs. 6-4 per cent. per mensem as maximum.

*Tavoy District.*

1102. (1) Rs. 3½ per cent. per mensem, I would suggest a maximum of 2 per cent. per mensem I do not suggest a rate below 2 per cent. per mensem which is in keeping with the Chetty's rate of interest for small loans.

(2) I would suggest half-yearly inspection by the Municipality to check.

(a) whether a proper amount has been advanced on unredeemed pledges.

(b) the amounts for which the unredeemed pledges are sold and the refund of any surplus to borrowers.

(c) A number of pawnshops may for an experiment be conducted with guarantors, and ought to be worked in conjunction with a district bank.

*Youngoo District.*

1102. (1) Up to Rs. 5, one anna per rupee per month.

Up to Rs. 20, Nine pies per rupee per month.

Above Rs. 20, six pies per rupee per month.

Yes. Up to one half of the above rate of interest.

Yes.

*Commissioner, Magwe Division.*

1102. Pawn-broking needs regulation badly. Government have recently had certain measures for its regulation under consideration. There is always opposition to the opening of licensed pawnshops, which, I am convinced, is largely due to the general practice among apparently respectable people of lending money on jewellery, etc., without enquiring how it was come by. In every place in Burma where I have been stationed I have known of receivers of stolen property among people of the better class.

*Magwe District.*

1102. (2) (a) If the sum lent does not exceed Rs. 5, one anna for each rupee or part of a rupee for each month or part of a month.

(b) If the sum lent exceeds Rs. 5 but does not exceed Rs. 20, nine pies for each rupee or part of a rupee for each month or part of a month.

(c) If the sum lent exceeds Rs. 20, six pies for each rupee or part of rupee for each month on part of a month.

We do not recommend fixing a lower rate than this as a maximum.

(2) No other measures can be proposed for the regulation of private pawn brokers at present for Magwe.

(3) No, we do not recommend the opening of pawnbrokers shops by Government or by District or Municipal Council.

Notes.—U Htein, Chairman of the District Council is of opinion that the rate of interest should be lowered and also that pawn shops should be opened by Government, District Council and Municipalities.

*Pakokku District.*

1102. (1) The rate of interest charged by pawnbrokers in our locality are : Re. 0-1-6 on a rupee up to Rs. 5 : Re. 0-1-0 on a rupee for sums over Rs. 5 and up to Rs. 10, and 9 pies on a rupee for sums over Rs. 10 and up to Rs. 250. We would not recommend fixing a lower rate than this as a maximum.

(2) We could not propose any other measures for the regulation of the private pawnbrokers.

(3) We would recommend the opening of pawnbrokers' shop by Municipal and District Councils and it is good plan to appoint to each shop a guarantor and this plan could be combined with a plan for Municipal Banks.

*Kyaukse District.*

1102. (2) The present regulations appear to be suitable for private pawn brokers.

(3) I do not recommend the opening of pawnshops by government or by District and Municipal Councils. As I do not think that a guarantor could be obtained, I do not recommend Municipal Banks. I do not think that this plan could be combined satisfactorily with a plan for Municipal banks, owing to the difficulty of management.

*Myingyan District.*

1102. (1) The ordinary rate of interest is 5 per cent. per mensem. The loans being for a short period and being small, it is not necessary to try to fix the maximum at a low rate.

(2) No other measures suggested.

(3) The opening of the Pawnbroker's shop by local bodies is not desirable.

*Yainethin District.*

1102. (1) The rates of interest generally charged are as follows :—

From Re. 1 to Rs. 6 at 1 anna per rupee per month.

From Rs. 6 to Rs. 21 at 9 pies per rupee per month.

From Rs. 21 to Rs. 100 at 6 pies per rupee per month.

From Rs. 100 and upward at 2½ per cent. per month.

(2) Nil.

(3) Yes. The plan is recommended. Yes.

*Commissioner, Sagaing Division.*

1102. Pawnshops have been opened in a few districts under the Rules contained in the Village Manual. The rates for such shops are fixed by Rule 5 (vi) of the rules for regulation of pawnshops in village-tracts, but are probably exceeded.

Pawnshops when licenses are sold by auction often fetch considerable sums. District Councils are for some reason not much in favour of them in this Division.

The business is not suitable for Government to undertake.

*Shwebo District.*

1102. (1) (a) Rs. 1-8-0 to Rs. 2-8-0 per cent per mensem according to amount involved—the larger the amount the lower the interest. (b) Yes. (c) Yes.

(2) None.

(3) (a) Government should open them. (b) The plan is unnecessary.

*Sagaing District.*

1102. (1) 3½ to 6½ per cent. per mensem. Yes, irrespective of all consequences.

(2) No other.

(3) No. Not desirable. No.

*Katha District.*

1102. (1) From 4 to 6 per cent. per month. I would not interfere with the economic rate.

(2) The Regulation of Pawnshops is under the Village Act.

(3) I can see no reason to interfere.

*Deputy Commissioner, Upper Chindwin.*

1102. (1) There are no pawn-brokers in this locality.

(2) This does not arise.

(3) To be opened in towns and in big selected villages. The latter part of the question cannot be answered.

*Lower Chindwin District.*

1102. (1) At the one and only pawnshop in Monywa the rate of interest is at 75 per cent. per annum, *i.e.*, Re. 0-1-0 per Re. 1 per month.

Opinion is equally divided as to the desirability of reducing the rate of interest.

(3) The opening of pawnshops by Government is recommended as no stolen property will be pawned. The proposed plan of a guarantor was not appreciated. The question of Municipal Banks has not been dealt with.

*Charge Officers, Co-operative Department, Henzada and Promé.*

1102. (1) One anna is charged for one rupee per month and should be left as it is.

(2) A police officer not lower than the rank of a head constable should be attached to every pawshop to prevent loss to the pawn broker as well as to detect stolen properties.

(3) In urban areas where there are municipalities it should be opened by them and in rural areas it should be made over to the district councils.

In case the local bodies cannot get the services of experts, it may be necessary to appoint an appraiser ; it need not be combined with the municipal banks.

*Mr. P.L.L.N. Narayanan Chettiar (Pya pon).*

1102. One anna for Re. 1 per mensem, up to Rs. 20.

Above Rs. 100, 3½ per cent. per mensem.

This rate should be reduced.

(3) No. The plan of appointing a guarantor is not workable.

**Section 3.—Equitable Mortgages.**

*Akyab District.*

1103. (1) It should be confined to important sea ports only.

(2) No.

*Pegu District.*

1103. (1) The extension of the privilege of making an equitable mortgage by delivery of title deeds without the execution of mortgage-deeds to the whole of Burma is recommended.

(2) Yes, since Commercial Bills have been mortgaged and accepted by money lenders without any difficulty in Rangoon, Mandalay Moulmein and Bassein.

*Tharrawaddy District.*

1103. (1) To the whole of Burma.

(2) Yes.

*Hanthawaddy District.*

1103. (1) No.

(2) Not in our opinion.

*Promé District.*

1103. (1) and (2) We have no experience of these.

*Henzada District (Majority reply).*

1103. (1) This privilege should be extended to the towns. At present villages outside towns are not fit yet to be granted this right.

(2) Yes.

*Henzada District (First minority reply).*

1103. I am not in favour of extending the privilege to other towns. It is used sometimes to cheat creditors.

*Henzada District (Second minority reply).*

1103. (1) Yes, At least it should be extended to important towns in the province if it is not feasible to extend the same to the whole province.

*Maubin District.*

1103. (1) Yes.  
(2) Commercial bills are not used in this locality.

*Pyawbôn District.*

1103. (1) The Committee see nothing against extending the privilege of equitable mortgage to the whole of Burma. This might possibly have the effect of increasing the care shown both by the public and the indigenous bankers towards title-deeds. But the Committee was of opinion that in this neighbourhood at any rate the equitable mortgage system would not come into general use.

(2) The Committee was of opinion that commercial bills might be encouraged.

*Thatôn District.*

1103. (1) It should be extended to the whole of Burma.  
(2) We think it could be.

*Thatôn District (Kyaikto Sub-committee).*

1103. (1) To be extended to whole of province.  
(2) Yes.

*Amherst District.*

1103. (1) No.  
(2) Yes.

*Amherst District (Mr. Wright's Sub-committee).*

1103. (1) We are of the opinion that the privilege of making an equitable mortgage by delivery of title deeds without the execution of the mortgage deeds should be extended to all municipal towns in Burma ; but that the privilege should only extend to properties actually situated within those municipalities.

*Tavoy District.*

1103. (1) I would suggest the extension of privilege of making equitable mortgages to all towns throughout Burma but with the following restriction:—

(a) Every such equitable mortgage should be noted in a registration office giving the following particulars, viz.—

- (i) date of mortgage,  
(ii) names of the parties,  
and (iii) amount of mortgage and the rate of interest which should be signed in the register by both mortgagee and mortgagor.

(b) The laws as to priority should be altered as regards equitable mortgages and the priority should be according to the date of registration and not according to the date of making the mortgage. This is absolutely necessary as cases have been ante-dated to evade attachment of property in execution.

(2) Yes ; with the use of safeguards commercial bills may come into larger use.

*Toungoo District.*

1103. (1) It may be extended to certain large towns both in Lower and Upper Burma—but confined within the municipal limits.

(2) Yes.

*Magwe District.*

1103. (1) The privilege of making an equitable mortgage by delivery of title deeds without execution of a mortgage deed should be extended to the whole of Burma.

(2) No answer can be given.

*Pakokku District.*

1103 (1) The privilege should be extended only to municipal towns.

(2) *Omitted.*

*Deputy Commissioner, Kyaukse.*

1103. (1) No. The practice would probably lead to fraud.

*Myingyan District.*

1103. (1) It should extend to all district headquarters in Burma.

(2) Yes.

*Yamethin District.*

1103. (1) Yes.

(2) Yes.

*Commissioner, Sagaing Division.*

1103. (1) I see no objection.

*Shwebo District.*

1103. (1) Yes, it should be extended to towns where people are not ignorant of law. In Shwebo District, these would be Shwebo, Ye-U Wetlet, Kin-U and Kanbalu.

(2) *Omitted.*

*Sagaing District.*

1103. Yes ; throughout Burma.

(2) Yes.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch) Myinmu Range.\**

1103. (1) Yes.

(2) Yes.

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\* Joint reply. relates to Sagaing, Mandalay and Kyaukse districts.

*Charge Officers, Co-operative Department, Henzada and Prome.*

1103. (1) & (2) We have no experience of these.

*Burma Buildings and Loan Association, Ltd.*

1103. (1) The privilege of making equitable mortgages should be permitted to the whole of Burma. It is just as safe as a mortgage bond, less expensive to the borrower, and the amount can be called up at any time, which is not the case with a registered mortgage.

*Mr. A. D. Kiernander.*

1103. (1) Don't recommend as it will lead to litigation.

*Mr. P. L. L. N. Narayanan Chelliar (Pyapon).*

1103. (1) Yes.

#### Section 4.—Title in Land.

*Commissioner, Arakan Division.*

1104. and 1105. The difficulty in discovering whether a particular holding is free from encumbrances or not is very real, and is felt by Government in issuing agricultural loans, etc., as well as by private money-lenders. At the same time it would be difficult for the Land Records Department to keep an accurate record of all mortgages without a great increase of work, which would mean an increased staff. The Registration Index suggested in Question 1105 would be a very cumbrous publication and very expensive to print, and unless a high price was charged it is doubtful if the cost would be recovered. Also its utility would be doubtful unless numbers and boundaries of holdings were permanent.

*Akyab District.*

1104. A system of registration of holdings and prohibition of subdivision of holdings is necessary.

1105. This would be a great advantage and would facilitate investigation of title in land.

*Pegu District.*

1104. Please see answer for paragraph 1105.

1105. Although there may be disadvantages and much trouble in compiling and publishing a copy of the entries made in the Registration Index Books at the end of each year, the Committee are of opinion that advantages will far outweigh the disadvantages and therefore recommend that the suggestions made in paragraph 1105 be adopted. The Committee further recommend that such copies be sold to the public at a cheap price.

*Tharrawaddy District.*

1104. The Superintendent of Land Records should be made the sole authority to whom the petition in prescribed form is to be made for enquiry on payment at a fixed rate of Rs. 2 for property worth under Rs. 10000 and Rs. 5 for property worth up to Rs. 50000 and Rs. 10 for property worth over Rs. 50000.

1105. We do not think that it is advantageous as it would have a humiliating effect on the debtors. We do not therefore recommend that this should be done.

*Hanthawaddy District.*

1104. The investigation of title in land in the present Land Records system is very cheap and requires no change at the present time. Only a small sum of 4 annas per year is charged for searches in the Record Room, whilst no fees whatever are charged for inspection of records in the hands of the surveyors. The charge made for the preparation of map is only one anna per acre on the 16 inches scale and this rate is also very reasonable.

1105. The labour involved would be great, the sales would be quite incommensurate with the expenditure as they would be very little used in the District. It is not recommended for this District.

*Insein District.*

1104. None.

1105. Yes : it is a good plan.

*Prome District.*

1104. Only nominal fees should be charged in the investigation of title in land.

1105. Yes, it is a good idea if each district prints a list and sells to the public at the end of each year a copy of the entries made in the Registration index book for that year through-out the district. The advantage is that it will avoid unnecessary litigation and the mortgagee will not suffer on any account. The disadvantage is that some well-to-do land owners may not like the idea as it is exposed to the public.

*Henzada District (Majority reply).*

1104. Septennial Record of Rights should be prepared by actual resurvey and verification by executive officers with a preliminary investigation into rights, as is done in Bengal and other provinces in India. Entries on record of rights, so made is to have the presumption of correctness in courts, unless proved otherwise by the party refuting it.

1105. This procedure will have the advantage of notifying the public about the transfer of rights and will be highly useful to the public. This should be done.

*Henzada District (First minority reply).*

1105. Certainly I would recommend each publication. It will help the money lenders and the solvent borrowers greatly.



*Henzada District (Second minority reply).*

1105. These will be much advantage if such is printed. This would make the buyers more confident and a lot of litigation would be avoided. I recommend that this should be done.

*Maubin District.*

1104. No changes are suggested, but Registration offices might be called upon to prepare and forward transfer notices (Direction 18 Burma Registration of Deeds Manual) in duplicate to the Superintendent of Land Records or Revenue Officer concerned, who will forward the duplicate copy to the headman for record and reference by the public free of charge.

1105. There will be no advantage in printing and selling entries in Registration Index Books, because the mass of information printed will not be of interest to anyone and sale proceeds are not likely to cover printing charges. I do not recommend that this should be done.

*Pyapon District.*

1104. The Committee was of opinion that investigation of land titles was arduous and protracted business both in the Land Records and Registration Offices. The Committee had no specific change of system to suggest beyond that referred to in question 1105; the Committee thought that an increase of staff for investigation purposes was called for.

1105. The Committee was all in favour of printing and selling to the public at the end of each year copies of entries made in Registration Index Book for that year throughout the district. The Committee felt that it would be a great convenience to the public.

*Thalon District.*

1104. No change appear to be necessary as no difficulties are experienced in getting copies of records of titles from the Land Records and Registration Departments but strict measures are necessary to see that necessary changes are made by Revenue Surveyors promptly.

1105. If the entries in the Registration Index Books are printed at the end of each year it would be very easy for money lenders to find out whether a particular piece of land to be transacted is free from encumbrances or not. But there would be many disadvantages on account of the delay in the publication of the printed entries as some four to six months would be spent in copying out entries and printing them. The printed entries would be much more useful if they are printed quarterly.

*Thalon District (Kyauhto Sub-committee).*

1104. The existing rules are good but are little known. Wide publication of these rules in vernacular should be made.

1105. The advantages outweigh the disadvantages. Yes.

*Amherst District.*

1104. We do not suggest fresh changes but the existing system should be thoroughly carried out and supervised and there should be closer co-operation between Registration Department and Land Record Department. Registers should be kept more up to date and better facilities provided.

1105. No.

*Amherst District (Mr. Wright's Sub-committee.)*

1104. We have no changes to suggest in the systems at present in force in the Land Records and Registration of Deeds offices.

1105. We are of the opinion that it would be objectionable if the proposal in this question were carried out.

*Tavoy District.*

1104. I think the practice obtaining in Southern India may very well be adopted in Burma. Any person may apply to a registration office for a certificate of incumbrances appearing in the register in respect of any property. A fee is charged by the registration department which supplies a certificate of incumbrances on application in person or by post. Otherwise the present system of entry in the Land Records and Registration office is quite sufficient. Perhaps a Register of Title may be opened on the lines indicated by the Land Registry for Middlesex where persons are allowed to register their titles. This would facilitate the granting of loans by banks.

1105. I do not recommend the publication of a printed Index of incumbrances as this may tend to prejudice the credit of borrowers.

*Pakokku District.*

1104. No change is necessary either in the Land Records or the Registration of Deeds Systems.

1105. We would recommend the suggestion as both the mortgagor and the mortgagee would have easy reference and confirmation of their transactions.

*Deputy Commissioner, Kyaukse.*

1104. The present arrangements appear to be the best possible considering the existing agency for investigation of claims.

1105. Such printing would involve government in very heavy loss and I do not recommend that this should be done.

*Myingyan District.*

1204. No changes are necessary.

1105. No such arrangements are necessary as the public have not experienced any difficulty in getting information under the present system.

*Yamèthin District*

1104. The present system is about the best. No change is suggested.

1105. This method is recommended. No disadvantages could possibly arise out of it.

*Commissioner, Sagaing Division.*

1103. No changes to suggest.  
1105. No one would buy these.

*Bhamo District.*

1104. The present system of alienation of land by registered deed is satisfactory.

1105. For this district it is inadvisable to print and sell to the public at the end of each year a copy of the entries made in the Registration Index Books for that year, as there would be no purchasers.

*Shwebo District.*

1104. Increase number of Registration Offices so that there shall be one in every Headquarters of a Township.

Keep a copy of the current supplementary survey map of each kwin in each village-tract in the Headman's house, where they could be readily inspected by anyone interested.

1105. (a) All money-lenders, at least, would each buy a copy, if the charge were not too high. (b) Yes.

*Sagaing District.*

1104. No change suggested.

1105. It might help moneylenders, but the disadvantage is that there will be little or no sale.

*Deputy Commissioner, Upper Chindwin.*

1104. I do not think that any change is necessary.

1105. The advantages are that the public will be able to find out the state of the lands without any enquiry by reference to such.

1105. Such printed copies of the Indices, so that double mortgage and double sale cannot occur. The disadvantage is increase of work in the Registration Offices and the consequent necessity to increase the remuneration of the Registration clerks. I recommend that this should be done.

*Lower Chindwin District.*

1105. The plan was generally approved, inasmuch as transfers would be more a matter of common knowledge.

*Inspector-General of Registration, Burma.*

1104. The investigation of title in land by search in registration records is fairly simple and I do not think that any further simplification is required. Registration Charges in Burma, including fees for search, are cheaper than in many other Provinces of India. The question of raising registration fees generally is under consideration at present.

*Amherst District.*

1104. We do not suggest fresh changes but the existing system should be thoroughly carried out and supervised and there should be closer co-operation between Registration Department and Land Record Department. Registers should be kept more up to date and better facilities provided.

1105. No.

*Amherst District (Mr. Wright's Sub-committee.)*

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(2)\* The suggestions from Maubin and Shwebo regarding the keeping of records by village headmen are questions connected with the Land Records Department rather than with the Registration Department. In November 1924 Government decided that the Land Records registers should no longer make a pretence of being a record of title ; the Registration Department's practice of sending reports of registered deeds to the Land Records Department was accordingly given up with respect to simple mortgages, and Registration Direction 18 was then amended in this sense.

(3)\* The question whether the Land Records Registers should be a record of title or merely a record of possession is one on which the Commissioner of Settlements and Land Records and the Financial Commissioner should be consulted. I cannot offer an opinion of any value on this point. If they are not to be a record of title, and memoranda regarding simple mortgages are not to be forwarded to the Superintendent of Land Records, there would be little advantage in sending copies of other memoranda to village headmen or in copies of the supplementary survey map being kept in the headman's house. If the practice of sending memoranda regarding simple mortgages to the Superintendent of Land Records is to be revived, I do not think that there would be any serious objection to registering officers preparing these memoranda in duplicate so that the Superintendent can forward the duplicate copy to the village headmen, although this would increase slightly the general cost of registration.

(4)\* As regards the suggestion from Shwebo that the number of registration offices should be increased so that there shall be one in every township headquarters, this is what we are aiming at. According to Part XXV<sup>1</sup> of the Civil List, there are 178 townships in Burma ; and of these there are only 12 which are included within the area to which the Act applies and have not their registration office in their own headquarters town.

(5)\* A description of the Madras system of issuing certificates of encumbrance will be found in Rules 140 to 146 of the Madras Rules and in paragraphs 643 to 645B of the Madras Departmental Orders in the Madras Registration Manual †. The fees for such certificates under Article 13(2) of the Madras Table of Fees appear to be double the ordinary fees for search. The form of certificate issued is given in Appendix VII † to the Madras Rules. I would have no objection to introducing such a system here, especially as I see from the form of certificate that the Registration Department will not on any account hold itself responsible for any errors in the results of the search. It would be desirable, however, to consult Commissioners first, both as to the advisability of introducing this system and as to the fees which should be charged.

1105. The advantages of having the indexes printed each year are obvious. The disadvantage is that the cost would be prohibitive. I have ascertained from the Superintendent, Government Printing and Stationery, that the cost of printing 200 copies of a book containing about 7000 index entries in flush board binding and with cloth back would be Rs. 1855. This would be approximately the cost of printing

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\* Paragraphs (2) to (5) of this reply were added after seeing the other evidence on the same question.

† Reproduced as Chapter X in Vol. II of this Report.

the index for Rangoon Town each year. If 200 copies were printed, the price of each copy would have to be about Rs. 10. It is unlikely that 200 copies would be sold at that price. I am therefore not in favour of having the indexes printed each year.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch) Myinmu Range.\**

1104. Arrangement should be made in such a way that certificate of title in land should be granted to each holding in the same manner as is done in cases of leases in town lands.

1105. The suggestion is not feasible. I do not recommend that this should be done.

*Charge Officers, Co-operative Department, Henzada and Promé.*

1104. Only nominal fees should be charged in the investigation of title in land.

1105. Yes, it is a good idea if each district prints a list and sells to the public at the end of each year a copy of the entries made in the registration index book for that year throughout the district.

The advantage is that it will avoid unnecessary litigation and the mortgagee will not suffer on any account. The disadvantage is that some well-to-do land owners may not like the idea as it is exposed to the public.

*Mr. A. D. Kiernander.*

1104. All changes must be recorded and all co-heirs must see that their names are entered in the Record of Rights and no claims to be recognised by law if names are not registered. Registration fee on agricultural land is heavy and should be reduced. There should be a nominal search fee.

1105. Very objectionable as it would make private affairs public.

*Nattukkottai Chelliars' Association.*

1104. The law in British India as it stands at present, place considerable obstacle on loan operations on the security of immoveable properties. The title to immoveable properties is not clear in many cases and the best of lawyers find it difficult to give definite advice on titles. The laws of inheritance, the joint family system, and the existence of rights in persons other than those in whose name the properties stand in public registers make it very difficult for any banker, public or individual to lend on the security of immoveable properties.

So long as immoveable properties form the chief wealth of the country, for the purpose of solving the economic problem both of agriculturists and the traders, greater facilities must be afforded to obtain credit more easily on the security of immoveable properties. There must be free scope for purchases, sales and mortgages of immoveable properties.

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\* Joint reply: relates to Sagaing, Mandalay and Kyaukse districts.

The Land Mortgage Banks can function efficiently only if such facilities are afforded. The present system of ascertaining title to immoveable properties by deeds registered in the Registration Offices is extremely defective and must be done away with. It affords very little facility for ascertaining the exact liabilities on immoveable properties. The existing public registers are imperfect and fall immeasurably short of the service to be rendered by public registers. An examination of the documents registered in the Registration Offices does not reveal all the liabilities on immoveable properties not imposed by and not mentioned in registered documents but yet permitted by law. A mortgagee or a purchaser is deemed to have had notice and therefore bound by them. The liabilities though not mentioned in registered documents do attach themselves to immoveable properties even though a person in good faith takes a transfer of immoveable properties by mortgage or sale without any knowledge of such liabilities. For instance, if a suit is filed in connection with an immoveable property, any transaction in regard to that property will be affected by the doctrine of *Lis Pendens* provided for in section 52 of the Transfer of Property Act. There may be orders and judgments of court operating as a charge on immoveable property that will affect transactions relating to such properties ; but they cannot be traced in Registration Offices. There may be statutory charges and other rights affecting immoveable properties. They do not appear in the abstract of title obtainable in Registration Offices. Therefore the present system of registration is wholly inadequate to meet the needs and requirements of transactions relating to immoveable properties. It is therefore necessary to devise proper remedies as far as may be, to overcome the existing defects. Ways and means have also to be adopted to supplement the existing system so as to afford reasonable safety to persons having transactions relating to immoveable properties. The functions of the Registration Department must be enlarged so that all charges and liabilities affecting immoveable properties which are now unascertainable by obtaining encumbrance certificates and copies of documents from Registration Offices may also appear in the registration books. In the case of properties which may be affected by *Lis Pendens* it must be provided that if a memorandum of the existence of such a suit is not left with the registrar and entered in the registration books open to search by the public, the property ought not to be affected by *Lis Pendens*. Similarly, judgments and orders imposing a charge should also not have operation unless a memorandum thereof is left with the registrar and is registered. The registers must be kept in a central place in each district so as to afford every convenience and facility for search and inspection by the public on payment of a fee. The present system of obtaining encumbrance certificates without the public having an opportunity to look into the books themselves must be altered.

If the law regarding the title to immoveable properties and to transfers of the same either by way of leases, mortgages or sales is approximated to the system obtaining in Australia and adopted in the Federated Malay States and in certain other newly developed colonies, it will be in the interests of the material progress and improvement of trade conditions and banking facilities in this country. The present system of title places great impediments in obtaining advances and banking credit on immoveable properties. If the law is altered as above suggested, the only proprietor who will be recognised in law will be the person in whose name the title stands in the public register. A certificate



or document of title can be issued by a special officer noting therein the name of the proprietor, the encumbrances if any upon the property, the discharge of the encumbrance, alienation in respect of the said property thus giving in a sheet of paper all particulars regarding the properties doing away with the necessity of obtaining encumbrance certificates. The discharge of encumbrance must be compulsorily registrable. The conditions regarding the executants personally appearing before the registrars of assurances for registration of such documents may be relaxed. Provision may be made that if such a document is attested by an Honorary Magistrate or Notary Public, the same may be allowed to be registered by the registering officer. The title of the registered proprietor must be made indefeasible except in cases of fraud and misrepresentation to which the proprietor is proved to be a party. When the property stands in the name of more than one, unless the shares in which the property is owned are defined in the registered document, it should be provided that the properties should be presumed to be owned in equal shares. Every proprietor should have the right to transfer, charge or lease his share or right in the property to any person in the absence of any restriction in that behalf. A certificate of title should be issued by a special government officer and this should be the primary document of title and no copy thereof should be allowed to be obtained except upon satisfactory proof of the loss of the original.

The enforcement of mortgages or charges should be made much simpler. There should be a land officer through whom a mortgagee should be in a position to send the notice to the debtor calling for payment of mortgage amount after specified days and notifying that the property will be sold by public auction in default of such payment. The debtor may be enabled to appear before the collector showing cause why the land should not be sold. If the collector is satisfied that a default has been made as notified by the mortgagee, and if no cause be shown to his satisfaction by the debtor, the collector shall order the sale of the land charged or such a portion thereof as he may think fit and the sale should be held by a public auction duly notified and advertised at the expense of the mortgagee that the sale should be held 30 days after the date of the order of sale with powers of postponement of sale. The reserve price may be fixed upon the land and the auction conducted by a public licensed auctioneer. On payment of the purchase price, the collector should sign a memo of transfer in a specified form and deliver the same to the purchaser. The system of caveats or objections to the transfer, charge or lease of immoveable property by the registered proprietor may be provided for in favour of any person claiming the title or interest in the land to remain in force for three months from the date of entering the caveat. The caveator may be required to show cause why the caveat should not be withdrawn and the court may adjudicate upon the merits of the caveat.

*Mr. P. L. N. Narayanan Chettiar (Puducherry).*

1104. The charges should be reduced.

1105. Very advantageous.

## Section 5.—Public Funds in Banks.

### *Akyab District.*

1106. Publication of duly audited balance sheets.

### *Hanthawaddy District.*

1106. These balances should only be kept by the Imperial Bank in this country.

### *Prome District.*

1106. Only the Banks the working of which are approved of by the Government may be permitted to keep the balances of municipalities, etc., and such Banks should be subject to the audit by the Government.

### *Henzada District.*

1106. It must be a registered bank with a reserve capital of at least one lakh.

### *Maubin District.*

1106. Banks should furnish security in Government paper.

### *Pyawon District.*

1106. (1) The bank should be a public joint stock concern.  
(2) The bank should be audited by a reputable firm of Chartered Accountant.  
(3) The bank should show a satisfactory balance sheet in regard to capital, reserves and liquid assets.

### *Thaton District (Kyaikto Sub-committee).*

1106. The banks should deposit with Government securities.

### *Tavoy District.*

1106. I would suggest that such banks should be subject to audit by Government and that the reserve, should be at least 33 per cent. of the deposits.

### *Deputy Commissioner, Kyaukse.*

1106. Such Banks should have reserve funds amounting to at least one-quarter of the loans deposited in the bank and should be audited and inspected by Government or by Chartered Accountants at least once a year.

### *Myingyan District.*

1106. Co-operative Banks and other Banks connected with the Government, which are in receipt of Government approved certificate to be issued annually may be allowed to receive such deposits

*Yamèthin District.*

1106. The banks should have sufficient Fluid resources, *i.e.*, at least sufficient to meet the demands of the coming 12 months.

*Commissioner, Sagaing Division.*

1106. No banks except the Imperial Bank should keep balances of local bodies or public institutions. There is no reason why Government should surrender the profit arising from holding the balances of these bodies to private concerns.

*Sagaing District.*

1106. Only on the condition that the banks are certified as sound by Government.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch), Myinmu Range.\**

1106. The same conditions as in cases of deposits by general public  
*Charge Officers, Co-operative Department, Henzada and Prome.*

1106. Only the banks the working of which are approved of by the Government may be permitted to keep the balances of municipalities, etc., and such banks are subject to the audit by the Government.

*Official Assignee and Administrator-General, Burma.*

1106. Such Banks should be the Imperial Bank of India or its Branches or Banks approved for the purpose by the Local Government. Approval should only be given to Banks of good standing which issue yearly or half-yearly Balance sheets, which employ a trained and competent staff, and have either a substantial reserve fund, or are prepared to deposit in the Imperial Bank Government Securities of a value equal to the aggregate amount of the balances of public bodies which they are likely to hold from time to time. The Local Government as guarantor or surety of an approved bank to have the right to realise and appropriate the proceeds of the securities deposited in the event of its having to make good any loss caused to a public body by reason of the bank's failure to meet its liabilities in full. If the Local Government does not desire to assume the responsibility of a guarantor, the deposit of securities duly endorsed could be made directly with the controlling authority of the local body concerned. To prevent loss arising from fluctuations in the values of Government securities, a margin of not less than 5 per cent. over and above the market value of the securities would have to be maintained.

As the law and rules stand at present, it is not possible for the Administrator-General to deposit funds under his control in any Bank other than the Imperial Bank which allows no interest on current accounts and does not accept fixed deposit for less than 6 months. There appears to be no reason why the Administrator-General should not be authorised by the Administrator-General's Act, to deposit money which needs investment for an indefinite period, with a bank which is prepared to accept the deposit callable at short notice and to pay interest at, say 1½ per cent. below the Imperial Bank rate, and deposit, as collateral security, endorsed Government paper of the value of the loan plus a margin of 5 per cent. for depreciation.

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\* Joint reply ; relates to Sagaing, Mandalay and Kyaukse districts.

*Mr. P. L. L. N. Narayanan Cheltiar (Pyawon).*

1106. Balance sheets to be prepared quarterly.

### Section 6.—Imperial Bank of India.

#### *Akyab District.*

1107. We are not in a position to answer this as Akyab has had a branch for many years.

#### *Pegu District.*

1107. As there is no branch of the Imperial Bank of India at Pegu, it is not possible to answer this question.

#### *Tharrawaddy District.*

1107. Not known as there is none here.

#### *Hanthawaddy District.*

1107. No branch has been opened in this District.

#### *Prome District.*

1107. (a) These are not very popular with the Burmese community.  
(b) It promotes the interests of foreign capitalists.  
(c) Cultivators have no such dealings with such Banks.  
(d) Yes it does some good to the indigenous bankers.  
(e) Yes.  
(f) We have no experience.  
(g) We have no experience.

#### *Henzada District.*

1107. (a, b and c) There has been a decided advantage and progress in these lines.

(d, e, f and g) These have not been affected materially as yet.

#### *Pyawon District.*

1107. No new branch of the Imperial Bank having been opened in this district, the Committee is unable to answer this question satisfactorily.

#### *Thalon District.*

1107. Since there has been no new branch of the Imperial Bank opened in this District, none of the matters referred to arise for discussion.

#### *Thalon District (Kyaiklo Sub-committee).*

1107. None known.

*Amherst District.*

1107. In Burma only a few branches of Imperial Bank of India have been opened in recent years. The result has been good with respect to (a) to (g).

*Tavoy District.*

1107. The Imperial Bank of India caters for the needs of the more influential classes of the public, probably about 5 per cent. ; to the remaining 95 per cent. it is of little use.

*Formation of a District Bank.*

NOTE.—I would suggest that there should be in each district, a district bank backed by Government. This bank should be allowed to receive deposits, issue bonds or certificates to the Public against cash deposits, advance moneys upon landed security, jewellery, and produce, and upon its own bonds and certificates but without running current accounts. The bank should be able to raise money at 5 per cent. per annum and it could grant loans at 10 per cent. An appraiser will determine the particular amount to be advanced to borrowers. The bonds or certificates issued by the Bank will be guaranteed by Government. The effect of this will be—

1. to shift valuable property and money which is now kept in houses into custody of the Bank and thus lessen the possibility of dacoities and thefts and incidentally to reduce the cost of Criminal Administration.
2. to convert fixed capital and bring it into use as circulating capital the need for which in this district is considerable.
3. and generally to promote trade industry and employment by providing financial facilities.

*Deputy Commissioner, Kyaukse.*

1107. The Imperial Bank of India has not opened any branches in this district and I am unable to answer the questions asked. It would be a considerable advantage to the district if a branch were opened in Kyaukse but I doubt if such a branch would pay its way.

*Myingyan District.*

1107. (a) The effect in this direction has not been appreciable.  
(b) These Banks do help the promotion of trade and industry.  
(c) In this district, the existence of the Bank has not been of much benefit to Agriculturists ; because land is not accepted as security.  
(d) This helps the indigenous Banking system ; because money-lenders can get loans from the bank by depositing suitable security.  
(e) No such extension has been noticed.  
(f) This has the effect of steadying rate of interest and the cost of buying hundis.  
(g) No other advantages are yet noticeable in this district.

*Yamethin District.*

1107. No such branches exist in this district.

*Shwebo District.*

1107. No branch has been opened in Shwebo District.

*Sagaing District.*

1107. This question is not considered as we have no branch of the Bank in the district.

*Deputy Registrar, Co-operative Department, Mandalay Charge,  
and Myook (Co-operative Branch) Myinmu Range\*.*

1107. (a) Not very prominent.  
(b) There is a slight sign of improvement in trade, but not in the case of industry. A very few traders have started transactions with the bank by mortgaging their stock in trade.  
(c) Nil.  
(d) Nil except with chettiars.  
(e) Nil.  
(f) Nil.

*Charge Officers, Co-operative Department, Henzada and Prome.*

1107. (a) These are not very popular with the Burmese community.  
(b) It promotes the interests of foreign capitalists.  
(c) Cultivators have no dealings with such banks  
(d) Yes, it does some good to the indigenous bankers.  
(e) Yes.  
(f) We have no experience.  
(g) Do.

*Mr. P. L. L. N. Narayanan Chettiar (Pyapon).*

1107. (a) People are encouraged to save and invest.  
(b) Trade and industry improve.  
(c) Not much.  
(d) and (e) None.

## Section 7.—Usurious Loans Act.

*Akyab District.*

1108. (1) Yes but mostly in towns.  
(2) No. Insolvency is easier and surer.  
(3) Yes.  
(4) Not in this district as the provisions are well-known, to Pleaders and Courts.

1109. (1) No.  
(2) No.  
(3) No. The particular creditor against whom the act is applied would be more careful in future and would avoid this debtor.

1110. No. The court has the power of reopening past transactions. A statement of account would hardly be of much use.

1111. People who have no security to offer will find it difficult to get a loan. In this district 3 per cent. per month is generally allowed on such loans. No absolute limit should be prescribed by law. The courts will exercise their discretion.

1112. This would happen in a few cases. It would be difficult for the debtor to prove that he received less than the consideration shown on the document.

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\* Joint reply : relates to Sagaing, Mandalay and Kyaukse districts.

1113. (1) Rate of interest might perhaps be reduced but evasions will be frequent.

(2) By the High Court circularising the lower courts.

(3) Yes.

(4) (a) Rather unlikely.

(b) No

(c) No.

1114. Yes. Not possible to prevent evasions in all cases.

1115. (1) No.

(2) No. It will have a beneficial effect on debtors to some extent.

*Deputy Commissioner, Kyaukp̄yu.*

1108. (1) No.

(2) No.

(3) Very seldom.

(4) Yes, but the Act is not applied in many instances, as the money-lenders would cease issuing loans.

1109. (1) There has been no such instance.

(2) Do.

(3) Yes, the money-lenders are not plentiful here and cheap loans are not available.

1110. No.

1111. If there is any hard and fast rule, money-lenders would not be lending money to the cultivators. They can use their surplus money in many other ways to bring equivalent or better income.

1112. A person with good security will not execute such a bond. It is only persons who have no security who will do such a thing. It would be a case of gamble between the creditor and the borrower.

1113. (1) It would be to the disadvantage of the cultivator if the Act were used more frequently, because the rate of interest which varies from 2½ per cent. to 5 per cent. per mensem cannot be reduced, as the money lenders themselves borrow the money in many cases at a cheaper rate of interest from elsewhere.

There is no one in the district who has any surplus money to a considerable extent.

(2) By notifying to the general public.

(3) No.

(4) There is no danger of widespread attempt to repudiate justice on this account nor is there any likelihood of extravagance in incurring debts, because as stated above, there are not many people in the district, who have any great surplus money.

1114. Borrowers now-a-days adopt all sorts of methods to get as much loan as possible and they make every endeavour to swindle the creditors. This is because the expenses of living are becoming greater than the income.

It is difficult to prevent evasion effectually, because it is difficult to prove the dishonest intention at the time of taking the loan as required by the Indian Penal Code.

1115. No.

*Sandoway District.*

1108 to 1115. The people of this district generally do not know that there exists such an act as the Usurious Loans Act, which is aimed at the amelioration of the plight of the borrowers and to prevent the excessive rate of interest charged by the money lenders.

Ordinarily whatever rate of interest agreed upon between the lender and the borrower at the time of taking the loan, is paid at the time of the repayment of the loan. In cases, however, which come up to Civil Courts, the Courts as a rule, protect the borrowers and give relief under the Usurious Loans Act whether such a relief is claimed by the borrower or not. This however in no way hinders obtaining credit afterwards.

*Pegu District.*

1108. (1) Usurious Loans Act is known only to few.  
(2) No.  
(3) Yes, but very rarely.  
(4) No.

1109. (1) Not known.  
(2) It is not possible to say whether the depositors experience difficulty in getting loans since such cases are very rare.  
(3) (a) Impossible to say.

1110. This practice is not heard of in the Pegu District.

1111. Any law limiting interest will surely effect borrower who have little or no security to offer adversely inasmuch as if any loans are issued at a low rate of interest as prescribed by law the business in the Pegu District will be at a stand still. The Committee after much deliberation come to the conclusion that maximum rate of interest should be Rs. 1-12 in cases of tenant cultivators with no property. There have been many cases in which lenders have evaded the provisions of Usurious Loans Act by taking pro-notes for much larger principals than were advanced and therefore if an absolute limit is fixed such malpractices will increase many fold.

1112. When such malpractices as described in paragraph 1111 are practised, the lenders are in the habit of remaining outside the clutches of law by transferring the pro-notes to other persons and therefore the Committee cannot find any remedy. Since the interest is already counted as part of the principal and since the pro-note is transferred to a second person it is not possible to prove the excess according to law.

1113. (1) Since the application of the Act has not been frequent, there are no sufficient data to form the basis of an opinion. Hence this part of the question is not answered.

(2) The frequent use of the Act may be brought about by encouraging the civil courts to use it of its own motion in proper cases. The subordinate courts are reluctant to use the Act (except for cutting down the interest which is on the face of it extortionate), because the superior courts insist upon them to cut down duration of the cases before them. The relaxation of their insistence by the superior courts upon curtailing duration in cases where the Act is applied would prove an encouragement to the subordinate courts for their application of the Act to proper cases.



(3) It is recommended that the High Court be addressed for the relaxation of its insistence upon curtailing duration in cases where the Act is applied.

(4) There is no danger attending the measure recommended above, as the recommendation does not involve any change of law or procedure.

1114. (a) Yes.

(b) It is impossible to prevent evasions effectually, because no evidence would be available to prove the evasion.

1115. (1) No.

(2) No. When a civil court applies the Act of its own motion in a proper case, the borrower does get some benefit. Moreover, the Act works as a check upon the money-lender against demanding exorbitant interest to some extent.

*Tharrawaddy District.*

1108. (1) Very few know.

(2) District Judge would be in a better position to know.

(3) Yes.

(4) No.

1109. (1) (2) (3) No.

1110. Yes. Yes, legislation is required to remedy it. No, such a law would not be appropriate.

1111. To a great extent. Rs. 3 per cent. per month. Yes.

1112. The remedy suggested or approved cannot meet such kind of case. No, the borrower will not be able to prove the excess.

1113. (1) There are more disadvantages than advantages.

(2) By distribution of the translation of the Act to the headmen.

(3) No.

(4) (a) (b) (c) Yes.

1114. Yes. No.

*Hanthawaddy District.*

1108. (1) Very few.

(2) Yes, most advocates do.

(3) In the majority of cases.

(4) No.

1109. (1) He has difficulty owing to the fact that he has been sued for his debts.

(2) Makes no difference.

1110. They do not. Legislation not necessary.

1111. It will be more difficult for them to obtain loans. The tenant cultivator with no property should pay annas 4 per month more than an ordinary cultivator with property pays, as a maximum. Yes, they will.

1112. No remedies can be suggested. The excess cannot be proved in most cases.

1113. We have already said it is used in practically every case.

1114. Yes, it is true and it is not preventable.

1115. (1) No, except that perhaps Rs. 1-8-0 per cent. per month might be allowed up to date of filing suit and Re. 1 per cent. per month thereafter if asked for, in lieu of Rs. 2 and annas 12.

(2) No.

*Insein District.*

1108. (1) No.  
(3) Very little.  
(4) a fair number but the number is uncertain.
1109. (1) (2) (3) information unreliable.
- 1110 to 1115. Information is insufficient to reply.

*Prome District.*

1108. (1) Yes, it is well known among the money lenders but not so much among the borrowers.

(2) No, never. It is due to dire ignorance of debtors.

(3) Yes, some of the Civil Courts do this.

(4) Yes, there are many.

1109. (1) Yes.

(2) No.

(3) (a) and (b) None known.

1110. Yes, it is the dirty trick most commonly played by the well known money lenders. Yes legislation is absolutely necessary. Yes, it is indispensable.

1111. Yes, such law may hinder the prospect of borrowers at first, but money lenders cannot help lending afterward. This may be the case.

1112. Since the borrower signs such bond willingly, he will be unable to prove the excess although the Act includes this excess in interest.

1113. (1) There might be a temporary standstill or hesitation on the part of the money lenders to lend money to borrowers if the Act were used more frequently. On the other hand, it will be a great relief to the public in general if greedy money-lenders are checked by the frequent appliance of this Act.

(2) By educating the ignorant masses (borrowers).

(3) Yes.

(4) (a) No, it is not likely.

(b) No, it is very unlikely.

(c) No ; No, it is not likely that any danger would attend.

1114. No, they are too ignorant to evade law.

Yes, by bringing evaders to law if any case is detected.

1115. (1) No.

(2) Not necessary at this stage.

*Henzada District (Majority reply).*

1108. (1) No.

(2) Not except when they engage a lawyer to represent them.

(3) Seldom.

(4) Yes.

1109. (1) (2) (3) No.

1110. Yes, the indigenous bankers and the Chettyar money lenders often do this. Legislation is required on this matter. It would be very advisable to require the creditor to furnish six-monthly statements.

Such law will not effect debtors materially. There will certainly be a number of law breakers on this matter, but these must be tolerated as a necessary evil in rendering protection to general public.

1112. (1) Yes the borrowers will be able to prove this excess under the first proviso to section 92 of the Indian Evidence Act. Whether he would have evidence enough to prove this when the transaction takes place at the creditor's place is a doubtful question.

1113. (1) There will be no remarkable effect on the individuals of the country by a liberal use of this Act.

(2) The Act should be published for some time in the local popular newspapers and the civil courts should be asked by official circulars to make use of this law whenever occasion arises.

(3) Yes.

(4) No.

1114. Yes, it will not be possible to prevent evasions effectually but as I have said these evasions may be tolerated as necessary evil.

1115. (1) No.

(2) The Act should be repealed and a new Act should be submitted for the reason that change will be many and the remodelled act will be vastly different from the existing one.

*Henzada District (Minority reply).*

1108. (1) The provisions of the Act are not yet well known. In fact in this district owing to competition between bankers the rate of interest is decreasing yearly hence there seldom arises a necessity to apply the Act. This remark applies to professional money lenders but not to the Burmese village money lenders who sometimes charge very high rate of interest.

(2), (3) and (4) No.

1109. No.

1110. No.

No. But when the borrower pays a part of the debt he should be informed what is the amount still due.

*Myaungmya District.*

1113. (1) Without explaining what is "excessive interest" it is difficult to apply the law owing to the high rate of interest prevailing in the country. It is also a question of fact and very difficult to define.

More frequent application of the law will help the debtors; but the borrowers capacity to borrow will greatly be affected and there will be greater pressure by creditors for repayment.

(2) By defining "excessive interest" if possible.

(3) We would not recommend the measure. Limitation of borrowers' capacity which is likely to follow the more frequent application of the law will effect the development of the country.

(4) (a) Not likely.

(b) (c) Yes.

1114. Yes. We do not think, it can be effectually done by legislation.

1115. (1) "Excessive interest" should be defined if possible or some explanation added.

(2) We would not recommend repeal of the Act. The Act does not aim at general reduction of rate of interest but relieves individual cases. It is almost a dead letter in this country.

*Maubin District.*

1108. (1) and (2) No.  
(3) Not applied, as interest is not usually high in this district.  
(4) No.
1109. (1) Yes.  
(2) No.  
(3) (a) No other disadvantages, (b) nil.
1110. No. No. No.
1111. Will affect them adversely. No limit can be fixed : each case must be governed by the peculiar circumstances attached to it.  
Yes.
1113. (1) Will affect adversely borrowers without security if Act were more frequently used, but would save those who have borrowed on excessive interest.  
(2) By periodical distribution of hand-bills in the vernacular of the Act.  
(3) Yes.  
(4) (a) Very likely, (b) Yes, (c) Yes. The measure above recommended is attended with some danger which is out-weighed by the advantages accruing.
1114. Certainly. No.
1115. (1) No.  
(2) Repeal not recommended. The Act has not had fair trial.

*Pyapôn District.*

1108. (1) and (2) No.  
(3) The Civil Courts do apply the Act but not often.  
(4) Unable to furnish an answer.
1109. (1) The application of the Usurious Loans Act in this district is so rare that the Committee is unable to answer this question.
1110. No. Such a law would be appropriate.
1111. The Committee was of opinion that any such law was quite impracticable as opportunities evading it are too numerous.
1112. The Committee has no remedy to suggest.
1113. } It is impossible to give satisfactory answers to these questions  
1114. } in view of the extremely infrequent applications of this Act in  
1115. } this district.

*Thaton District.*

1108. (1) Not many people know this Act. Only those who are more or less connected with Court affairs, business or litigation know this Act.  
(2) Very few debtors apply for the use of the Act and most of them do so when advised by advocates.  
(3) Civil Courts do not apply this Act in the absence of debtors' applications.  
(4) No.
1109. (1) No.  
(2) No such cases have come to light.  
(3) There are no advantages.

1110. Lenders may protect themselves in the manner described and consequently legislation may be necessary. Yes, a law requiring the lender to give the borrower once a year, when asked for, a statement of the account would be appropriate.

1111. No law is necessary to limit the rate of interest as the Usurious Loans Act is in force.

1112. (1) There would be advantages if the Act were frequently made use of.

(2) The Act should be read out to the public by the headmen in the Townships from time to time. The public should be encouraged to buy it. The Act should be translated into vernacular languages and sold to the public at cost price.

(3) Yes.

1112. No such thing has ever been heard of in this district.

1114 and 1115. No.

*Thalon District (Kyaikto Sub-committee).*

1108. (1) Very little known.

(2) Few asked for.

(3) Applied voluntarily in many cases.

(4) Yes.

1109. (1) Yes. (2) No. (3) Yes.

1110. Yes. A rule should be made prohibiting the principal plus interest of old bond being made up in the new bond. Yes, a statement should be given once a year.

1111 to end. None known.

*Amherst District.*

1108. (1) and (2) No.

(3) Yes.

(4) No.

1109. (1), (2) and (3) No.

1113. (1) No disadvantages.

(2) By enforcement by courts.

(3) Yes.

(4) No.

1115. (1) and (2) No.

*Amherst District (Mr. Wright's Sub-committee).*

1108. (1) We do not think that many people know of the existence of the Usurious Loans Act.

(2) A fair number of debtors in this District ask for the application of the Usurious Loans Act when sued for their debts.

(3) Civil Courts seldom apply this Act without being asked by the debtor to do so.

(4) There are not in our opinion many cases in which the Act should palpably be applied, but is not.

1109. (1) A debtor who asks for the Act to be applied will find greater difficulty in consequence in getting credit afterwards.

(2) We consider that the same will happen even if the Court applies the Act without being asked.

(3) We do not think that there are any other disadvantages to a debtor who has received benefit under the Act.

*Wright Sub-committee.]*

1110. We think that lenders seldom protect themselves against application of the Act by getting new bonds executed just before bringing their suit, the principal of the new bond being made up of the principal and interest of the old bonds. We do not consider that legislation is required to remedy this. We do not consider that it would be appropriate for a law to be passed requiring a lender to give a statement of accounts every six months.

1111. A law limiting interest would in our opinion adversely affect borrowers who have little or no security to offer.

We think it would be inadvisable to fix any absolute limit of the rate at which interest should be paid. If the law fixes an absolute limit we consider that some borrowers would be prepared to pay rates in excess of these and that the rates would be further increased to cover the lender's risk of punishment.

1112. Under our recommendations this question would not arise.

1113. (1) If the act be used more frequently it would we think tend to restrict credit.

(2) We do not consider that there are any means by which the more frequent use of the Act could be brought about.

(3) Does not arise.

(4) Does not arise.

1114. We consider it true that borrowers anxious to get money will try to evade whatever law of this kind is made. We do not consider it possible to prevent evasions.

1115. (1) We do not recommend any amendments to the Act.

(2) We do not recommend any repeal or substitution of different legislation.

*Tavoy District.*

1108. (1) The generality of people know nothing of this Act.

(2) Some persons do ask for relief but they are usually put in motion by the Pleaders who represent them.

(3) Some Judges apply the Act of their own motion, others only on the application of the Debtor.

(4) Yes, there are many such cases.

1109. Yes, a Debtor who applies for relief is usually marked down as a scamp and it is difficult for him to borrow afterwards.

(2) This antagonism does not arise if the court acts on its own motion.

(3) Not that I know of.

1110. Yes, it is a frequent practice, especially of Chetty money lenders to merge one loan into another and convert interest into capital in that way. The usual result is when the loan gets top-heavy the debtor goes bankrupt.

It would stop the evil if it were made imperative for the court to apply the act in every case and not to allow contracting out of the act, (see my remarks to questions Nos. 401 and 402, under Chapter IV of Questionnaire). The Act should be made to apply to all transactions.

1111. There is no way of controlling the rate of interest except by application of the Usurious Loans Act. All the devices suggested in this question will be resorted to and cannot be legislated for.

1112. My remarks to 1110 is the answer to this.

1113. A proper use of the Act will not have the effect suggested by this question but would tend to make lenders more careful and circumspect.

1114. It is possible borrowers and lenders will try and evade any law against usury and no law passed in this direction will produce the desired effect. Such matters are usually brought to light when claims come into Court.

1115. I recommend the following amendments :—

Section 2. (1) At the end of the section the following words should be added "and includes any sum agreed to be paid as part of the principal amount over and above the actual sum advanced or borrowed."

Section 3. (1) the words "the Court shall enquire whether" in place of the words "the Court has reason to believe."

(a) Omit the word "that"

(b) At the end of (b) add the words "and shall record a finding thereon and shall in each case exercise such one or more of the following powers as the nature of the case may require" instead of the words "the Court may exercise all or any of the following powers namely, etc."

*Mergui District.*

1108. (1), (2) and (3) No.

(4) Yes.

1109. (1) and (2) Do not arise.

1110. Yes to all the questions.

1111. It will affect them badly. Interest to be limited from 2½ per cent. to 3 per cent. The answer to the last part of the question is in the negative. It is not likely.

1113. (1) Save poor people.

(2) By encouraging courts to use it more often on its own motion.

(3) Yes.

(4) (a), (b) and (c) No. The last part of (c) does not arise.

1114. Not necessarily.

The answer to the 2nd part is omitted.

1115. (1) and (2) No.

*Toungoo District.*

1108. (1) No. Only those who have cases against them are advised by lawyers.

(2) About 25 per cent.

(3) Very rarely.

(4) Not many cases.

1109. Yes—but he can go to another place or to another money-lender.

*Magwe District.*

1108. (1) and (2) No.

(3) Yes.

(4) No.

1109. (1) Yes, he does.

(2) Yes.

(3) (a) & (b) No.

*Pakokku District.*

1108. (1) Very few people know that this Act exists.  
(2) No.  
(3) Very seldom.  
(4) Yes.
1109. (1) and (2) Yes.  
(3) (a) and (b) Yes, he becomes a marked debtor and does not get credit from the rest.
1110. Yes, many lenders do adopt this practice. Yes, legislation is required to remedy it. It would be appropriate to frame a law for the lender to give the borrower a statement of the account every six months.
1111. They would not get credit by limiting the interest. It is impossible to fix any limit as it is certain to be broken.
1112. Such cases are not known in our locality.
1113. (1) If the Act were used more frequently it will be difficult to get credit.  
(2) More frequent use of the Act could be brought about by issuing stringent orders by the High Court.  
(3) Yes, we would recommend the adoption of these measures as we are of opinion that the rate of interest will come down all round.  
(4) (a) to (c) No, we do not think so.
1114. Yes, it is not possible to prevent evasions effectually.
1115. (1) and (2) No to both.

*Deputy Commissioner, Kyaukse.*

1108. (1) Yes.  
(2) No ; because they hope to borrow more money in the future.  
(3) No ; because High Court has ruled that this should not be done in the majority of cases.  
(4) Yes.
1109. (1) Yes.  
(2) Probably.  
(3) Not as far as I know.
1110. (1) This is a common practice.  
(2) Such a law would be evaded and would in any case be of little use to a deeply involved debtor.
1111. No limit can be fixed for the interest of such borrowers as if any such limit is fixed, experience has shown that it would be evaded by borrowers and lenders. My own experience is that so long as a cultivator can raise money on any terms he will do so.
1112. No known remedy will meet this case as the borrowers would be unable to prove the excess. Pro-notes are not generally executed upon the house-tops.
1113. (1) The result of a more frequent application of the act would be a restriction of credit which would in my opinion be an advantage to individual cultivators but might lead to a slower development of the country. Successive managers on the Pyuntaza Government Estate tried to prevent the mortgaging of plots, with on the whole beneficial effect.  
(2) and (3) I have no suggestion to offer.



(4) (a), (b) and (c) Yes. Such dangers can only be met by increasing the number of owner-cultivators who, having something to lose would be unwilling to incur the danger of being sold out for debt. The existing restrictions on the sale of state land in Upper Burma are beneficial. Restrictions on the sale and mortgage of communal land in modern Burma would do much good if they would be strictly enforced, but village communal life is now breaking down.

1114. It is practically impossible to prevent many borrowers from evading such laws of whatever kind there may be made, as has been discovered from experience in the government estate at Pyuntaza, and elsewhere. Some good is done however by the attempt to keep the actual cultivator on his land, as the mortgagees cannot openly sue for possession.

1115. (1) No.

(2) No. I think that the Act gives the necessary powers to Civil Courts and that the difficulty is not in the Act but in the proper application of any such Act.

*Myingyan District.*

1108. (1) Yes.

(2) and (3) No.

(4) Such cases exist to a certain extent.

1109. (1) As there have been no such cases, this difficulty is not experienced.

1110. No such cases are known.

1111. This may have the effect of limiting the borrowing capacity of these people as well. The limit should be 2½ per cent. If the law is universally known, such risk may be negligible.

1112. Such extreme cases may be rare. It is difficult to give relief in such exceptional cases.

1113. (1) In the opinion of the Committee the advantages would outweigh the disadvantages.

(2) That can be brought about, I think, if the Civil Court makes use of it without any application.

(3) Yes.

(4) No such dangers to any appreciable extent are anticipated.

1114. It is difficult to prevent evasions effectively. By bringing in such measures, the general conditions may improve.

1115. (1) and (2) No amendment or repeal of the Act is recommended.

*Yamethin District.*

1108. (1) No. (2) Yes. In almost all the cases. (3) Yes.

(4) No.

1109. (1) Yes. (2) Yes. (3) (a) and (b) No.

1110. Quite possible.

Yes. Such legislation would remedy this.

Yes.

1111. In that case, such people will find it difficult to get loans.

In that case, the rate of interest should not exceed more than 2½ per cent. per annum. Yes. Quite possible in that case.

1112. Nothing could be done to check such borrowers.  
Such " excess " cannot be proved.

1113. (1) If the Act were used more commonly, the rates of interest would possibly be reduced, while no disadvantages are conceivable.

(2) A standing order from the High Court to all the Judges will bring about the desired effect.

(3, Yes. (4) (a) to (c) No.

1114. Yes. No.

1115. (1) and (2) No.

*Commissioner, Sagaing Division.*

1108. I do not think the Usurious Loans Act is very widely known.

Few factors ask for the application of the Act. Civil Courts are supposed to apply the Act without being asked to do so, and the instructions to Civil Courts in the Courts Manual are full, but the Act is not applied in as many cases as it ought to be, especially in *ex parte* or admitted cases.

1109. (1) and (2) I think a debtor is bound to find greater difficulty in getting credit.

1110. It is a very common practice for new bonds including outstanding interest with principal to be made after harvest. Legislation seems desirable to compel a lender to give a yearly account to the borrower and such accounts would be useful to Courts as enabling them to correct palpably unfair transactions.

1111. A law limiting interest would probably be very generally disregarded and if it could be enforced would probably reduce the amount of borrowing.

1112. So long as the supply of money to meet the demand of borrowers is much less than the demand, nothing much can be done. The Usurious Loans Act is meant to help the man who has been unfairly treated and not every case of a man who borrows without proper security.

1113. If the Act were used more frequently, there would be less reckless borrowing which would be a good thing.

The use of the Act could be made more frequent by inspecting officers drawing the attention of Courts to it. I doubt if the more frequent use of the Act would result in widespread attempts to repudiate just debts. There would be less extravagance in incurring debts if the Act were used more frequently as many lenders would tighten their purse strings.

1114. Yes. No.

1115. (1) and (2) No.

*Bhamo District.*

1108. (1) Many people of this district do not know the existence of this Act.

(2) None of the debtors in this district has asked for the application of the Usurious Loans Act when sued for their debts.

(3) Yes, Civil Courts apply the Act without being asked the debtors to do so.

(4) There have been only a few cases in the past in which the Act should palpably have been applied, but was not.

*Myitkyina District.*

1108. (1) and (2) No.  
(3) Yes.  
(4) No. The provisions of the Act are invoked where necessary.
1109. (1) to (3) No.
1110. Yes. The modus operandi is the one given in the question. Legislation on this subject would be welcome. Yes, a law as suggested in the question would be appropriate.
1113. (1) There would be no disadvantages.  
(2) By drawing the attention of Judges more frequently.  
(3) Yes.  
(4) No.

*Shwebo District.*

1108. (1) Few, excepting money-lenders and lawyers, know that the Act exists.  
(2) Not many.  
(3) Not often hitherto—Courts have just begun to do so more frequently.  
(4) Not many, but this is apt to happen especially in cases in which the defendant lacks legal assistance.
1109. (1) Yes, he does find greater difficulty.  
(2) and (3) No.
1110. (a) This is very rare, but not unknown.  
(b) No.  
(c) Yes, an account should be given once a year.
1111. (a) Will not affect them?  
(b) In Shwebo no one would lend money to such a person.  
(c) Omitted.
1113. (1) By reducing interest, debtors would find it easier to repay their loans and this would be to the general advantage of the community. No disadvantages can be thought of.  
(2) Print a summary of the Act on the back of every promissory note. Let the High Court instruct Judges to make every possible use of the Act. Give the subject prominence in the Annual Report on the work of Civil Courts.  
(3) Yes.  
(4) (a) }  
(b) } No.  
(c) }  
(d) Do not think so.  
(e) Omitted.
1114. It is not true.
1115. (1) }  
(2) } No.

*Sagaing District.*

1108. (1) Not so widely known.  
(2) To a small extent.  
(3) Yes, generally.  
(4) Not many.

1109. (1) and (2) Few.  
(3) No other.
1110. Yes. Legislation desired. Once a year.
1111. None or very little.  
Thirty per cent. per annum should be the maximum.  
There will always be some prepared to break the law.
1112. No remedy can be suggested.
1113. (1) The advantage will be the relief afforded to borrowers.  
There can be no disadvantage.  
(2) By issue of notices widely.  
(3) Yes.  
(4) No to all questions. The last question does not arise.
1114. This will be true to a great extent. Not possible.
1115. (1) and (2) No.

*Katha District.*

1108. (1) and (2) Very few.  
(3) Sometimes.  
(4) Yes. The cases never come to Court.
1110. It is usual for a new bond for principal and interest to be entered into after harvest.
1111. No security no loan will be the result.

*Deputy Commissioner, Upper Chindwin.*

1108. (1) and (2) No.  
(3) and (4) Yes.
1109. (1) to (3) No.
1110. No.
1111. If the interest be limited, the lenders may not deal with borrowers who have little or no security to offer. Three per cent. The answer to the last part of the question is "No."
1112. Unable to answer and the borrower will not be able to prove such excess.
1113. Unable to answer.
1114. Yes, but not possible to prevent evasions effectually.
1115. No.

*Lower Chindwin District.*

1108. (1) and (2) No.  
(3) Rarely.  
(4) Yes.
1109. (1) Yes.  
(2) No.  
(3) Other creditors, if any, are apt to fore-close.
1110. The practice referred to is common amongst money-lenders. Opinion is divided on the necessity for legislation. The idea of a law requiring six-monthly statements was not considered likely to work in practice.
1111. I am informed that more and more care is being exercised by persons in a position to lend to see that their loans are secured and for that reason loans are not procurable by the really indigent. Hence, although there will be cases of evasion of any law limiting interest, yet the limitation will not put a property-less man in any worse position than he is now. My opinion is that legislation in the matter of rates of interest in Lower Chindwin will be infructuous.
- 1112—1115. No useful suggestions.

*Deputy Registrar, Co-operative Department, Mandalay Charge and Myothk (Co-operative Branch), Myinmu Range.*

1108. (1) No.  
(2) No.  
(3) No.  
(4) Yes.

1110. Yes in some cases. To remedy this legislation is required. Instead of giving the borrower a statement of the account every six months or year, I would suggest that the plaint when a Civil suit is failed should consist of a brief history of the loan, and at the same time the judge should be required to record the history of the loan.

*Charge Officers, Co-operative Department, Hensada and Proma.*

1108. (1) Yes, it is well known among the money-lenders but not so much among the borrowers.

(2) No, never. It is due to dire ignorance of debtors.

(3) Yes, some of the Civil Courts do this.

(4) Yes, there are many.

1109. (1) Yes.

(2) There may not be many.

(3) (a) A debtor who claims the benefit of this Act may not command easy credit.

(b) He may incur the displeasure of the lender to some extent at least.

1110. Yes, it is the dirty trick most commonly played by the well known money-lenders. Yes, legislation is absolutely necessary. Yes, it is indispensable.

1111. Yes, such law may hinder the prospect of borrowers at first but money-lenders cannot help lending afterwards.

It will mar or bar the prospect of getting future loans from such money-lenders.

1112. Since the borrower signs such bond willingly, he will be unable to prove the excess although the Act includes this excess in 'interest'.

1113. (1) There might be a temporary standstill or hesitation on the part of the money-lenders to lend money to borrowers if the Act were used more frequently. On the other hand, it will be a great relief to the public in general if greedy money-lenders are checked by the frequent appliance of this Act.

(2) By educating the ignorant masses (money-lenders).

(3) Yes.

(4). (a) No, it is not likely (b) No, it is very unlikely.

(c) No; no, it is not likely that any danger would attend.

1114. No, they are too ignorant to evade law.

Yes, by bringing evaders to law if any case is detected.

1115. (1) No.

(2) Not necessary at this stage.

*Official Assignee and Administrator-General, Burma.*

1108. (1) I do not think many people know of the existence of the Usurious Loans Act.

(2) No.

(3) Occasionally the Courts apply the Act without being asked to do so.

(4) I do not think many cases of the sort referred to are taken before the Courts.

1109. (1) and (2) Generally yes.

(3) No.

1110. I have not heard of lenders protecting themselves as stated.

1111. Borrowers who have little or no security to offer will find it practically impossible to obtain loans if the law lays down a limit to the interest that could be charged. It would, in my opinion, be unwise to lay down a limit to the rate of interest that must be paid by a tenant cultivator with no property. If he is known to be a reliable man, he would get loans from his Chetty or local money-lender at a reasonable rate. The answer to the last sentence is in the affirmative.

1112. I neither suggest a remedy nor approve of any of the remedies suggested in the questions. You can never protect such borrowers. Such a borrower will generally not be able to prove the excess.

1113. (1) If the Act were used more frequently, individuals would find it difficult to obtain loans. This might, at times, prove a disadvantage; but generally, it would be advantageous to individuals to have their power to borrow curtailed. The country in general would benefit by people not incurring debts at ruinous rates of interest.

(2) By impressing on Judges the desirability of applying the Act wherever possible; by making Subordinate Judges furnish a return or report to the District Judges and the latter to the High Court of

(1) the number of cases in which interest over  $1\frac{1}{2}$  per cent. per month was decreed (2) of the average interest claimed in the respective courts and districts by lenders, (3) of the number of cases in which the Act was applied and (4) cases in the Act might have been but was not applied.

(3) Yes, I do.

(4) None of the dangers referred to attend the measures recommended.

1114. There will arise some cases in which borrowers, anxious to get money, try to evade whatever law of this kind is made; but these will tend to die out gradually if lenders realise that courts, as a rule, will not decree interest at a rate exceeding  $1\frac{1}{2}$  or 2 per cent. It is not possible to prevent evasions effectually; nor would it be advisable to attempt to do so.

1115. (1) and (2) No. I would leave well alone.

In 9 cases out of 10 probably people are charged, and go on paying, excessive interest until they are absolutely broke. Claims to excessive interest made in Courts are the exception. This state of things can never be remedied effectually by special legislation of the kind referred to. It could only be met by increase of thrift among the people generally.

*Burma Buildings and Loan Association, Ltd.*

1108. (1) I do not think so, at least not among the middle class customers who come to my Association for loans. We of course do not charge more than two per cent. per mensem so that none of our loans are questionable under the "Usurious Loans Act."

There are lenders in Insein who have the rate of interest higher than the Usurious Loans Act allows printed on their Pro-Note Forms. The law should prevent this being done, and Judges should deal severely with lenders who defy the law in this manner. The Act should be made known as widely as possible.

(3) They do in Rangoon.

1110. They do.

1114. Yes, it is difficult to prevent the evasion effectually as the borrower is as much to blame as the lender, and when the lender is aware that he cannot be proceeded against without involving the borrower he will feel free to ignore the law.

1115. (1) and (2) No. The Act does prevent exorbitant interest being charged.

*Mr. A. D. Kiernander.*

1109. The Provincial Insolvency Act deters people from giving loans and requires revision.

1110. Legislation will make money tighter.

1111. A tenant cultivator does not dream of repaying the loan and is quite happy if he is allowed to go on paying interest, and if too heavily pressed will move elsewhere to work some other person's land with a fresh loan. It does not pay to put a defaulter into Court as one spends more money and never recovers anything.

I have been a landowner for about 40 years and only put one man in Court and he was given 6 months jail. This man was a Thugyi who not only did me down badly, but instigated others to try and do so.

1113. Any additional legislation will lead to a good deal of litigation.

1114. A man in urgent need will stoop to anything and such shady actions will usually work out to the benefit of the borrower.

*Mr. P. L. L. N. Narayanan Cheltiar (Pyapon).*

1108. (1) and (2) No.

(3) Yes.

(4) No.

1109. (1) Does not ask at all.

(2) and (3) No.

1110. No.

1111. Any law limiting interest will not be practicable and workable.

1112. The borrower cannot prove the exceed. If he can do that some remedy should be provided by amendment of existing law.

1113. (1) Many disadvantages. All dangers in (4), will occur.

1114. Yes.

1115. (1). Yes. The present law gives arbitrary power to Court. The power of the Court must be limited.

(2) No.

## Section 8.—Insolvency of Agriculturists.

### *Akyab District.*

1116. No suggestion.

1117. (1) Their future credit will be gone but if they can avoid getting into debt they might be in a better position.

(2) No. Lenders would be reluctant to lend money to agriculturists and credit will be gone.

1118. No.

1119. Very rarely, we have not come across any such cases.

### *Pegu District.*

1116. No change is recommended.

1117. (1) The cultivator does not find more or less advantages or disadvantages than any other person seeking the benefit of the Insolvency Act.

(2) (a) No.

(b) A considerable number of agriculturists did not take the benefit of the Insolvency Act simultaneously or nearly simultaneously. The number of cultivators taking the benefit has been comparatively small. The cultivators who take the benefit of the Act are (1) those who are under arrest or in detention in civil jails by the processes of civil courts and (2) those who are in danger of being arrested or imprisoned by such processes. If the money-lender does not force him to go to an Insolvency Court, the cultivator will not go to it. Therefore this part of the question is not answered.

1118. and 1119. No.

### *Tharrawaddy District.*

1116. No change is required.

1117. (1) The advantage the cultivator will have is to get rid of civil imprisonment. The disadvantage the cultivator will find is his inability to get any lease of land and he will also lose his social standing.

(2) Not desirable.

1118. The suggested plan is that the conciliation board should be constituted of the selection of one arbitrator by the indebted agriculturist and that of another by the creditor to amicably adjust his liabilities and assets to relieve him to start a fresh lease of life.

1119. No, it is not common.

### *Hanthawaddy District.*

1116. The Committee is of opinion that the Insolvency Act should be repealed as it is solely in favour of the borrower and in no way benefits the lender. The Kyauktan Sub-Committee however dissented from this view and were not in favour of repealing the Act but had no changes to suggest.

1117. (1) The cultivators would gain the advantage of shedding their responsibilities the disadvantages would be that it would encourage reckless borrowing and make future credit difficult to obtain.

(2) It is most undesirable and the effect on the lenders and condition of agricultural credit would be disastrous.

1118. No.

1119. It is not.



*Insein District.*

1116—1119. I have been unable to obtain the District Judge's help on this enquiry and without approaching the High Court, my Committee are unable to answer.

*Prome District.*

1116. So far, we are not in a position to suggest any changes.

1117. (1) Their advantages are that they could be easily declared insolvent, their property being generally, only their implements while the disadvantage would be that they might not work hard to increase their assets lest their increased property might be liable to attachment again.

(2) It is undesirable. If they go through such a procedure, money-lenders will not lend to such people and as they are invariably in need of money their difficulties would still be as great as ever.

1118. If a conciliation board is set up, we do not think that the money-lenders could tolerate the interference of a third person.

1118. (1) Perhaps this can be reasonably done by the money-lenders themselves.

(2) It is the lenders' lookout to write off their debts or not.

1119. We have never heard of it occurring.

*Henzada District.*

1116. None.

1117. Any concessions in favour of cultivators in the insolvency law will have the great disadvantage that money-lenders will discontinue lending them money in future and risk a loss. In other words agricultural credit will lose a good deal of its strength by such change in law.

1118. A conciliation board formed with the District Judge. The District Magistrate, and other officer preferably one with knowledge of agricultural condition of the District will be useful in bringing about a composition of debts of insolvent cultivators.

1119. No.

*Myaungmya District.*

1116. No change is necessary—particularly for agriculturist.

1117. (1) Cultivators do not go to the Insolvency Court unless they are forced to do so by being arrested in execution of money decree. We would not recommend the formality. That will materially affect the borrowing capacity and credit of the agriculturist.

1118. We would welcome a conciliation board as suggested.

1119. No, except in some instance of Hindoos to whom repayment of parents' debt is a moral obligation.

*Maubin District.*

1116. No changes.

1117. (1) Immediate relief, but will be greatly handicapped by loss of credit in the future.

(2) No. Agricultural credit would be completely upset.

1118. No need for setting up conciliation boards, because they are brought about automatically if the Insolvency Court is not resorted to.

1119. Most uncommon.

*Pyawon District.*

1116. The Committee was unable to answer this question.

1117. (1) There can be no question that cultivators who went through some sort of insolvency procedure would have great difficulty in obtaining credit subsequently.

(2) The Committee felt that it was most undesirable that a large number of agriculturists should go through such procedure. At a certain time of the year a considerable proportion of agriculturists are in the position of potential insolvents. The Committee felt that the effect would be a profound disturbance of the economic life of the district.

1118. The Committee has no plan to suggest. Such conciliation boards would be an artificial remedy which would not work in practice.

1119. No.

*Thaton District.*

1116. Should the agriculturists take advantage of the Act, they should be exempt from payment of court-fees and process fees.

1117. Advantage is, that a cultivator, if *bona fide* in his application for insolvency under the Act, cannot be harrassed by the creditor.

Disadvantage is—It is not likely that he will get fresh loans more easily than before. He sinks low in the public estimation in spite of the fact that the object of the Act is to relieve the honest of the distress.

1118. We cannot suggest any plan for conciliation boards but the prevalent practice is that disputes, if likely to be settled, are settled by arbitration.

1119. No. It is very rare.

*Amherst District.*

1117. (1) They do not get fresh leases and fresh loans.

(2) No.

1118. Conciliation boards are desirable but we cannot suggest any plan.

1119. No.

*Amherst District (Mr. Wright's Sub-committee).*

1116. We do not consider that any changes are required in the provincial Insolvency Act with respect to agriculturists.

1117. (1) The advantage a cultivator would obtain by going through some sort of insolvency procedure would be to escape arrest and imprisonment for debt ; the disadvantage that he will find would be that he would be unable to obtain credit in future.

(2) We do not think that it is desirable that a considerable number of agriculturists should go through such procedure. If there were a large number of such cases it will become more difficult for agriculturists to obtain credit.

1118. We cannot suggest any plan for setting up conciliation boards to deal with deeply indebted agriculturists. We consider that the Provincial Insolvency Act is sufficient.

1119. We are of the opinion that it is most uncommon for heirs of a deceased person to accept responsibility for his debts in excess of the property inherited.

*Mergui District.*

1116. No changes are required.

1117. (1) If agriculturists go through some sort of insolvency procedure they would have the advantages and disadvantages mentioned below:—*Advantages.*—They would be relieved from unnecessary worry and threat of imprisonment by their creditors and thus will be able to devote more attention to their works.

*Disadvantages.*—They will find difficulty in getting loans.

(2) No. Honest debtors will find no difficulty in getting loans.

1118. (1) and (2) Conciliation boards should be formed in every village headman's jurisdiction consisting of five members including the headman who will act as Chairman. The remaining members will be from among the un-official and influential elders of the village-tract.

They should be elected in the same way as the village committee.

1119. No.

*Pakokku District.*

1116. No change is required.

1117. (1) They have the advantage of being free from arrest and imprisonment but has the disadvantage of not getting any more credit.

(2) It is not desirable that considerable number should go through insolvency procedure. The credit will be shaken.

1118. (1) and (2) No, regularly constituted conciliation board will be able to effect the remedies suggested.

1119. It is not common.

*Deputy Commissioner, Kyaukse.*

1116. I doubt whether *bona fide* cultivators should in any case be sent to Civil Jails in respect of loans from non-cultivators. Restriction of credit to what he could borrow on his crops is all to the good of the cultivator, if bad for business men in general.

1117. (1) No more money could be borrowed by such persons for the expenses during the next cultivating season.

(2) No; the effect upon agricultural credit would be to raise the rate of loans above even the present rates.

1118. Such conciliation boards would not work without the assistance of paid officials as secretaries which the finances of the province cannot afford. In any case such a board could not abrogate the powers of a court of civil justice in deciding what proportion of debts should be paid.

1119. No.

*Myingyan District.*

1116. Not necessary.

1117. (1) His credit will be entirely lost.

(2) Not desirable.

1118. The present village committees might be used as conciliation boards.

1119. Not common.

No.

*Yamethin District.*

1117. (1) If such cultivators went through this procedure of insolvency, their advantage will be that their debts are wiped cleaned off, while their disadvantages will be that no one will finance them to give them fresh start.

(2) No. If considerable number of agriculturists were to undergo this process, the lenders would refuse to finance and the agricultural credit will suffer.

1118. The plan suggested by the question is recommended, and such agriculturists should be made to pay by equated payments extending over several years.

1119. No. But it is said that it used to be the practice in the old Burmese days.

*Commissioner, Sagaing Division.*

1116. I can see no reason for changing the Provincial Insolvency Act in favour of agriculturists.

1117. Little advantage. Cultivators are rarely if ever imprisoned for debt. The disadvantage is that a cultivator once declared insolvent would have little hope of further credit.

If a considerable number of agriculturists went through any sort of insolvency procedure, there would be a tightening up of money generally which should make it difficult for agriculturists to obtain credit except on the best security.

1118. I doubt if in many places in Upper Burma it would be possible to set up conciliation boards. In many agricultural villages most of the cultivators are probably in the hands of one or two local money-lenders.

The failure of co-operative societies to recover their dues from members would seem to point to the uselessness of attempting any such boards.

1119. Such cases are not, I think, uncommon.

*Bhamo District.*

1116. As regards agriculturists, without passing any order of adjudication an order of discharge should be passed if on enquiry it is found that the applicant is really poor and unable to pay the debts; such changes as are necessary to make the above effective should be made in the Provincial Insolvency Act.

1117. (1) If poor cultivators having no hope of paying their debts go through some sort of insolvency procedure the advantages they will derive are that on being discharged from their liabilities they can easily go on with their work but the disadvantages are that having once been declared insolvent they would find it difficult to get future loans.

(2) It is not desirable that agriculturists who are not really poor and can pay up the debts after a lapse of time should go through insolvency procedure; if they do so the lenders will suffer loss and so they won't advance money even to the persons who are really of good repute and the conditions of the agricultural credits will be seriously affected.

1118. A conciliation board might be set up under the order of the Court, but, its members should be persons who are neither directly or indirectly interested in the business of money-lending.

1119. No. Never.

*Myitkyina District.*

1116. Applicants should be required to prove the indebtedness, set out in their petitions, before they are adjudicated as insolvents. This should apply to everyone. There is no reason why agriculturists should be especially favoured in this respect.

1118. Constitute committees consisting of persons agreed upon by the parties, with the village headman as chairman. Give such committees the necessary powers.

1119. Yes, especially in the case of Burmans.

*Sagaing District.*

1116. The Act should be amended so as to provide for the setting up of conciliation boards to be appointed under the Arbitration Act, and the decision of the Arbitrators to be referred to the Court for confirmation.

1117. The only advantage gained is escape of civil imprisonment, but the disadvantages are far greater. He will be a civil outcast. He will lose all credit and will not be able to make a fresh start for years.

(2) Decidedly no. The effect will be disastrous upon the lenders and agricultural credit.

1118. See reply to 1116.

1119. It is not common.

*Deputy Commissioner, Upper Chindwin.*

1119. Yes. It is common among Burmese for the sake of the honour and the name of the family and to appease the departed spirit of the deceased (according to the Burman Buddhist belief) by paying up his debts.

*Charge Officers, Co-operative Department, Henzada and Promé.*

1116. So far, we are not in a position to suggest any changes.

1117. (1) Their advantages are that they could be easily declared insolvent, their property being generally only their implements while the disadvantage would be that they might not work hard to increase their assets lest their increased property might be liable to attachment again.

(2) It is undesirable. If they go through such a procedure, money-lenders will not lend to such people, and as they are invariably in need of money it is not likely that they will resort to these measures. From the above, it may be surmised that it cannot have any glaring effect either on the money-lender or upon the conditions of the agricultural credit—if wilful and deliberate evaders are brought to book promptly.

1118. If a conciliation board is set up, we do not think that the money-lenders would tolerate the interference of a third person.

(1) Perhaps this can be reasonably done by the money-lenders themselves.

(2) It is the lenders' look out to write off their debts or not.

If any such legislation to set up conciliation board is made, it may amount to poking one's nose into other people's affairs.

1119. Yes, the law requires it.

*Official Assignee and Administrator-General, Burma.*

1116. In my opinion no changes are required.

1117. (1) Such cultivators would find it impossible to raise loans of any kind.

(2) It is not desirable. Lenders would think twice before they lend money to agriculturists as soon as they find, that borrowers have it made easy for them to get clear of their debts by becoming insolvent and are disposed to resort to the protection of the Courts for that purpose. If agriculturists, who have no security to offer, are able to raise money at all to enable them to tide over bad times, it is, because it is known that, as a class, the agriculturist is disposed to meet his liabilities to the best of his ability and is not prone to resort to the provisions of the Insolvency Law. It is best to leave well alone and concentrate on measures tending to increasing thrift, etc.

1118. The answer is in the negative. Such matters are on the whole best arranged between the borrower and the lender.

1119. The answer is in the negative. It is common, for the heirs of a deceased person, to evade responsibility for his debts and to conceal his assets with a view to defeat the creditors.

*Mr. A. D. Kiernander.*

1116. (1) The Insolvency Act is in favour of the borrower as the law is not enforced against the man who if given the benefit of the Act incurs further debts.

(2) Money will be further tightened.

1118. Corruption will creep in and the lender would no doubt square the board.

1119. No.

*Mr. P.L.L.N. Narayanan Chettiar (Pyawon).*

1116. None.

1117. (1) All the debts are wiped off.

(2) No effect on lenders.

1118. Conciliation boards are welcomed.

1119. No.

**Section 9.—Co-operative Societies and Income-tax.**

*Akyab District.*

1120. We are not in a position to give any useful reply on this point.

*Pegu District.*

1120. In view of the present unsatisfactory condition of the co-operative movement, the Committee consider it inadvisable to recommend any measures with regard to the assessment of income-tax on any co-operative society. The question may be reconsidered when Ideal Co-operation has been fully attained throughout the Province.

*Tharrawaddy District.*

1120. The present privileges mentioned above in Question 925 are quite sufficient to stimulate the growth of co-operative movement. No further special exemptions ought to be extended.

*Hanthawaddy District.*

1120. The co-operative movement has not spread in this District outside the Colonised Area ; the members of the District Committee have therefore no views on this question. Dr. Rodriguez's views are given in the following note.

*Hanthawaddy District (Note by Dr. Rodriguez).*

1120. I consider that the privileges which co-operative societies and banks now enjoy (see note above, question 925) which the Government now grant to the co-operative movement are sufficient to help it in this Province. The co-operative system is most important for Burma which is mainly agricultural and therefore its only salvation. I admit it is not an easy task to make the people realize its advantages, and what it means to them, to ameliorate their condition of poverty and feel the pride of independence through self-help. It is the duty of Government therefore to take steps to popularise the movement by intense propaganda and appoint at its head not a senior officer, who is assumed to be omniscient, but one who has experience and technical knowledge, even if he is a rank outsider. The mere exemption from income-tax will not help.

The above remarks are not a direct answer to the questionnaire but I attach importance to its relevancy.

I will answer the question generally.

(1) The actual income and profits of the society, which is intended to benefit the society, for the public good should not be taxed.

(2) The interest of debenture holders, who should be considered as deposit holders, should be taxed unless the idea is that by paying their interest free of income-tax, the loan will be obtained at a lower rate of interest. In that case it amounts to a subsidy for the benefit of the society. But I do not consider it will make any difference.

(3) The dividends of share-holders should be subject to income-tax otherwise there will be the possibility of evasion of tax by wealthy individuals (See section 6 of Note to Chapter XI of the questionnaire). To say that the bulk of the members in Burma are poor and are not taxable is not the case ; and if they are, the Income-tax Act provides for their exemption. It is now recognized that income from any source is taxable. It is not a popular tax, it is irksome and even the Archbishop will demur to pay his due as income-tax. But it is established and come to stay ; and I cannot recommend any differentiations unless it is for the public benefit. Even private incomes used for charitable purposes are taxable. (*Vide* case of *Eggar Vs* : Income-tax Commissioner in the High Court).

*Prome District.*

1120. Co-operative Societies which invest their money in buying securities or debentures should be exempted from payment of income-tax on the interest received.

Profits received by members, and interest on debentures received by debenture-holders, should also be exempted.

(a) and (b) No modification is necessary.

*Henzada District.*

1120. I am unable to express an opinion on this questions having n special experience of my own on the subject.

*Thalon District.*

1120. Same as Answer in 925, Chapter IX.

*Deputy Commissioner, Kyaukse.*

1120. Income-tax should be assessed upon debentures and possibl upon members of a society of which the members' liability is limited to their share capital. The income of *bona-fide* primary Agriculture Credit Societies should not be taxed as their income does not consist of profit in the strict sense of the word. The question as to whether society is a *bona fide* primary society could safely be left to the discretion of the Registrar of Co-operative Societies.

*Myingyan District.*

1120. It may be asking too much to exempt the debenture-holder from paying Income-tax. Members may be exempted whether the profit derived from business proper or by investment of fluid assets. It may be applied to all.

*Yamethin District.*

1120. All forms of Co-operative Societies as well as individual depositing money with them either by ways of savings or loans should be exempted from the operations of the Income-tax Act so far as the income of the societies and the amount such individuals receive as interest on their deposits are concerned.

*Shwebo District.*

1120. (a) The general opinion is that exemption should not be granted.

(b) and that an exception to this be made only in cases in which surplus profits are entirely devoted to a public purpose.

*Sagaing District.*

1120. Payment of income-tax should be exempted from all profits, *bonus*, dividends and interest in respect of all kinds of deposits, securities, etc., earned or accrued by members, societies and Banks.

*Katha District.*

1120. In my opinion the assessment of income-tax upon Co-operative Societies should not be recommended, because the profits obtained in the Co-operative Societies are not real profits in the trading sense and the majority of the members of Co-operative Societies are people whose income are below the taxable limit. But income-tax should be assessed on debenture holders who improve their financial position by such transaction.



*Commissioner of Income-tax, Burma.\**

1120. So far as this province is concerned, little or no income-tax is paid by co-operative societies. No assessments have been made on co-operative societies. The non-assessment of such societies is the result of a decision taken in 1924, when a review of the financial position of co-operative institutions in this province showed that, apart from interest from securities, taxed at source, there was no income to be taxed.

I am not in favour of any exemption being granted to co-operative societies over and above the exemption they enjoy at present under Section 60 of the Act, *viz.*, exemption from tax of "profits of co-operative societies or the dividends or other payments received by the members of any such societies on account of profits." This exemption rests on a sound principle; that is, the "profits" are exempt because they are not "trading profits." Any exemption going beyond this principle would be tantamount to subsidizing the co-operative movement at the expense of the general taxpayer.

*Assistant Commissioner of Income-tax, Rangoon.*

1120. The remedy in the matter would seem to be to empower the Income-tax Authorities to treat a society which is registered under the Co-operative Societies Act as a privileged society or not according to its exact constitution. If this could be managed, then it would be possible for the authorities of this Department to prevent any co-operative society which had been formed by a wealthy individual with a number of small members for the express purpose of investing his money in such a way as to escape tax from actually obtaining any advantage from his procedure. There are difficulties, however, in giving Income-tax Officers this power as would seem to be evidenced by the delay which occurred before passing the recent legislation for enabling Income-tax Officers to refuse to register under the Income-tax Act, partnerships which are not genuine and for refusing to recognise private companies which are really one-man shows. Societies whose bye-laws forbid all distribution of profits and societies whose surplus at the time of winding-up must not be shared among the members are deserving of special concessions. But here again it would seem that there would have to be legislation empowering the Income-tax Officers to discriminate. As regards the exact concession to be given to Co-operative Societies which or any reason are deserving of special treatment, this is a matter on which the Co-operative Department would probably be better able to advise. From the point of view of this Department, what is important is that there should be safeguards against an abuse of any concession in respect of taxation. The safeguards which seem to be most likely to be effective and equitable in working are those suggested above.

*Assistant Commissioner of Income-tax, Eastern Range.*

1120. This is a difficult question to answer. The pros and cons have been succinctly set out in the Note appended to this Question. I do not feel competent to make any contribution to the general

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\* This reply was compiled after Mr. Mackenzie's death from notes left by him.

*Henzada District.*

1120. I am unable to express an opinion on this questions having no special experience of my own on the subject.

*Thalon District.*

1120. Same as Answer in 925, Chapter IX.

*Deputy Commissioner, Kyaukse.*

1120. Income-tax should be assessed upon debentures and possibly upon members of a society of which the members' liability is limited to their share capital. The income of *bona-fide* primary Agricultural Credit Societies should not be taxed as their income does not consist of profit in the strict sense of the word. The question as to whether a society is a *bona fide* primary society could safely be left to the discretion of the Registrar of Co-operative Societies.

*Myingyan District.*

1120. It may be asking too much to exempt the debenture-holders from paying Income-tax. Members may be exempted whether the profit derived from business proper or by investment of fluid assets. It may be applied to all.

*Yamethin District.*

1120. All forms of Co-operative Societies as well as individuals depositing money with them either by ways of savings or loans should be exempted from the operations of the Income-tax Act so far as the income of the societies and the amount such individuals receive as interest on their deposits are concerned.

*Shwebo District.*

1120. (a) The general opinion is that exemption should not be granted.

(b) and that an exception to this be made only in cases in which surplus profits are entirely devoted to a public purpose.

*Sagaing District.*

1120. Payment of income-tax should be exempted from all profits, *bonus*, dividends and interest in respect of all kinds of deposits, securities, etc., earned or accrued by members, societies and Banks.

*Katha District.*

1120. In my opinion the assessment of income-tax upon Co-operative Societies should not be recommended, because the profits obtained in the Co-operative Societies are not real profits in the trading sense and the majority of the members of Co-operative Societies are people whose income are below the taxable limit. But income-tax should be assessed on debenture holders who improve their financial position by such transaction.

*Commissioner of Income-tax, Burma.\**

1120. So far as this province is concerned, little or no income-tax is paid by co-operative societies. No assessments have been made on co-operative societies. The non-assessment of such societies is the result of a decision taken in 1924, when a review of the financial position of co-operative institutions in this province showed that, apart from interest from securities, taxed at source, there was no income to be taxed.

I am not in favour of any exemption being granted to co-operative societies over and above the exemption they enjoy at present under Section 60 of the Act, *viz.*, exemption from tax of "profits of co-operative societies or the dividends or other payments received by the members of any such societies on account of profits." This exemption rests on a sound principle; that is, the "profits" are exempt because they are not "trading profits." Any exemption going beyond this principle would be tantamount to subsidizing the co-operative movement at the expense of the general taxpayer.

*Assistant Commissioner of Income-tax, Rangoon.*

1120. The remedy in the matter would seem to be to empower the Income-tax Authorities to treat a society which is registered under the Co-operative Societies Act as a privileged society or not according to its exact constitution. If this could be managed, then it would be possible for the authorities of this Department to prevent any co-operative society which had been formed by a wealthy individual with a number of small members for the express purpose of investing his money in such a way as to escape tax from actually obtaining any advantage from his procedure. There are difficulties, however, in giving Income-tax Officers this power as would seem to be evidenced by the delay which occurred before passing the recent legislation for enabling Income-tax Officers to refuse to register under the Income-tax Act, partnerships which are not genuine and for refusing to recognise private companies which are really one-man shows. Societies whose bye-laws forbid all distribution of profits and societies whose surplus at the time of winding-up must not be shared among the members are deserving of special concessions. But here again it would seem that there would have to be legislation empowering the Income-tax Officers to discriminate. As regards the exact concession to be given to Co-operative Societies which on any reason are deserving of special treatment, this is a matter on which the Co-operative Department would probably be better able to advise. From the point of view of this Department, what is important is that there should be safeguards against an abuse of any concession in respect of taxation. The safeguards which seem to be most likely to be effective and equitable in working are those suggested above.

*Assistant Commissioner of Income-tax, Eastern Range.*

1120. This is a difficult question to answer. The pros and cons have been succinctly set out in the Note appended to this Question. I do not feel competent to make any contribution to the general

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\* This reply was compiled after Mr. Mackenzie's death from notes left by him.

*Asst. Commr. of Income-tax, ( 692 )  
Eastern Range.]*

discussion. But if my opinion is wanted it is that all income of co-operative societies, from whatever source derived, should be exempt from income-tax. As for the income of individual members of such societies, I think dividends or other payments received by members out of the profits of such societies should also be exempted. But to prevent abuses by wealthy land-owners and others who can well afford to pay their full quota of tax a suitable figure might be fixed as the limit of exemption.

*Assistant Commissioner of Income-tax, Western Range.*

1120. I have no knowledge of the working of any co-operative society and am, therefore, not in a position to make any notes on the points raised in the question. In accordance with a notification issued by the Government of India, no co-operative society registered under the Co-operative Societies Act, has been assessed to income-tax and the dividends or other payments received by members of such a society by way of profits are excluded from their personal assessments.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook  
(Co-operative Branch) Myinmu Range.*

1120. Existing privileges should still prevail. It is too premature to amend the law now controlling against the co-operative societies.

*Range Officer, Co-operative Department, Insein.*

1120. This subject is too wide for me to answer.

*Charge Officers, Co-operative Department, Henzada and Prome.*

1120. Co-operative societies which invest money in buying debentures as a source of their working capital should be exempted from payment of income-tax.

All debenture holders who have direct or indirect dealings with the co-operative societies should also be exempted from payment of income-tax on so much of such debentures, because the interest allowed on debentures is comparatively too small to make it attractive and popular. (a) and (b). No modification is necessary.

*Mr. A. D. Kiernander.*

1120. Members of Co-operative Societies and Debenture holders might be exempted from income-tax.

*Mr. P.L.L.N. Narayanan Chettiar (Pyapon).*

1120. All the Co-operative Societies should be exempted from income-tax.

## CHAPTER XII.—LAND MORTGAGE BANKS.

### Section 1.—Banks for Practical Cultivators.

#### *Akyab District.*

1201. Committee consider that the Banks should be incorporated under special legislation with a co-operative character, but not so as to compete with existing co-operative institutions.

Part played by Government should be supervision with power of ultimate control.

#### *Tharrawaddy District.*

1201. The banks should be established as Government agencies.

#### *Deputy Commissioner, Tharrawaddy.*

1201. My own view is that banks for practical cultivators should be left to private enterprise. Should however Government determine to start banks for practical cultivators, I would have a Government Bank. The bank to start with would use Government money for its operations, and a part of it might become co-operative as the people become used to banks and banking transactions.

#### *Hanthawaddy District.\**

1201. I would favour private firms such as Chettiars or any other persons desirous of establishing private Banks and Joint Stock Companies. I do not think co-operative credit societies will be able to raise any capital whatever as they have acquired a bad financial reputation. Moreover, I do not think Burma is as yet ripe for co-operative credit societies. Nor do I think that Government should be saddled with such a thing as a Land Mortgage Bank. I am however, strongly of opinion that there should be the very strictest audit by Government of the accounts in order to insure that the capital subscribed by the public and possibly by Government also is not lent out on insufficient or undesirable security.

The above is the reply of Mr. Vertannes, with which I agree in all essential particulars.

#### *Prome District.*

1201. We are strongly of opinion that the Banks should be established as Co-operative Societies as they are the best agencies or mediums to which cultivators have easy and free access. Besides, it will not cause Government any other extra expenditure for maintaining a staff.

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\* Note by the Deputy Commissioner, Hanthawaddy.—I gave Mr. Vertannes and Dr. Rodrigues, both practical agriculturists, a copy of the questionnaire; and their replies to such questions as they desired to answer are appended to the answers of the committee. In my answers to Chapter XII, I give the answers of Mr. Vertannes or Dr. Rodrigues respectively in cases in which I agree with them.

and establishment to do the administrative and supervision work. If private firms or joint stock companies or banks incorporated under special legislation with a co-operative character are established, they will be a burden to the cultivators for the necessary expenditure to be incurred for maintaining Government staff and establishment in the case of the banks incorporated under special legislation. In the case of private firms and joint stock companies, the running cost will be a necessary evil which will fall on the cultivators. As we have advocated the establishment of Co-operative Societies as agencies it will not incur any extra expenditure to Government for these societies are already under the control of the Government. Another point in favour of our recommendation for Co-operative Societies is that they are already too well known among the agricultural classes.

As the idea of redemption of land and purchase of land and other matters relating to land are already included in the co-operative bye laws which are understood by a major portion of the cultivators, it will not be a new doctrine to them whereas, if other agencies are used it will take time to educate the cultivators on these points besides, such new institutions may be looked upon with suspicion by the ignorant masses.

*Deputy Commissioner, Prome.*

1201. The Sub-Committee to which this chapter was referred has recommended that the banks should be established as Co-operative Societies. I am not sufficiently familiar with the present Co-operative Societies Act to be able to say whether it is suitable for the purpose of providing land mortgage banks. My impression is however that experience has shewn that while in some parts of the province the bank might be run by Co-operative Societies, there is no doubt that in other parts arrangements will have to be made for them to be run by some other agency. There can be little doubt that at the outset and probably indefinitely the banks will have to depend upon Government money and guarantees, and that Government will have to take a large part in their management. This appears to rule out private firms or joint stock companies for the present. As it will obviously be necessary to move with the greatest caution at the outset, I think that loans must be confined for many years to land owners who are undoubtedly solvent. If that is so, there does not appear to be any need for the application of co-operative principles and the business of the banks should be run as far as possible on commercial lines. It is obviously objectionable to run such banks purely by Government agency and even though this may be necessary in some places in the first instance, provision should be made for handing over the business to some other agency under Government control as early as possible. That agency should probably be of a co-operative nature because it may be considered desirable gradually to introduce co-operative principles into the business of such banks, and because it will probably be better to administer the new banks on the present co-operative system rather than attempt to establish an entirely separate department. Special legislation will presumably be necessary and I can see no difference between Co-operative Societies acting under such special legislation and "banks incorporated under special legislation with a co-operative character." I think it will be necessary for the proposed legislation to

be sufficiently elastic to allow the banks established under it to be Co-operative Societies, or other special banks with a co-operative character, or Government agencies. It will presumably be necessary to establish one or two banks in the first place as an experiment, since experience alone will show the best lines of development. Government's part in the constitution of the banks is fairly clear. Such banks cannot be brought into existence except at the instance of Government and with Government assistance in the form of loans and guarantees. The fullest powers of supervision and of veto by Government must therefore be provided.

*Henzada District, (Majority reply).*

1201. These banks should if possible be Government agencies. If this is not practicable, they should be banks incorporated under special legislation with a co-operative character. Government should exercise the same control and supervision as over the co-operative banks.

*Henzada District, (Minority reply).*

1201. I think it should be established as a Co-operative Society in the Headquarters of every District. The Government in the first instance should advance some sum to the same on reasonable interest. The committee of management should consist of representatives of cultivators, of shareholders and 2 or 3 members dealing in money the latter nominated by the Government with the Deputy Commissioner as the President. In the result I think special legislation for incorporating of a bank with a co-operative character is necessary.

*Myaungmya District.*

1201. Banks in the first instance should be established by Government, giving facility for establishment of similar Bank to Public bodies and joint stock companies. If not established by Government agencies they should lend a certain percentage of capital and guarantee a minimum profit with a right of supervision.

*Maubin District.*

1201. Banks established should be joint-stock companies partly financed by Government and audited by firms of Chartered Accountants to be approved by Government.

*Pyawon District.*

1201. Land mortgage banks should be joint stock companies established on the same lines as the Credit Foncier in France. Government should hold a proportion of the share capital and be represented on the Boards.

*Thalon District.*

1201. Banks incorporated under special legislation with co-operative character should be established. Government should take share, hold deposits and take part in the management of the bank.

*Amherst District.*

1201. Banks, incorporated under special legislation, through co-operative agencies, and allowing any individual to borrow on security of his own land without becoming a member. By thorough supervision.

*Deputy Commissioner, Kyaukse.*

1201. As banks incorporated under special legislation with a co-operative character, but limited liability. Government should have powers of audit, enquiry, and liquidation.

*Yamethin District.*

1201. As Government agencies only.

*Katha District.*

1201. The Banks should be established as Banks incorporated under special legislation with a co-operative character and Government should take part in their constitution wholly.

*Deputy Commissioner, Upper Chindwin.*

1201. As Government agencies, because this locality is very backward.

*Charge Officers, Co-operative Department, Henzada and Prome.*

1201. We are strongly of opinion that the banks should be established as co-operative societies as they are the best agencies or mediums to which cultivators have easy and free access. Besides, it will not cause Government any other extra expenditure for maintaining a staff and establishment to do the administrative and supervision work. If private firms or joint stock companies or banks incorporated under special legislation with a cooperative character are established, they will be a burden to the cultivators for the necessary expenditure to be incurred for maintaining government staff and establishment, in the case of the banks incorporated under special legislation. In the case of private firms and joint stock companies, the running cost will be a necessary evil which will fall on the cultivators. As we have advocated the establishment of co-operative societies as agencies it will not incur any extra expenditure to Government, for these societies are already under the control of the Government. Another point in favour of our recommendation for co-operative societies is that they are already very well known among the agricultural classes.

As the idea of redemption of land and purchase of land and other matters relating to land are already included in the co-operative byelaws which are understood by a major portion of the cultivators, it will not be a new doctrine to them, whereas, if other agencies are used, it will take time to educate the cultivators on these points; besides, such new institutions may be looked upon with suspicion by the ignorant masses.

*Official Assignee and Administrator-General, Burma.*

1201. Banks should, in my opinion, be established as Government Agencies. These can give way in time to banks incorporated under special legislation with a co-operative character.

*Mr. P.L.L.N. Narayanan Chelliar (Pyapon).*

1201. Banks established under special legislation are best.



## Section 2.—Banks of the Co-operative Character for Practical Cultivators.

### *Ákyub District.*

1202. It is not considered likely that the public would take shares to any large extent owing to absence of capital and that the initial capital would have to be provided by Government. The Committee are unable to indicate how this money should be obtained.

1203. Yes, (It is done in the Co-operative Town Bank here.) They should be in proportion to the loan.

1204. They should be liable to the extent of their shares.

1205. None, unless they are shareholders of a specific amount in which case they should be eligible for membership of the Banks Governing Committee.

1206. The district. Branches might be necessary where there are large towns and outside headquarters. They should be managed under the direct supervision of the District Headquarters Bank. There should be a federation of District Banks, which should be mutually responsible for each others debts. The Federation should be under the general control of the supervising body appointed by Government.

1207. (1) They should confine themselves to long-term loans.

(2) Yes.

(3) Neither.

1208. The Committee is not in favour of making a restriction in regard to self-liquidating loans, provided the loan is one falling within the purposes prescribed in the Act, e.g. in section 38 of the previous Land Mortgage Bank Bill.

1209. No maximum should be provided for amount of loan if security is sufficient. Twenty-five years would be suitable maximum period. This might be embodied in legislation. No lower maximum for early years is recommended.

1210. The system of equated payments is suitable. Repayments should be yearly fixed at a time when the produce will have been disposed of.

1211. (1) It is presumed that the borrowers would only be liable to repay according to the terms of the agreements, that is by equated instalments and therefore probably would not be in a worse position.

(2) It is considered that maintenance of adequate reserves is essential and that the rate of interest should be so fixed as to enable them to be built up but at the same time should not be so high as to make it likely that there would many defaults.

(3) Fifteen per cent. (a) and (b) No.

(4) Cannot say.

(5) No. It should be fixed from time to time by the Controlling Authority of the Banks.

1212. (1) We consider there should be discretion allowed, but that interest should be charged on the instalment due if any postponement is granted.

This might be left to the Bank Manager's discretion subject to general control of Controlling Authority.

(2) Yes.

1213. No.

1214. Simple.

1215. Half value should be accepted as security. There should be no differentiation as regards classes of land or localities. It is not considered other forms of security are desirable unless gold which might be accepted for three quarters of its value.

1216. (1) It is considered that the heirs should be allowed to accept jointly responsibility for repayment failing which the loans should be recovered.

(2) No.

1217. If not used for purposes for which issued or if wilful default in payment of an instalment is made.

1218. (a) To a superannuated cultivator if his children who work the land make themselves liable for payment in addition to mortgage of the land.

(b) Only in cases where they cultivate the land directly by means of hired labour, and are in a position to mortgage the land.

(c) Only if they are cultivating the land and are in a position to mortgage it.

(d) Not until banks for the larger classes of borrowers have been organised.

(2) No.

*Tharrawaddy District.*

1202. Public should be invited to take shares on such terms as have been granted by commercial banks. Government should play the dominant part and the money Government should obtain is from Government of India or from rice control profits, if any.

1203. No.

1205. The bank should have a first lien on liabilities of the borrowers in preference to other unsecured creditors.

1205. From amongst borrowers two at least from each township should be selected to represent amongst the members of the Committee.

1206. One in each Subdivision should be the area of operation. No branch will be required. No federation will be necessary or desirable.

1207. (1) The bank should endeavour to supply all the credit the borrower needs. Yes, he might.

(2) No.

(3) Will benefit the co-operative system.

1208. Only in cases of such absolute necessity as may tend towards the welfare of the cultivators.

1209. Maximum should be appointed for both. It should be determined by the bank. About Rs. 600. Yes.

1210. No, the system of equated payment is not suitable for Burma. The payment of principal and interest once for all after harvest is recommended. Yes.

1211. (1) We agree.

(2) We do advise.

(3) Ten per cent per annum as in the case of agricultural loans. (a) and (b) No.

(5) Yes.

1212. Yes. No. The bank managers discretion should be subject to the final decision of his immediate superiors.

(2) Yes. Yes.

1213. Yes.

1214. Should be simple.

1215. 2-3. Yes. Yes, in such circumstances as a person proves to the satisfaction of the bank manager that the land he owns is useless or when the person owns no land.  $\frac{2}{3}$  of its value.

1216. (1) The present rules in the Civil Procedure Code that they can be used in the capacity of legal representatives of the deceased parents should equally apply here.

(2) Yes.

1217. The loan should be recallable only on sufficient grounds set out in the Civil Procedure Code for issue of temporary injunction or for an attachment before judgment.

1218. (1) The conditions applicable to practical cultivators should equally apply to (a), (b) and (c) provided all the interested heirs hold themselves liable for the loan and that in case of the interested heirs being minors the decision of the bank manager to whom should be the guardian should be final, for which there should be an amendment to the Guardian and Wards Act.

In the case of (d) *prima facie* absolute necessity must be proved to the satisfaction of the bank manager, the same conditions being made applicable in case of minors as suggested above.

*Deputy Commissioner, Tharrawaddy.*

1202. In my view if any attempt is to be made to start banks for practical cultivators, we should start by having a regular Government Bank. The public should be invited to take shares but only a proportion should be offered at first, the remaining shares being kept for future allotment to the Burmese people as their knowledge of banking and financial affairs progresses. In my view also, the bank should be organised and run by a service of officers specially recruited and trained in the customs of the country.

1203. I do not think so.

1204. I would not have borrowers liable for the debts of the Bank any more than I am liable for the debts of a bank from which I take a loan on security.

1205. None at all. I do not think that in this country for many years to come, borrowers would usefully be given any share in the control of banks.

1206. As I have said above I would have a Government Bank, run by officers of Government used to the peculiar conditions of their country. This Bank might be similar to the Australian Commonwealth Bank. It would keep all Government moneys, deal with currency and all Government accounting. Audit of course would be separate. The District Treasury and Sub-Treasuries would be branches.

1207. A borrower would of course borrow elsewhere for unproductive purposes. Nothing except legislation, and then only if enforced would stop a Burman borrowing to get money to gamble with, so long as he can find anyone to lend it.

I do not know much about it but I think the co-operative movement has not been much of a success in Burma.

I would have the Government Bank endeavour to supply all the credit a borrower needs. In other words I would endeavour to supplant the Chettiar and Burmese money lenders in this country by having a Government Bank, with power to have loans recovered by the Collector

as arrears of Revenue. Thousands of rupees would be saved to the people by preventing them from indulging in prolonged litigation.

1208. I think the bank should be run as an ordinary business concern—say on the lines of Dawson's Bank. I think it should not be hedged round with hundreds of rules which would only have the effect of killing the officers' initiative and restricting their activities.

1209. I would not prevent the banks from working on ordinary business lines. The Head Office would of course draw up instructions for the guidance of its district managers. I would not prescribe maxima at all. Borrowers would only go to Chettiars if they could not get the loan they wanted.

1210. It is thought that the system of equated payments is not suited to Burma. I would leave the matter to the Bank Managers.

1211. (1) I would run the show on ordinary business lines. The kind of bank I suggested might show a loss during its early years but it would serve an educative purpose in teaching the people of this country the use of money.

(2) I would compete with the Chettiars and give the Government Bank a privileged position. Its running charges would be less because of its power to have recourse to revenue proceedings instead of to the Civil Courts. I think low rates of interest should be charged and borrowers dealt with as generously as business considerations allowed.

(3) I would aim at 10 per cent. being aimed at on the total loan issue. But the Manager would fix the rate in individual cases on the basis of the security offered.

(4) I think this might be necessary. It should, however, be left to the decision of the Governing Body of the Bank or the General Manager.

(5) No.

1212. (1) I would leave the business to be run by the Manager subject to the control of the General Manager.

(2) I agree but the Bank Manager should be allowed to use his discretion. Two many rules would kill the business.

1213. This should be a matter for decision in individual cases. The more rules there are and the more complicated the procedure of getting the loan, the more slowly will the bank progress (1) in extending its operations and (2) teaching people the value and uses of money.

1214. As for question 1213.

1215. As for question 1213, except that the General Manager should guide the decisions of Branch Managers in general matters. Land should not be accepted for more than two-thirds of its value.

1216. (1) As I have said above I would give the Bank the right to apply to the Collector for recovery of a loan as an arrear of revenue. On the death of a small borrower, all his moveable assets would rapidly disappear. Failing repayment of the loan, I would recover on the security. I would continue the loan on application by the person taking out letters-of-administration in the Civil Court. I would act similarly in the case of minors, *i.e.* I would continue the loan only on application by a guardian properly appointed by law.

(2) I would not increase the interest purposely for this but as a matter of business management, the Governing Body could put aside part of its earnings yearly to set off against bad debts.

1217. As I said above the fewer the rules the better. A loan should be recallable if the Manager has good grounds for apprehending that any trickery is going on or contemplated.

1218. I would run the Bank on ordinary business lines. I would not have a specialised form of bank. Even ordinary banks are little understood by the people. I would institute an ordinary bank, educate the people up to it and then in the course of time, form a special section if necessary to devote its activities entirely to the needs of practical cultivators.

*Hanthawaddy District.\**

1202. If Government provided half or a substantial portion of the capital I think the public would subscribe the remainder in course of time. I do not see how Government is going to get the capital required except by a loan or by putting on an extra cess on lands, say 4 annas per acre or any smaller sum. I would suggest that a start be made in four of the richest districts in Burma as an experiment, the initial amount necessary being obtained by a cess of 4 annas an acre and added to by Government if necessary by a loan raised for the purpose. I have not overlooked the Rice Control Profits (which have not as yet been spent for the benefit of the cultivator) and I suggest that Government reconstitute this fund gradually and use the money for providing a substantial part of the capital necessary to commence operations. The supervision and audit of the Banks' accounts must be in the hands of Government Inspectors and auditors.

I agree with the above answer by Mr. Vertannes save for the extra cess. I consider the money should be obtained by loans repayable from bank profits.

1203. As Land Mortgage Banks are more or less in the nature of an experiment in Burma I do not favour the idea of the borrower being compelled to take shares. Obviously borrowers should have nothing to do with the policy of the bank or with its operations.

I concur with the above answer by Mr. Vertannes and am strongly against borrowers having any say in the policy of the bank.

1204. They should have no shares and no responsibility.

1205. None.

1206. The District must be the unit area of operations. I do not think that branches will be required if the bank is established in Rangoon. If however the bank is established at the Headquarters of the District and not in Rangoon then I think a branch is absolutely necessary at Rangoon in order to receive deposits from the public as undoubtedly the money market of Burma is in Rangoon. If not initially I think ultimately Federations or Associations of Land Mortgage Banks will necessarily have to be established for the purpose of collecting and sharing the knowledge and experience gained by the Members of the Federation or Association and also of laying down guiding principles for their management, etc. The members of the Federation must submit to the lead of the majority in all matters appertaining to policy and management subject of course, to the supervision of Government.

I concur with the above answer of Mr. Vertannes.

1207. (1) I do not think that Burma is ripe for Co-operative experiments. The failure of so many Co-operative Credit Societies as already recorded is a sufficient indication of the correctness of my

\* See foot-note on page 693.

opinion. I do not think any number of Bank or Co-operative Credit Societies or Government agencies can possibly supply all the credit borrowers in this province need. In my opinion, so long as the securities are sufficient and there is a reasonable probability of the borrower being able to repay the loans within the time agreed upon the lender need not worry to control the debtors' borrowing elsewhere. If others lend him money let them do so at their own risk.

(2) No, provided that these banks did not lend in Colonised areas.

(3) No, in neither case.

1208. In no cases should the banks of a Co-operative character grant loans which are not self-liquidating.

1209. I would fix a maximum period and a maximum amount. The public will have more confidence in the Banks if the maximum is fixed by law or Notification. I would not recommend a longer period of loan than 5 years, or a maximum amount exceeding Rs. 50 per acre with the best paddy land in Lower Burma. I do not think the maximum amount should be increased until the Federation or Association of Land Mortgage Banks so decide after 5 years, and then if at all the maximum should not be raised beyond 75 per acre for the best land with a proportionate extension of the period to allow for repayment. I concur in the above answer by Mr. Vertannes, but as regards the dry zone, I consider a much lower maximum should be fixed.

1210. The system of equated payments covering interest and principal is suited to Burma. Payments in the case of agricultural lands must be yearly. The last part of the question is answered in the negative.

I concur with the above answer by Mr. Vertannes.

1211. (1) Yes.

(2) I do not believe in charging high rates to build up an invincible reserve. The Bank is not established for the purpose of high dividends or raising the value of the shares. The aim and object should be to help the cultivators and therefore I object.

(3) Fourteen annas to Rs 1-4-0. The differentiation should be on the size of the loan. If it is a large sum and the security is good the lower rate should be charged. There should not be differentiation of class of borrowers or different parts of district.

(4) Yes.

(5) I do not think it is practicable to fix any rate of interest by law but I think a common rate could be arrived at by common agreement among all lending Institutions. If the security is above the average a lower rate of interest might very well be charged.

(2) and (3) above are the answers of Dr. Rodriguez, and (5) the answer of Mr. Vertannes with which I agree.

1212. (1) Yes when the harvest is poor, not when the price is small. The bank manager should be subject to control of Government in this matter.

(2) This part might be left to the bank manager.

1213. No personal sureties should be required in addition to a mortgage as security.

1214. Mortgage should be simple with a proviso for the Bank to take possession and pay itself out of the rents and profits in the case of a defaulting borrower.

I agree with this opinion by Mr. Vertannes.

1215. (1) 60 to 70 per cent on the understanding that interest is payable every year except under exceptional circumstances.

(2) Settlement grading may be accepted.

(3) and (4) The question of value is most difficult to determine and will lead to unnecessary risk which I do not recommend. Other property may be accepted as security to one half of its value provided it can be readily sold for the principal and interest due thereon.

(1) is the answer of Dr. Rodriguez and (3) that of Mr. Vertannes with which I agree.

1216. (1) This may be left to the decision of the Law Courts.

(2) No.

1217. Failure to pay interest or marked depreciation of the security in some case. The recall should be in part or whole as the case may warrant.

I agree with the above answer by Dr. Rodriguez.

1218. (1) Never—*jamaïs de la vie*.

(2) Never—*jamaïs de la vie*.

#### *Prome District.*

1202. As we have already advocated to use co-operative societies as agencies in answer to the above question, we are not inclined to answer this.

1203 to 1207. (1) We are not inclined to answer these questions as we believe that they are not practicable.

(2) Certainly they will, because they will be rival Banks which would deprive members with tangible assets of Co-operative Societies who would naturally desert them.

(3) Yes, they will injure because, the Prome District Central Co-operative Bank as it is, cannot afford to give sufficient long term loans to them as the sources of working capital are generally of temporary and impermanent character being made up of current accounts and short term deposits.

1208 and 1209. As these questions deal with Bank of a co-operative character only we are not prepared to answer.

1210. Yes, the system of equated payments covering both interest and principal is the only suitable system in Burma from purely co-operative point of view. The instalment concerning both principal and interest should consist of net profit out of the annual produce. We do not suggest any other system.

Yes, it should be left to the bank managers who should be kept constantly informed of the condition of the crops.

1211. (1) No we do not agree, because so long as we deal with defaulters promptly they would not dare to repay except under unavoidable circumstances. The higher interest is always objectionable.

(2) We would advise to make borrowers pay less interest so that they will have less difficulty and the Bank would have less defaults.

(3) We are of opinion that Rs. 8 per cent. per annum is the suitable rate of interest in our district under present condition.

(a) and (b) We think uniform rate of interest should be charged for different classes of borrowers and for different parts of the district.

(4) No, we do not think so.

(5) Yes.

1212. (1) Yes, it may be necessary to postpone payment in real cases of crop failure or other under unavoidable circumstances. Yes, after consulting the supervising officers who should be able to tell the Bank Managers the real distress of any deserving case of the borrowers.

(2) Yes, this is also a good idea but, the accounts may be confounded.

1213. Yes.

1214. Yes, mortgages should be simple.

1215. About two-thirds of the value of the mortgage property.

No, there should be no differentiation.

Immoveable properties such as, gardens and houses might also be accepted as security.

Half of the value of such property may be accepted in case sufficient land cannot be given.

1216. (1) Only the most legitimate heir who must be a *bona fide* cultivator may be given this privilege, and such heir should arrange with his co-heirs so that he may have a clean title to the mortgaged land as he will have to pay all the debts (to avoid confusion in future).

(2) It does not sound reasonable.

1217. Only when there is a persistent default for successive years.

1218. (1) (a) If they have right of succession inherent to the land.

(d) This privilege should be extended only to practical cultivators who alone should be the members of such societies.

(2) For building firm houses and latest scientific agricultural implements.

*Deputy Commissioner, Prome.*

1202. The public should certainly be invited to take shares. Such banks will compete with private enterprise and should furnish an investment for funds which may be displaced. Such shares should presumably be in the form of debentures. Unless Government is the principal subscriber, I do not see any prospect of such banks being started. Government would presumably have to raise a loan to provide a greater part of the initial capital in addition to contributing the portion of the rice control profits which was, I believe, once ear-marked for the purpose.

1203. If, as already suggested, loans are only made to solvent borrowers there is no need to apply Co-operative principles at the outset and no need so far as I can see for compelling borrowers to take shares.

1204. I can see no reason why borrowers should have any liability for the debts of the banks apart from their own liability to the bank.

1205. It is unnecessary that the borrowers should have any share in the control of the banks. If, however, such banks are managed by co-operative societies and borrowers are compelled to take or take shares they should have the same powers as other share holders.

1206. The area of operations of the land mortgage bank should probably be a district. It would not be necessary for it to have branches, though it would possibly require local agents in other places. I am not prepared to advise on the question of federation.

1207. (1) If the banks are land mortgage banks, they should confine themselves to long-term loans. In any case the borrower probably borrow elsewhere for other purposes.



(2) The District Committee replies in the affirmative. I do not see, however, why there should not be room for several agencies granting crop loans.

(3) The District Committee again answer that they would injure the co-operative system, but I cannot see that they need effect that system in any way.

1208. As land mortgage banks are intended to assist cultivating land owners to get or to keep out of debt, I do not see why loans which are not self-liquidating should not be granted provided security is sufficient and funds are available. Applicants for loans for self-liquidating purposes should have priority over other applicants.

1209. Maxima should clearly be laid down both for the size and periods of loans. Maxima should be provided by law and might be reduced by banks in respect of their own transactions. I am unable to advise as to suitable maxima. They could probably be fixed by studying the books of money lenders in various localities. Lower maxima would probably be necessary in the initial years.

1210. I agree with the District Committee that the system of equated payments is suited in Burma. Theoretically payments should be made annually in most cases. The month fixed for payments should ordinarily be the earliest month in which the borrower is likely to sell his produce. If at that time he has not actually sold his produce, short postponements could be granted until he does so, under a pledge of his crop or other security. This will be preferable to the suggestion in the last sentence of the question.

1211. (1) Without knowing the relation between the bank, its creditors and its borrowers I am unable to agree or disagree with this proposition.

(2) I do not agree with the District Committee, but think that the rate of interest charged should be sufficiently high to enable the bank to build up reserves. Unless such reserves are built up, banks will never be free from Government control or Government free from uncertain liability in respect of the banks.

(3) Rs. 8 per cent. suggested by the District Committee may be suitable. Differentiation of rates might be made in the case of loans for productive and unproductive purposes.

(4) Probably not.

(5) The maximum rate of interest might be fixed by law in relation to the bank rate.

1212. (1) Theoretically such postponement is essential, but in practice postponements have I believe led to the ruin of many societies. It is impossible, I think, to avoid leaving such cases to the manager's discretion, but the question is one upon which the advice of persons having actual co-operative experience is necessary.

(2) In most cases I think a short-term loan would be useless, and would merely prevent payment of the long-term loan the following year. Postponement of each subsequent instalment for one year would probably be necessary in most cases. It might however be understood that if a sufficiently good harvest was obtained in any year, a larger instalment would be repaid.

1213. Yes, if there any doubt as to the adequacy of the mortgaged security.

1214. I cannot conceive how such mortgages could be other than simple.

1215. The figure of two-third suggested by the District Committee may be accepted. Differentiation does not appear to be necessary. House property might also be accepted up to half its value subject to insurance.

1216. (1) and (2) The safest rule would be that loans should be recallable on the death of the borrower, it would be open to the borrower to insure his life as a safeguard, and, if there were no insurance, the heirs would have to make the best arrangements possible for themselves.

1217. A loan should be recallable whenever there is default in payment to interest or instalment.

1215. (1) and (2). If land mortgage banks are established for the benefit of cultivators working their own land and are given special privileges on this account, there does not appear to be any particular reason to allow them to lend to others.

*Henzada District (Majority reply).*

1202. The public should be invited to take shares, on limited liability and right to a profit dividend on the basis of a shareholder in a joint-stock company. The government should have entire control of these banks which would secure the faith of the local public in investing money to buy shares.

1203. No.—No. Loans should be on security of borrower's land only.

1204. Usual liability of a mortgagor.

1205. None whatever.

1206. There should be one land mortgage bank in each township. No village branches will be necessary initially.

There should be a District Federation for each District with its headquarters at the District town. The Federation should have a complete control audit and inspection of the Township Banks.

1207. (1) The bank should insist on having first mortgages of the debtor's lands and should advance to the maximum extent of half of the market value of the debtor's land. It is not possible to control the debtor's borrowing from elsewhere. If he does that there is no possible way to prevent it.

(2) No.

(3) They will neither injure nor benefit the co-operative system which will still have more business of its own than it can manage with its capital.

1208. Such loans should only be made when the existing properties of the debtor are sufficient to enable the bank to realise the debt with interest.

1209. No maximum should be fixed. The banks should have full liberty to advance any amount they think fit to lend taking into consideration the assets of the borrower and his capacity to repay. No limit by law should be made except as to the period of the loans, and these matters should be left to the discretion of the executive members of the bank.

1210. Payments are generally expected from cultivators after harvest, once a year and payments can be conveniently equated accordingly. Traders may be required to make monthly or quarterly payments according to local and individual conditions.

1211. (1) No.

(2) A rate of interest that will enable the bank to build up a decent reserve should be charged. A low rate for a while would be a temporary Utopia no doubt for the debtors but the bank will collapse before long.

(3)  $1\frac{1}{2}$  per cent. per mensem.

(4) No.

(5) No.

1212. This concession should be made whenever there is a failure of crops and the matter should be left to the bank manager's discretion.

(2) No.

1213. No.

1214. Simple *always*.

1215. Never more than half the value of the lands. No differentiation to be made of this principle for different kinds of lands.

1216. (1) Loans should be transferred to heirs only when the landed property left behind by the deceased offers sufficient margin for accrual of interest. When there is no such margin or when the heirs themselves are undesirable persons loans should be realized forthwith from the properties of the deceased :—

(2) No.

1217. (a) On the death of the debtor.

(b) On the debt amounting to three-quarters of the value of his assets.

(c) On failure to repay more than one year's interest unless assets are sufficient.

(d) On breach of any term of the contract of loan or disposal of any material part of his estate.

1218. (1) Only on offering it security of landed property to the value of double of the amount borrowed.

(2) departure should be permitted only when the borrower can furnish security of good lands worth double at least of the principal borrowed.

*Henzada District (Minority reply).*

1202. The first part, Yes. On terms of getting the usual share of profits as well as being provided with a seat in the Committee of Management by election at the annual meeting. I think for the first ten years or so, Government should set aside a portion of the land Revenue for the establishment of Co-operative Banks as above. Then with efficient management, they would be self supporting and would be a source of income.

1203. Yes, and the amount of loan available may be limited to say ten times their share or so with a provision that in very suitable cases the limit may be relaxed, the committee giving their reasons in writing for doing so.

1206. The area of an administrative district, no. All borrowers should apply in writing to the District Head Office direct; otherwise there is just a possibility of delay, harassment and the introduction of a lot of formalities. There should be one Federation for the whole of the province, each bank sending one delegate from among its non-officials.

The Committee of management should consist of say 8 members (including the President) four of whom should be elected by the Government delegates from among themselves. The other members may be nominated by the Government and the President should be the Register of Cooperative Societies. The General control of the District Banks should be vested in the Committee of the Federation.

1209. I have answered part of this under 1203. The maximum period of loan should, I believe be four or five years. As in the other case, the Committee should have power of relaxing the same on sufficient grounds to be given in writing. By executive instructions, it may be enjoined that during the first five year or so, the maxim may be avoided wherever possible.

1210. Yes, as far as the cultivators are concerned, during the harvest every year, say 1st February each year or so. The Bank managers may be only allowed to relax the time of payment for a maximum of two or three months. It should also be provided that the borrower can repay all or a greater portion of loan, if and when he wishes before it becomes due.

1211. (3) 12 per cent per annum for the present ; as years roll on it should be reduced to 9 per cent. per annum.

(4) No.

(5) Yes, and the rate should be about 12 per cent. per annum as the maximum.

1212. Yes. The concession should be made by the Committee of Management.

(2) This is also feasible. It should be left to the Committee of Management whether to postpone repayment or to grant short-term loan.

1213. No.

1214. Equitable mortgage if and when introduced; till such time, by way of simple mortgage.

1215. Generally up to 60 per cent. of the value, but up to 75 per cent. if the Committee so wishes provided they give the reasons for doing so in writing.

1217. When it is known that the owner has mortgaged the same to another party afterwards ; and when the instalment is not paid within the due date or the date postponed by the Manager.

*Myaungmya District.*

1202. Yes, Public should be invited to take shares. See answer to question 1201.

1203. We would not make it obligatory but would encourage it.

*Maubin District.*

1202. The public should be invited to take shares. The initial capital should be provided by Government from a public loan in the open market.

1203. Yes. Yes.

1204. Liability up to the extent of their borrowings.

1205. Directors should be elected borrowers and approved by Government.

1206. The District should be the area of operation of Land-Mortgage Bank. No branches will be required and no federation or association will be necessary or desirable.

1207. (1) They should supply all the credit a borrower needs and by this means only will his borrowings be controlled. If his crop is also mortgaged to the bank, it is unlikely that he will be able to raise the money for unproductive purposes elsewhere. The bank will not ordinarily touch the crop unless default of payment of part principal and interest is suspected.

(2) No.

(3) Might be injurious.

1208. On furnishing other unencumbered land as security.

1209. Yes. Should be determined by bank. Five to ten years. Not necessarily.

1210. System of equated instalments not suitable. Annual payment of part of principal plus all interest due. Yes.

1211. (1) and (2) Yes.

(3) Fifteen per cent. per annum. Differentiation of rates should be made for different classes of borrowers and for different parts of the district.

(4) Probably.

(5) Yes.

1212. (1) Yes, leave to Bank Manager's discretion.

(2) No, because it is no help to a borrower if he has to take out a short loan to pay up a long loan. Further a few months' delay may mean a better price for his crop which will place him in a better position to clear his dues and leave something for himself to spend.

1213. No.

1214. Mortgages should be simple.

1215. Half of seven years' purchase of rent of the land would be a safe margin to accept it as security if landholders right has accrued. Land over which landholders right has not been accrued should not be accepted. If the above formula is adopted, no differentiation for different kinds of land and different localities is necessary. No, all security should be confined to land.

1216. (1) A new loan to liquidate the old loan should be given to all the heirs of the land mortgaged.

(2) No.

1217. Failure to comply with special conditions at the time of issue of loan and death of borrower.

1218. (1) (a) All interested in the land should sign the mortgage bond.

(b) Both widows and unmarried daughters should sign the mortgage bond,

(c) All sons and wives of those married should sign mortgage bond.

(d) No conditions necessary.

(2) On no condition.

*Pyawon District.*

No. 1202—1218. I am of opinion that there should be no relationship whatsoever between Land Mortgage Banks and the principles of co-operation. I have therefore no answers to these questions.

*Thalon District.*

1202. Public should be invited to take shares. The applicant should be natives of Burma and domiciled in Burma. Government should obtain money by raising loans if it has no cash.

1203. No.

1204. The borrowers should not have liability for the debts of the banks.

1205. Borrowers who take shares should have voice in the control of Banks.

1206. Each district in Burma should possess a land mortgage bank. It will not require branches. No federation or any association of land mortgage banks is necessary or desirable. The other questions do not arise.

1207. (1) (a) They should endeavour to supply all the credit the borrower needs.

(b) Yes. (c) He may borrow elsewhere.

(2) No. At present cooperative banks are making crop-loans and intermediate term loans to the borrower.

(3) They would injure the co-operative system because they would have to take loans elsewhere at high rate of interest.

1208. Banks of Co-operative character should grant loans on sufficient security.

1209. Either maximum or minimum should be appointed for the size or the period of the loan.

It ought to be so appointed according as the circumstances of each would permit.

1210. (a) No. Not suited to the Province.

(b) Does not arise. (c) and (d) It may be left to the bank managers.

1211. (1) and (2) Omitted.

(3) Annas 8 per cent. per mensem for half year from May to December and As. 12 for the remaining half year.

(b) No.

(5) No.

*Amherst District.*

1202. Yes. By participation of profit. If public subscription be not sufficient Government should contribute. Government should supervise and should refund the 9 crores of rupees received from the rice control profit which the Government has diverted to other uses in spite of the promise that it would be used for the benefit of the cultivators.

1203. No. No.

1204. No.

1205. None.

1206. Each district. No. Through co-operative banks. Yes. For each division and there should be an apex bank controlling and financing others.

1207. (1) Yes. Long-term loans.

(2) Yes.

(3) No.

1208. Loans which are not self-liquidating are not recommended.

1209. Yes maximum should be fixed for the period of a loan, but not for the size. By the bank itself. Period of 20 years should be fixed as maximum. No.

1210. Yes. Yearly in normal years. Yes.

1211. (1) No.

(2) Low rate of interest.

(3)  $7\frac{1}{2}$  per cent.

(4) No.

(5) Yes.

1212. (1) Yes. Yes.

(2) No.

1213. No.

1214. Simple.

1215. 75 per cent. Yes. Yes, other immovable properties in addition to the mortgaged land, 50 per cent.

1217. When default is committed in instalments due, except through bad harvest.

*Deputy Commissioner, Kyaukse.*

1202. The public should be invited to take shares. If the banks are well managed Government could subscribe by way of a loan secured on the lands pledged.

1203. Yes.

1204. The liability should be limited to their share capital and their own loans.

1205. Borrowers should elect 40 per cent. of the managing committee.

1206. The district. No branches will usually be necessary, but outlying subdivisions might be visited by the manager once a week, Federation is desirable in order to pool credit. The powers should be delegated to the federation by the banks as required.

1207. (1) Loan should be confined to long-term loans, and must be secured by a first mortgage on the land.

(2) Yes, by taking their business.

(3) No.

1208. To pay off old debts at high rates of interest.

1209. Five years. No definite financial limit, except by the bank itself in each case. Suitable maximum is 40 per cent. of value of the property pledged, lower in early years of working.

1210. Yes. Annual in single crop areas, biennial in double crop. Managers of central banks in the past have not made demands at the right time.

1211. (1) Yes, as presumably their loans would be foreclosed.

(2) Yes, low rate of interest on loans has proved to result in non-repayment of principal.

(3)  $1\frac{1}{2}$  per cent. per mensem.

(a) and (b) No.

1212. (1) Such applications should be considered by the managing committee. It would be necessary to give time in bad years.

(2) Not feasible short-term crop loans are too expensive to allow of any surplus in the next year sufficient to make up the growing lost.

1213. No.

1214. Simple.

1215. Fifty per cent. Yes. Only immoveable property should be accepted at fifty per cent. of its market value in open market.

1216. (1) No completely satisfactory solution has been found.

(2) Yes, if the amount necessary can be ascertained and is prohibitive.

1217. On completion of the period or death of the holder.

1218. (1) (a) Provided the money was used for productive purpose on the land.

(b) Should not be permitted, unless the widow supervises the working of the land.

(c) If they are themselves cultivators.

(d) Should not be permitted.

(2) Should not be permitted.

*Yamèthin District.*

1202. The public should not be invited to take shares. The Government should be able to supply all the capital.

1203. Yes. Yes.

1204. They should be liable to the extent of their debts and shares.

1205. The borrowers should have no control in the banks.

1206. Dawson's Bank of Pyapôn and its branches should be the models for the intended banks in these particular respects.

1207. In no case should these banks endeavour to supply all the credit the borrowers need. Yes. Bad people will borrow from all sources in any case.

(2) Yes. (3) Yes. However, it is generally understood that the Co-operative system will not survive the land Mortgage Bank.

1208. In no case should such loans be granted. A bamboo hut is all that is needed and no loan is necessary for such a hut.

1209. Yes. This should be done by the bank. Lower maxima must be adopted at the beginning of the bank.

1210. Yes. Yearly equated payment should be allowed.

1211. (1) No. (2) A low rate which borrowers could pay easily is recommended. (3) Rate of 15 per cent. per annum is recommended for all cases throughout the district. (4) No. (5) Yes.

1212. (1) No. No.

(2) Yes. Yes.

1213. No. Not necessary.

1214. Simple.

1215. On land, two-thirds of its value irrespective of kinds and localities. On gold, two-thirds of its value. Dawson's bank advances loans on gold.

1216. On the death of the Buddhist agriculturist, his heirs should be permitted to sell the land in private sale on the condition that they will use the sale proceeds in redemption of the land mortgaged by the deceased.

(2) Yes.

1217. A loan should be recalled only when the default in payment of yearly equated amount occurs without good reasons, such as floods, insect-posts etc.



1218. (a) and (d) On the condition that people mentioned therein offered their land as security.

(b) and (c) On the condition of these people who presumably are the heirs of the deceased offering the land which devolves on them as security.

(2) No departure should be allowed on any other condition.

*Deputy Commissioner, Yamethin District.*

1215. In precarious dry zone tracts unirrigated land is practicably valueless as security, and should not be taken as worth more than, say, Rs. 75 per acre if so much.

1217. When loans are granted for purchase of plough bullocks they should be resaleable on-demand if the bullocks are sold within one year of purchase.

It is common practice for cultivators to sell their bullocks for a song at the end of the cultivating season and borrow money to buy more bullocks, when they are expensive at the beginning of the next season.

*Katha District.*

1202. } Yes.  
1203. }

1204. The liability of a borrower for the debts of the Bank should be up to the amount of shares held by him.

1205. Every borrower should have the right of giving a vote in the general meeting regarding control of the Bank.

1206. The area of operation of a land mortgage Bank should be throughout Burma. Branches will be required. They will be managed by their own staffs.

1207. (1) They should try to supply all the credit the borrower needs, and the banks will control his borrowings. If he still borrows elsewhere for unproductive purposes, he does it at his own risk of destruction.

(2) No, they would not injure the Co-operative system.

(3) They injure the Co-operative system.

1208. Banks of Co-operative character should grant loans which are not self liquidating to very few members.

1209. A maximum should be appointed for both. The maximum should be determined by law. Two-thirds of the value of the land should be the maximum for any where in Burma. No.

1210. Yes, the payment should be in 10 years instalments.

No, it is not possible.

1211. (1) Yes, I agree

(2) Charging a rate of interest which could be easily paid by borrowers and which would yield the Bank such a profit that could build up invincible reserve is advisable.

(3) Ten per cent. per annum is suitable.

1212. (1) Yes, in the case of total failure where remission of land revenue is made, in such case concession should be left to the Bank Manager's discretion.

(2) Short term loans with prompt payments are more economical than the long terms with payments postponed from one year to another.

1213. No.

1214. The mortgages should be usufructuary.

1215. Two-thirds the value of land should be accepted as security for a loan. There should also be differentiation for different kinds of land and for different localities. Other properties should also be accepted as security at two-thirds of their value.

1217. A loan should be recalled when the mortgagor is found to evade payments by any foul means.

*Deputy Commissioner, Upper Chindwin.*

1202. The public should be invited to take shares on terms that they are allowed to take loans.

1203. No.

1204. They should have liability proportionate to the amount of loans they take.

1206. One per District. No branches will be required.

1212. (1) Possible and should be left to the discretion of the bank managers.

(2) Postponement has generally proved dangerous ; and to insist upon prompt payments and let borrowers take short-term loans, will, in the long run, prove more economical in practice, than postponements.

1213. No.

1214. Simple.

1215. Two-third. There should be no differentiation. Other property should be accepted as security in case of landless cultivators and to half its value.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myook (Co-operative Branch) Myinmu Range.*

1202. Banks should be established as co-operative societies under the provisions of the Co-operative Societies Act. Such banks should be under more striking control of the Registrar than an ordinary co-operative society as if they were Government agencies, though the management should be also represented to a small degree by borrowers.

1202. No. The initial capital should be provided partly by shares from intending members, and partly by loans from the Government, which should find the same ways and means of obtaining money for granting loans to such public institutions as district associations, municipalities, etc :—

1203. Yes, and members should be made to take shares proportionately to their loans.

1204. Limited liability.

1205. In the control of the bank, the borrowers representatives should not exceed 50 per cent.

1206. The area of operations at the commencement should be a district. No branches will be required at the start.

1207. (1) The land mortgage banks should confine themselves to long-term loans only.

(3) Since the bank itself is on a co-operative basis controlled by a Registrar who also controls the short-term loans in other co-operative banks and societies, there can be no injury.

1208. The bank should grant loans for productive purposes only.

1209. Yes. The maximum amount of loan and the period should be laid down in the bye-laws of each bank. Lower maximum than reasonable amounts required should not be fixed.

1210. Yes. The payments should be yearly.

1211. (1) No. I don't agree.

(2) A reasonably low rate of interest should be charged.

(3) 12 per cent. No differentiation should be made in respect of rates of interests and classes of borrowers in the same district.

(4) Yes.

(5) Yes. It should be fixed in the bye-laws of each society.

1212. (1) Borrowers should be allowed to postpone payments when their harvest or the price obtained for it is small. In such cases, discretion should be vested in the board of directors of the bank.

(2) No.

1213. No.

1214. Mortgages should be simple.

1215. 75 per cent of the value.

No differentiation should be made for different kinds of land and for different localities, as the market price assessed vary with these conditions.

1217. Loans should be recalled when the debtor fails to pay due instalments without obtaining sanction for postponement of payment from the board of directors.

1218. (1) (a) If they join the membership.

(b) do.

(c) do.

(d) No.

*Charge Officers, Co-operative Department, Henzada and Prome.*

1202. As we have already advocated to use co-operative societies as agencies in answer to the question 1201, we are not inclined to answer this.

1203. }

to

1207. (1) }

We are not inclined to answer these questions as we believe that they are not practicable.

1207. (2) Certainly they will, because they will be rival banks which would deprive co-operative societies of members with tangible assets, for they would naturally desert them.

(3) Yes, they will injure them because the Prome District Central Co-operative Bank, Ltd., as it is, cannot afford to give sufficient long-term loans to them as the sources of working capital are generally of temporary and impermanent character, being made up of current accounts and short-term deposits.

1208 & 1209. As these two questions deal with a bank of a co-operative character only we are not prepared to answer.

1210. Yes, the system of equated payments covering both interest and principal is the only suitable system in Burma from a purely co-operative point of view.

The instalment covering both principal and interest should consist of the net profit of the annual produce.

We do not suggest any other system.

Yes, it should be left to the bank managers who should be kept constantly informed of the condition of the crops.

1211. (1) No we do not agree because so long as we deal with defaulters promptly they would not dare not to repay except under unavoidable circumstances. The higher interest is always objectionable.

(2) We would advise to make borrowers pay less interest so that they will have less difficulty and the bank would have less defaults.

(3) We are of opinion that Rs. 8 per cent. per annum is a suitable rate of interest in our district under present condition.

(a) and (b). We think a uniform rate of interest should be charged for different classes of borrowers and for different parts of the district.

(4) No, we do not think so.

(5) Yes.

1212. (1) Yes, it may be necessary to postpone payment in real cases of failure of crop or under other unavoidable circumstances. Yes, after consulting the supervising officers who should be able to tell the bank managers the real distress of any deserving case of the borrowers.

(2) Yes, this is also a good idea, but the accounts may be confounded.

1213. Yes.

1214. Yes, mortgages should be simple.

1215. About 2/3rd of the value of the mortgaged property.

No, there should be no differentiation.

Immovable properties such as gardens and houses might also be accepted as security.

Half of the value of such property may be accepted in case sufficient land cannot be given.

1216. (1) Only the most legitimate heir who must be a *bona fide* cultivator may be given this privilege, and such heir should arrange with his co-heirs so that he may have a clean title to the mortgaged land, as he will have to pay all the debts (to avoid confusion in future).

(2) It does not sound reasonable.

1217. Only when there is a persistent default for successive years.

1218. (1) (a) }  
to } If they have right of succession to the land.  
(c) }

(d) This privilege should be extended only to practical cultivators who alone should be the members of such societies.

(2) For building farm houses and latest scientific agricultural implements.

*Mr. P. L. L. N. Narayanan Chelliar (Puducherry).*

1202. Yes. Government must play important part by subscribing and by auditing accounts.

1203. No.

1204. To the extent of their liability,

1205. Yes.

1206. To start with one bank is necessary in one district. Federation necessary. Rules can be formed for the Federation's control over the Banks.

1207. (1) They must give all the credit the borrower needs ; cannot control but they can get joint signatures.

(2)—(3) Will not effect.

1208. To buy land, house, cattle etc.  
1209. Size and period of loan can be determined by the federation.  
1210. The payment should be once a year after harvests.  
1211. (1) No.  
(2) A moderate rate of interest should be charged so that the Bank may not be closed and so that the borrowers will not suffer.  
(3) In this district the rate may be  $1\frac{1}{2}$  per cent. more than the Imperial Bank rate in Rangoon.  
(4) }  
(5) } Yes.  
1212. (1) Yes.  
(2) No.  
1214. Simple Mortgages  
1215. Three-quarters. Yes, value depends upon Kind, locality ; Home, Jewels and diamonds also. Sixty per cent. four-fifth.  
1216. (1) The present law is sufficient ; no rules heeded.  
(2) No.  
1217. On borrower's death and when he commits fraud.  
1218. (1) The different condition for different cases. Should not lend to unmarried daughters and sons other than the eldest. Can lend safely to land-owners who are not practical cultivators.

### Section 3.—Banks of any kind for Practical Cultivators.

#### *Akyab District.*

1219. Opinion is divided. Some members think that no special powers are necessary. Others consider that the provisions of section 53 of the previous draft bill should be applicable.  
1220. (1) It is considered fixed deposits but not current deposits are suitable as working capital as long-term credit only is being given.  
(2) *Omitted.*  
1221. It is considered that the Banks should be incorporated under special legislation and financed by Government to start with. The question does not therefore arise.  
1222. No.  
1223. } The Committee are unable to express opinions.  
1224. }  
1225. Should be limited to a fixed multiple of its total owned capital.  
1226. (a) Committee considers only Government can supply.  
(b) No.  
(c) It is difficult to ascertain this in all cases. There is general feeling in favour of record by the Land Records Department of simple mortgages.  
(d) No.  
(e) Not likely.  
(f) The Committee cannot express an opinion.  
(g) }  
(h) } No.  
(i) Cattle should not be accepted as security.  
1229. Yes. No distinction should be made.  
1230. If the banks are of a co-operative character, their profits should be exempted from income-tax but not their income from investments.

*Tharrawaddy District.*

1219. The bank should have the first lien on the land and its crops in preference to other unsecured creditors. The Bank Manager's decision should be treated as a final decree under the Civil Procedure Code and as un-appealable after the demand after the due date has been proved.

1220. (1) Yes.  
(2), (3) & (4) No.

1221. (3) No.

1222. No.

1223. About half.

1224. About half.

*Deputy Commissioner, Tharrawaddy.*

1219. I would as I have said above in\*1211 give the Bank the right to apply to the Collector for the recovery of loans as arrears of revenue. My idea is (1) to expedite recovery of loans, (2) save the borrowers from the cost of litigation and (3) place the bank in a better position than the Chettyars and Burmese money-lenders.

1220. (1) I would run the bank on ordinary banking lines.

(2) I think conditions in France are totally different from conditions in this country. Here we have to deal with a race of people, the mass of whom are happy-go-lucky, never think of tomorrow and know absolutely nothing about banking or the use of money except to spend it on pagodas or *pongyi-byans*.

(3) & (4) I would start the Bank in the same way as the Australian Commonwealth Bank was started. This would only be possible if this country is separated from India. So long as India's control over Burma's revenues is maintained, I cannot see how any effort in the direction of Banks of any kind, except private enterprise, is possible.

1221. I would not have Government have anything to do with any kind of bank except the kind I have suggested. I put forward my views of course only because I am required to do so. I consider that with Burma and the Burmese in their present state, Government by taking part in organising land mortgage banks would incur moral responsibility for them.

1222. I put forward my views with diffidence but I consider that any adventure into the realms of banking by way of joint stock banks or co-operative societies can only end in failure and in loss of money. Were Government to lend money to such banks, and such banks to endeavour to carry on business, the only result would be increased litigation and more Law Courts.

1223. Not at all.

1224. If Burma is separated from India, I would have a Government Bank started and all District Treasuries turned into Branch Banks. This Bank would deal with loans to private persons under certain rules just as the Australian Commonwealth Bank does. It would have of course to start off very very slowly and expand its activities as it strengthened its position.

1225. I have outlined above the only kind of bank which would in my view have any chance of success. To raise capital for the activities of the Bank in lending money to cultivators, Government could borrow in the open market and if necessary keep the accounts separate from ordinary Government accounts.

1226. (a) I do not see how land mortgage banks unless almost wholly financed by Government could possibly get a sufficient supply of working capital.

(b) I would meet this difficulty by a complete re-organisation of the Government services, that is of course if Burma is separated from India, by forming a Banking Service, by transferring selected officers to it, by training them and by putting them to run District Treasuries which would be turned into Government District Banks.

(c) I would institute a system of title deeds for plots of land over a certain acreage and possibly make the Registration Office part of the District Bank.

(d) Agricultural loans are recovered easily enough if properly worked. I have noted above would give the Bank the right to have overdue loans recovered as arrears of revenue.

(e) Nothing but the ordinary difficulties.

(f) The Agricultural Department assisted by all Government officers should by intensive propaganda, endeavour to raise the quality of Burma rice.

(g) Would not arise if Government bank were instituted.

(h) Only an advance in the civilization of the people can help here.

(i) Rinderpest should be fought with all the weapons we can get. Compulsory inoculation, enforcement of rules.

1227. Nil.

1228. Yes.

1229. Yes, if land mortgage banks distinct from a Government Bank are started.

1230. They should be free from having to pay income-tax and shareholders also should not be liable to income-tax for profits accruing from their shares up to a certain amount.

#### *Hanthawaddy District.\**

1219. No special powers are required but certain privileges given to public bodies such as Municipalities, should be granted to them; for instance—it should not require the manager or others of the bank whose absence would cause inconvenience, to the bank to file and prove the case personally and such like privilege; these I submit you can suggest better.

I agree with the above answer by Dr. Rodriguez.

1220. (1) The well established principle of banking should not be departed from, and the working capital should be obtained in the same way as all other Banks obtain it. I see no objection to one Bank helping another Bank provided that there is Government supervision and audit and loans are made under proper safe grounds.

(2) See answer No. 1202.

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\* See footnote on page 693.

(3) I think a considerable amount of working capital required can be raised in Burma if the public have confidence in the Bank and that confidence can only be gained not only by Government supporting the bank with capital but also by making it known to the public that Government Inspectors and Auditors are looking after the interests of the general body of depositors and Debenture Holders, etc. I don't think we can do better than copy some of the methods of Dawson's Bank.

(4) No. (refer Rothermere and the last loan). The basis is a stable government, I cannot conceive with all the concessions granted to India it will be able to stand by itself. Britain is the main factor and complement for good government at least for a long time to come.

(1) & (3) are the answers of Mr. Vertannes and (4) is the answer of Dr. Rodriguez with which I concur.

1221. (1) Yes.

(2) Government supervision of the banks.

(3) There would be, therefore it will be up to Government to supervise the working of the banks by frequent audits and publishing balance sheets.

I concur in the above answers by Dr. Rodriguez but the officers appointed to supervise should have banking training—preferably in Scottish Banks—and the audits should be up to date, not like it often is in the case of Local Bodies accounts.

1222. See the Myingyan Cotton Mill proceedings in Legislative Council.

1223. The Government should consent to buy half at most debentures of land-mortgage banks and get out as soon as practicable.

1224. If Land Mortgage Banks in Burma are to be a success they must be able to stand on their own legs and not be required to be propped up by Government. If Government once started lending to these Banks without reserve I have little doubt it would lose the greater portion of the amount so lent within less than a decade.

1225. No answer as it is outside my knowledge.

1226. (a) I have no knowledge of how much of working capital would be required.

(b) Difficulty in the supply of competent managers, accountants, valuers is likely to be experienced unless we send young men to England to be educated in banking.

(c) The titles must be cleared in the usual way.

(d) If people default they must take the consequences.

(e) A good margin should be held by the bank in granting loans.

(f) I have not sufficient knowledge to answer this.

(g) Land Mortgage Banks must agree to a common rate.

(h) and (i) The difficulty can rise in no way.

1227. No differences in my answer to Question 1226 are necessary for application to Upper Burma.

1228. Yes. Provided Government supervision and audit is guaranteed.

1229. Yes, as it would help to popularise the banks.

1230. The income of every share holder derived from the bank cannot be exempted from income-tax but any reserves the bank may be able to put by should be exempt from taxation.

I agree with the above answer by Dr. Rodriguez.



*Prome District.*

1219. Such banks should have the powers of forfeiting mortgage land if borrowers persistently refuse to repay periodical payments without sufficient cause.

1220. (1) Yes, it is a good idea to gather working capital from such sources. They should incorporate accounts like Headquarters Treasury and sub-treasuries and the working should be based on the similar lines.

(2) It is not desirable in Burma.

(3) For the beginning it is doubtful if capital can be raised by such means which are doubtlessly commendable. Yes, we do recommend to employ such means to raise capital.

(4) No.

1221. (1) Yes, and unless and until Government plays a role of a guarantor, such Banks cannot be successful.

(2) We would recommend Government control of such Banks in regard to general supervision, inspection and audit.

(3) Yes to avoid such a responsibility suggestions have been given in the above answer.

1222. No.

1223. For the face value of all the debentures issued by the Bank.

1224. Up to the maximum borrowing limit of the bank as required in its bye-law, i.e., 8 times the owned capital of the Bank.

1225. Yes it has been answered in the preceding question.

1226. (a) In the initial stage unless the Government makes a bold guarantee it will not be easy to avail sufficient working capital to cover loans to be lent out.

(b) It will not be very difficult.

(c) If the registration office certifies that the land is free from incumbrances and other mortgages when referred to by the bank it will not be difficult.

(d) It will not be difficult if they clearly understand the obligations and conditions.

(e) Yes, whenever there is depression of paddy market for failure of crop. In such times, extension of time is the only way out.

(f) The cloud of competitive power of Burma rice in the world is not likely to be hanging long. In case it carries long, the only alternative is to lend out money proportionate to the minimum value of the land on the last ten years' average.

(g) Government should fix the standardised rate of interest when raising capital.

(h) Perhaps Education Minister, who is in charge of this Department can prevent the outbreak of contagious and infectious diseases or he can, at least, check its spread and up root it. If it lies beyond his powers, no difficulty may be anticipated as tangible immovable properties are given as security.

(i) It is up to the Forest Minister to prevent, check and up-root it and if timely measures are taken by his lieutenants, this difficulty may be wiped out in no time.

1227. So far, we do not see any differences between Lower Burma and Upper Burma conditions except in the variation of the harvest which may be dealt with according to the local condition. It will be a good idea to try and obtain a competent local man for management.

If not locally available, a competent hand from elsewhere may be employed on condition that he must try and acquire the local knowledge of things.

1228. We have no experience of it.

1229. Concession should be extended to all the land mortgage Banks.

1230. Please see our answer to question No. 1120.

*Deputy Commissioner, Prone.*

1219. So long as the banks are under Government control, they might be permitted by the relevant act to recover loans through the revenue courts as arrears of revenue, otherwise it would not appear possible to grant them further powers and privileges.

1220. (1) Working capital should be collected in each of the manners indicated I am not prepared to advise with regard to federation.

(2) I do not think that any assignment of revenue is possible nor do I see how any such benefit could be granted to land-owning cultivators at the expense of the rest of the community.

(3) It might be possible to raise a certain amount of capital locally in Burma, but the possibility of raising capital elsewhere is too remote to be considered. The rate of interest which it is necessary to offer will naturally vary with the value of money from time to time.

(4) No.

1221. (1) In the case of banks run by Government agency Government would presumably be responsible for loss. In other cases, however, though the banks might be under Government supervision, Government should make it clear that it accepts no responsibility for losses of share holders, etc.

(2) Guarantee should not be given except in the case of banks run by Government agency, in which the management would have to protect itself against loss.

(3) Government has in the past found it difficult to free itself from moral responsibility. The same difficulties would probably continue. It is apparently impossible to do more than to disclaim responsibility for loss from the outset.

1222 Political considerations might arise ; but, if the Government is efficient, no difficulty would be allowed to prevail.

1223. As already noted such banks probably cannot be run at present without Government assistance. In answer to this question it can only be said that Government must advance in the matter by careful steps and judge by experience how far it should progress at each step.

1224. This will depend entirely upon the efficiency of the system of land mortgage banks. If such banks are established and run efficiently, there should be no weakening of Government's credit. Naturally, however, Government's credit will be weakened if Government cannot show that the banks are run efficiently.

1225. No answer as it is outside my knowledge.

1226. (a) Yes, Government assistance will in my opinion be essential.

(b) Yes, the only course is to develop gradually.

(c) No.

(d) Yes, gradual development again is the only remedy.

(e) Yes, unless such variations are provided for beforehand.

(f) Not, if this is provided for at the outset.

(g), (h) and (i) No.

1227. No differences.

1228. At the outset, no. When a system of banks is working satisfactorily, it may be possible to permit trust investments in them or in banks specially approved for the purpose.

1229. Yes, since by establishing the banks Government will presumably have admitted that the success of the banks is a matter of public interest. No.

1230. They should receive the same concessions as Co-operative Societies.

*Henzada District.*

1219. Same privileges should be given as are enjoyed by registered Co-operative Credit Societies and banks.

1220. Yes. Working capital should be shared according to the articles of the association to be fixed and framed at the time of establishment of the association or the banks. It should depend on the mutual conditions and cannot be formulated without any data here.

1221. (1) Yes.

(2) Government should have as much control and inspection on these as possible which will ensure its safety.

(3) Yes, some measures as above may be adopted for its protection.

1222. No.

1223. One-half.

1224. Not answered as separation will never be effected.

1225. Tax a half of its working capital, and in special cases to a half of its total capital.

1226. Mass education in the recent methods of improved agriculture, in the rules of village sanitation, and establishment of a local school (at Rangoon) for training in banking and accountancy will partially meet these difficulties which will be gradually obviated in course of time.

1227. A training school in banking with reference to the local conditions may be started at Mandalay.

1228. Yes. Unconditionally.

1229. Yes they should be extended to all land mortgage banks without restriction for urban areas.

1230. In the same way as the Co-operative Society is treated.

*Maubin District.*

1219. In the case of banks partly financed by Government periodical and other payments which become due and are not paid should be recoverable as if they were arrears of land revenue. If this method is approved, six months' time should be allowed before sale of land is resorted to.

1221. (1) No : Government should not be responsible for more than its share in the Bank capital.

(2) No guarantee being given no measures are necessary.

(3) No. It should be clearly stated that Government is like any other shareholder liable to the extent of its shares only.

1222. No : if answer to Question 1219 is adopted.

1223. Up to 50 per cent. of capital.

1225. Should be limited to a fixed multiple of the share capital.

1226. (a) The supply of working capital will be difficult to raise at the start and only advances by Government will ease the situation.

(b) and (c) No difficulty.

(d) The Burman is habitually a bad pay-master, but he is likely to get out of the habit.

(e) Averages for five years would eliminate difficulties.

(f) No difficulty.

(g) There will be some difficulty. Government might step in and fix a limit to the rates of interest offered to the public by banks in which they have an interest.

(h) and (i) No difficulty.

1228. Debentures of a Joint-stock land-mortgage bank should be added to the list of investments in section of the Indian Trusts Act, 1882.

1229. Yes and to joint-stock banks engaged in land-mortgage business in respect to agricultural land only and not to land in urban areas.

*Pyawön District.*

1219. With regard to the recovery of loans, I consider that the legal procedure should be shortened. This might be achieved as follows :— After the preliminary decree only three months or even less time should be given to the judgment-debtor to pay up the decretal amount.

1220. (1) Most certainly. The collection and lending of working capital should be left in the hands of a capable management. Flexibility and initiative should not be discouraged by a multiplicity of rules and regulations. The danger of red-tape is very real.

(2) The investment by Government in the ordinary or preference shares of Land Mortgage Banks should suffice.

(3) Yes. There should be no restrictions regarding the sources from which capital is obtained. Rates of interest will depend entirely on the conditions prevailing at various times and the fixing of these rates should be left in the hands of the chief management.

(4) No.

1221. (1) No.

(2) This question does not arise in view of the answer to (1).

(3) Government would not incur any moral responsibility provided that Government was concerned only with investments in the shares of the banks.

1222. No special difficulty is foreseen.

1223. Government's interest in the banks should be limited to share capital.

1224. Impossible to predict.

1225. Rigid rules and regulations of this type are to be deprecated. Successful private institutions never saddle themselves with such restrictions which in practice are often unworkable and absurd. If land mortgage banks are to be institutions of real vitality they must achieve the flexibility and independence of private banks.

1226. (a) The attraction of working capital would at the beginning depend largely on the manner in which the public had been prepared for the opening of the banks. With proper advertisement there should be no difficulty. Subsequently the success of the institutions would govern the attraction of capital.

(b) This would be the main difficulty and I can suggest no immediate means of solving the problem.

(c) This is a matter for Government to take in hand. There should be no insuperable difficulty.

(d) A capable and sympathetic but firm management would overcome this difficulty.

(e) to (i) The high rate of mortality amongst cattle will prove a serious difficulty. Other factors mentioned should not prove grave impediments to the development of the banks.

1227. *Omitted.*

1228. It is too early to predict as to whether the banks would achieve so great a measure of success that their debentures could be classed as Trustee stock.

1229. Concessions should not be granted to profit making institutions. Land Mortgage banks must not be coddled. They will never be really alive unless they can face the same risks and expenses as other banking institutions. Concessions would have an enervating effect.

1230. Land Mortgage banks should be treated in the same manner as other business concerns.

*Amherst District.*

1219. The privilege of not having to pay court-fee for suits filed by land mortgage banks against debtors is recommended. No other simplification of the usual legal processes is recommended.

1220. (1) The working capital should be obtained in the manner indicated in the answer to question 1202. If current deposit, fixed deposit, etc., are utilised for working capital, the Government should supervise and guarantee repayment of these.

(2) Yes, provided there is no increment in the rate of taxation.

(3) No. Yes. In the United Kingdom. Good chance if Government guarantees. Not more than 6 per cent. and with Government guarantee.

(4) It would not make any difference.

1221. (1) Yes.

(2) Government control and supervision.

(3) Yes.

1222. No.

1223. At least 50 per cent.

1224. We do not suppose that Burma's credit will be weakened by its political separation from India.

1225. No.

1226. (a) Yes unless Government grant aid.

(b) (c) (d) No.

(e) Yes. Payment of instalment in such years should be deferred to more prosperous years.

(h) (i) No.

1229. Yes. No.

1230. Should be exempted.

*Deputy Commissioner, Kyaukse.*

1220. Arrears of loans or payments should be recoverable as arrears of land revenue. The procedure is not unduly complicated.

1220. (1) In any of these ways.

1226. (a) The supply of working capital will be difficult to raise at the start and only advances by Government will ease the situation.

(b) and (c) No difficulty.

(d) The Burman is habitually a bad pay-master, but he is likely to get out of the habit.

(e) Averages for five years would eliminate difficulties.

(f) No difficulty.

(g) There will be some difficulty. Government might step in and fix a limit to the rates of interest offered to the public by banks in which they have an interest.

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*Pyawbun District.*

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(2) The investment by Government in the ordinary or preference shares of Land Mortgage Banks should suffice.

(3) Yes. There should be no restrictions regarding the sources from which capital is obtained. Rates of interest will depend entirely on the conditions prevailing at various times and the fixing of these rates should be left in the hands of the chief management.

(4) No.

1221. (1) No.

(2) This question does not arise in view of the answer to (1).

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1223. Government's interest in the banks should be limited to share capital.

1224. Impossible to predict.

1225. Rigid rules and regulations of this type are to be deprecated. Successful private institutions never saddle themselves with such restrictions which in practice are often unworkable and absurd. If land mortgage banks are to be institutions of real vitality they must achieve the flexibility and independence of private banks.

1226. (a) The attraction of working capital would at the beginning depend largely on the manner in which the public had been prepared for the opening of the banks. With proper advertisement there should be no difficulty. Subsequently the success of the institutions would govern the attraction of capital.

(b) This would be the main difficulty and I can suggest no immediate means of solving the problem.

(c) This is a matter for Government to take in hand. There should be no insuperable difficulty.

(d) A capable and sympathetic but firm management would overcome this difficulty.

(e) to (i) The high rate of mortality amongst cattle will prove a serious difficulty. Other factors mentioned should not prove grave impediments to the development of the banks.

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1220. (1) The working capital should be obtained in the manner indicated in the answer to question 1202. If current deposit, fixed deposit, etc., are utilised for working capital, the Government should supervise and guarantee repayment of these.

(2) Yes, provided there is no increment in the rate of taxation.

(3) No. Yes. In the United Kingdom. Good chance if Government guarantees. Not more than 6 per cent. and with Government guarantee.

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(h) (i) No.

1229. Yes. No.

1230. Should be exempted.

*Deputy Commissioner, Kyaukse.*

1220. Arrears of loans or payments should be recoverable as arrears of land revenue. The procedure is not unduly complicated.

1220. (1) In any of these ways.

(2) In view of the other urgent needs of the province an assignment of revenue is *not* desirable.

(3) Money should be raised from Burmese depositors by offering suitable interest. The failure of the Co-operative bank renders success somewhat doubtful.

(4) No.

1221. (1) No.

(2) If Government gives a guarantee Government must bear the loss.

(3) Government should explicitly deny any responsibility.

1222. Not under the present constitution.

1223. Government has already burnt its fingers sufficiently over the Co-operative bank, and should not lend money at all.

1224. Burma could not afford to do so at all though it might be considered advisable for political reasons.

1225. The amount should be limited by a fixed multiple of the share capital.

1226 See Question 1227.

1227. (a) Capital would be difficult to obtain in backward districts.

(b) Trained managers, accountants and valuers are scarce.

(c) Concealed mortgages are not uncommon in northern

Burma.

(d) The Upper Burma cultivator is semi-nomadic by heredity and by no means tied to the land. If pressed too hard for repayment he will often mortgage his land and seek employment elsewhere.

(e) Variation in dry-crop. Output is large, and failures frequent.

(f), (g), (h) and (i) All these difficulties are likely to be experienced to a certain degree.

1228. Yes, provided the banks are classed as "A" or "B" by the Registrar or have satisfactory reserves and profits over a period of years.

1229. I see no reason why such banks should be financed by the general tax-payers.

1230. Debenture-holders should be liable to tax, but not share holders who are *bona fide* cultivators and borrow for development or redemption of land-mortgages.

#### *Yamethin District.*

1219. The banks should be authorised to sell the mortgaged land by auction, or private sale with the consent of the mortgagor, without the necessity of going to Courts.

1220. Yes. The branches should do the same thing.

(2) Such assignment is quite possible and desirable in Burma.

(3) Yes. Yes. It will be quite successful. Rate of interest allowed should be alluring enough. It should any case be higher than the one allowed on cash certificates.

(4) No.

1221. Yes. A full guarantee must be given by the Government.

(2) Direct control by the Government is a guarantee against loss.

(3) Certainly. Yes. If the Government desires to avoid such responsibility, the only precaution that should be taken is not to make the people feel that the banks are imposition from top but that they are outcome of the clamour of the people from below.



1222. No. The Government has all the powers to enforce the claims against the defaulting borrowers and their land as arrears of Land Revenue.

1223. Up to 100 per cent. of the working capital.

1224. The question of separation would not in any case affect the position.

1226. These difficulties can be met easily if men with experience and knowledge of the locality are made Managers. It is said that Mr. Dawson of Dawson's Bank, Pyapon, prefers local lawyers for his branches which are doing quite well without difficulties.

1227. *Vide* answer to 1226.

1228. Yes. Without conditions.

1229. Yes. No.

1230. The same answer as given to No. 1120.

*Notes on the above by the Deputy Commissioner, Yamethin.*

1221. I deprecate any action by Government to make it easier for cultivators to borrow money, except for land improvement.

1222. In practice this is not the case. Under the rules Government cannot attach a man's plough cattle even though the cattle have been bought with a loan and are about to be sold by the borrower.

Also in Upper Burma buyers do not usually compete very freely at auctions.

1228. No. Much too risky.

1230. In irrigated areas loans should hardly ever be necessary and in precarious areas there is hardly ever sufficient surplus from sale of crops to make repayment possible.

If a cultivator in the precarious zone needs capital he should go and earn it by working for some one else.

*Katha District.*

1219. Special privileges of having the first charge on the produce of the borrowers or tenants should be given to the Bank. To simplify the legal processes of a Civil case, the Bank manager as a plaintiff should make a complaint against the defendant to an arbitrator who should make an award, the award to be executed by the Civil Court.

1220. (1) Yes.

(2) Assignment of revenue is desirable in Burma.

(3) Land Mortgage Banks can raise an adequate amount of working capital in Burma. The fixing of the rate of interest at 10 per cent. per annum is one of the conditions necessary for success.

(4) The political separation of Burma from India will make no difference to any answer to any part of this question.

1221. (1) Government should be the guarantor and the Bank itself should be managed by Government, otherwise it would be a total failure in Burma.

(2) All the mortgage bonds of the immoveable property of members are to be in custody of the Bank.

(3) Strict observance of rules and regulations, is necessary to avoid moral responsibility.

1222. No difficulty is likely to arise in enforcing the claims of Banks against defaulting borrowers and their land.

1223. Government should consent to buy debentures of land mortgage banks to the extent of  $\frac{1}{2}$  their working capital.

1224. Omitted.

1225. The working capital borrowed should be limited to a fixed multiple of its share capital.

1227. (a) No difficulties, if mortgage bonds are taken.

(b) No difficulties, if applications are called all over the British Empire.

(c) No difficulties, if close touch is kept with the registration officers.

(d) No difficulties, they are used to paying annual instalments to money-lenders.

(e) No difficulties, if there is a close touch with executive officers.

(g) No difficulties, if rule is made to keep only one mortgage Bank.

1229. Yes, the existing concessions to Co-operative Societies should be extended to all Land Mortgage Banks. There should be no distinction to be made with respect to Urban business.

1230. Same as answer to 1120.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myoðh (Co-operative Branch) Myinmu Range.*

1219. Right of foreclosure of mortgage on defaulters' land mortgaged to the bank without resorting to the Civil Court should be given.

1220. (1) Working capital of a land mortgage bank should be obtained from :—

(1) Fixed deposits.

(2) Savings deposits.

(3) Savings certificates, and

(4) Debentures.

(2) Yes, it is desirable.

(3) Adequate working capital cannot be raised in Burma only. It is recommended that working capital for Burma banks be raised in India and other countries at 6 per cent per annum, through its central land mortgage bank.

(4) No.

1221. (1) Yes.

(2) The mortgage of real property by itself is a sufficient guarantee to Government against any loss.

(3) Yes, certainly. No amount of precautions would save the Government from such a moral responsibility, since it governs the country.

1222. No, not likely.

1223. Up to the extent of 50 per cent of the working capital.

1225. No.

1226. (a) No.

(b) No.

(c) No difficulty.

(d) No difficulty.

(e) Yes, very likely; increase of outturns could be made possible by improved methods of agriculture and improved methods of marketing would raise the prices.

(f) Yes, very likely.

(g) No, since area of operation is restricted.

(h) No.

(i) No.

1227. No difference.

1220. Yes.

1230. Land mortgage banks should be treated in the same way as co-operative societies in respect of income-tax.

*Charge Officer, Co-operative Department, Henzada and Prome.*

1219. Such banks should have the power of forfeiting mortgaged lands if borrowers persistently refuse to repay periodical payments without sufficient cause.

1220. (1) Yes, it is a good idea to gather working capital from such sources. They should incorporate accounts like headquarters treasuries and sub-treasuries and the working should be based on similar lines.

(2) It is not desirable in Burma.

(3) For the beginning it is doubtful if capital can be raised by such means, which are doubtlessly commendable.

Yes, we do recommend employment of such means to raise capital.

(4) No.

1221. (1) Yes, and unless and until Government plays the role of a guarantor, such banks cannot be successful.

(2) We would recommend Government control of such banks in regard to general supervision, inspection and audit.

(3) Yes, to avoid such a responsibility, suggestions have been given in the above answer.

1222. No.

1223. For the face value of all the debentures issued by the bank.

1224. Up to the maximum borrowing limit of the bank as required in its bye-law i.e. eight times the own capital of the bank.

1225. Yes, it has been answered in the preceding question.

1226. (a) In the initial stage unless the Government makes a bold guarantee it will not be easy to provide sufficient working capital to cover loans to be lent out.

(b) It will not be very difficult.

(c) If the registration office certifies that the land is free from encumbrances and other mortgages when referred to by the bank it will not be difficult.

(d) It will not be difficult if they clearly understand the obligations and conditions.

(e) Yes, whenever there is depression of the paddy market for failure of crop. In such times, extension of time is the only way out.

(f) The cloud of competitive power of Burma rice in the world is not likely to be hanging long. In case it carries long, the only alternative is to lend out money proportionate to the minimum value of the land on the last ten years' average.

(g) Government should fix the standardised rate of interest when raising capital.

(h) Perhaps the Educational Minister who is in charge of this department can prevent the outbreak of contagious and infectious diseases, or he can, at least, check its spread and uproot it. If it lies

beyond his powers, no difficulty may be anticipated as tangible immovable properties are given as security.

(i) It is up to the Forest Minister to prevent, check and uproot it and if timely measures are taken by his lieutenants, this difficulty may be wiped out in no time.

1227. So far, we do not see any differences between Lower Burma and Upper Burma conditions except in the variation of the harvest which may be dealt with according to the local condition. It will be a good idea to try and obtain a competent local man for management. If not locally available, a competent hand from elsewhere may be employed, on condition that he must try and acquire the local knowledge of things.

1228. We have no experience of it.

1229. Concession should be extended to all the land mortgage banks.

1230. Please see our answer to question 1120.

*Mr. G. B. Hall (Chartered Accountant, Rangoon).*

Land mortgage banks will differ from the co-operative banks inasmuch as some saleable security has to be tendered before any loan is given. I distinctly prefer land mortgage banks to co-operative banks but I do not see how funds can be forthcoming for the land mortgage scheme unless the interest on any debentures issued carried a Government guarantee.

*Mr. P. L. L. N. Narayanan Cheltiar (Pylān).*

1219. No special power. The usual delay in legal process must be shortened.

1220. (1) Yes. Each bank can work separately.

(2) Yes.

(3) Yes. Capital can be raised in India. It will be very successful.

(4) No difference except that feeling of brotherhood between Indians and Burmans will disappear.

1221. (1) Government must give guarantee in case current deposits, fixed deposits, etc., are used as working capital.

(2) Government must have proper inspection over the affairs of such bank; thus loss can be prevented.

(3) Yes.

1222. No.

1223. About half.

1224. They can lend about half.

1225. Cannot say.

1225. (a) (d) No.

(e) If the outturns and prices decrease below there will be some difficulty.

(f) (f) No.

1227. No knowledge of Upper Burma.

1228 and 1229. Yes.

1230. Income-tax should be lowered as such banks are for the benefit of cultivators.

## Section 4.—Banks for other Land-owners.

### *Akyab District.*

1231. (1) For making loans to his tenants for seed cattle, etc.  
(2) Joint Stock Banks would be most suitable.  
(3) No.  
(5) It is considered wiser to leave the problem of this class until the banks for the larger classes have been organised.

### *Deputy Commissioner, Tharrawaddy.*

1231. I would have a Government Bank to deal with finance for all including all land-owners.

### *Hanthawaddy District.\**

1231. (1) The land owners require a land-mortgage bank to grant them loans so that they may be able to lend money to their tenants.  
(2) No.  
(3) Yes, there will be enough business. No, they will not, be likely to be able to raise the capital they would require.  
(4) Yes, there will be special difficulties in working such Banks in Upper Burma.  
(5) If you exclude the landlords who work their land by tenants you exclude the main source of depositors in the Co-operative Banks.

### *Prome District.*

1231. (1) to (5). It is too premature to consider such Banks to finance big land-owners who are not practical cultivators as they can easily borrow from outside. Besides, the Government should consider the case of the helpless small land-owners who are practical cultivators and this problem alone has up-to-date remained a puzzle which would require the best brains of the Government to solve.

### *Henzada District.*

1231. (1) These land owners in majority of cases do not require a land mortgage bank.  
(2) Yes.  
(3) No, there will not be sufficient business.  
(4) Yes.  
(5) Yes, it is wise to leave it out of consideration for the present.

### *Maubin District.*

1231. (1) For advances to tenants for purchase of cattle and seed-grain, for purchase of machinery and for household expenses.  
(2) Yes.  
(3) No.

### *Pyawbun District.*

1231. (1) (a) Redemption of debts to money lenders.  
(b) Purchase of cattle, ploughs, etc.  
(c) Advances to tenants.  
(d) Purchase of produce against a rise in the market.  
(e) Building of granaries.

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\* See foot-note on page 693.

(2) No reason can be perceived for different types of banks. Banks the world over deal with all classes of people and business.

(3) and (5) These questions do not arise in view of the answer to (2).

*Amherst District.*

1231. (1) To enable them to redeem mortgages from Chettiars and other money-lenders, and also to advance money to their own tenants.

(2) No joint-stock bank has ever attempted to finance these excluded land-owners.

(3) There are no such banks. No.

(4) Omitted.

(5) No. No.

*Deputy Commissioner, Kyaukse.*

1231. (1) For redemption of mortgages on their lands.

(2) Yes.

(3) Not in Upper Burma.

(4) See sub-paragraph 3.

(5) The numbers of such a class would not be large.

*Yamethin District.*

1231. For the purposes of improving their land by digging irrigation canals, ponds, bunds, etc.

(2) Yes. But joint stock banks have not come into being yet.

(5) Yes. Yes.

*Katha District.*

1231. Land Mortgage Bank is not meant for land-owners belonging to Class (d) of question 1218.

*Deputy Registrar, Co-operative Department, Mandalay Charge, and Myothk  
(Co-operative Branch) Myinmu Range.*

1231. (2) Yes.

*Charge Officers, Co-operative Department, Henzada and Prome.*

1231. (1) to (3) It is too premature to consider such banks to finance big landowners who are not practical cultivators, as they can easily borrow from outside. Besides, the Government should consider the case of the helpless small land owners who are practical cultivators, and this problem alone has up-to-date remained a puzzle which would require the best brains of the Government to solve.

1232. Further help may be rendered only with the ripening of practical experience in this matter.

*Mr. P. L. L. N. Narayanan Chelliar (Pyawb'n).*

1231. (1) To buy more land ; build houses ; to lend to their tenants to make jewels ; to buy and sell paddy.

(2) and (3) No.

(5) This question does not arise.

## Section 5.—General.

*Deputy Commissioner, Tharrawaddy.*

1232. I fear that the answers that I have given above to the various questions will be of little use to the Committee. I would plead in extenuation that I have but a very superficial knowledge of conditions even in my native country and that my own work in running my district takes up so much of my time that I have little to spend on studying a specialist subject. In Australia with its enormous sheep stations, the bank plays a large part in the financing of agricultural people who live on the land and are known as the "Squattocracy" and can be compared in any way to the large land-owners of England. The Banks therefore deal with big people and though thousands upon thousands of grounds may be involved, there are comparatively few transactions and banks with comparatively small staffs can deal with them.

In Burma matters are much more difficult. For hundreds of years, the Burmese lived shut off to all intents and purposes from the rest of the world. The King lived in his palace but except as a destructive force occasionally, had little really to do with the people. As Sir Reginald Craddock says "There was nothing democratic beyond the village fence and nothing aristocratic beyond the Capital and Court." The people led happy-go-lucky lives, regarding Government as one of the great calamities. No real system of Government was evolved and chaos reigned supreme in the country when the annexation took place. Then the people gradually settled down to a life of peace and with the advent of the British came to the Indian, lawyers, journalists, clerks, soldiers, traders, money-lenders, chetties, Pathans and milk sellers with their cows which are now one of the greatest nuisance in the Province.

There was, as I have suggested above, no real system of Government in Burma before the annexation, no system of finance, no trade with outside world, no roads. In short it may be said the Burmese were a race of happy-go-lucky children. And now after all the years it cannot yet be said that the people have any "money sense". They are much the same today as they were fifty years ago, the only difference being a certain amount of discontent which they are unable to justify at the land passing from its old owners into the hands of Indians or money-lending Burmans.

It was natural of course that the Government of India should take over the administration of Burma when it was added to the British Crown and it was also natural that the Government of India should make the mistake of supposing that Burma was just another Indian Provinces. And in this, I submit with the greatest respect lies the cause of the failure of the Burmese to make any real progress, particularly in the direction of acquiring a "money sense". They had no system of Government, the British supplied it; they had no real money system, the Chettyars came along; they could supply no clerks for the officers, Mr. Pillay with the Indian system arrived; in short every thing was made so easy that the Burman continued to be happy-go-lucky with the result that his economy position to-day, if anything, is little worse than it was fifty years ago.

There must, therefore, in any view be an attempt to appreciate Burma's real problems. They will never be solved by Indian methods.

The Select Committee appointed to consider the Montague Chelmsford Reforms itself recognised that the Burmese are as distinct from the Indians in race and language as they are from the British.

The above is intended to be a description of the present position and is also in the nature of a complaint. To pass now to the remedy.

In my view the remedy is that an attempt must be made to govern Burma for the Burmese and cognate races and in their interests. Their peculiar problems must be studied, their characteristics considered and endeavours be made to build on lines which will have the effect of developing the Burmese character. And one of the most important problems is to build up a system of finance suited to the country. The root of the problem is the land. Before the annexation, I take it that there were few sales of land and mortgages. Money was tight and ostentatious display rarely resorted to for fear of the "Myosa." But with the advent of the British the Myosa disappeared, the Chetty arrived, money became easier, land increased in value, mortgage became common, the number of Chetties increased and more as each year passes, the land is passing into or through their hands, and little by little each year disappears the possibility of a peasant proprietary. In Katha to this day, there are only a very few Chetties, very few pleaders and little crime, because the old communal tenure system is still in force and land cannot be transferred to persons who live outside the communal unit. Land is the crux of the problem.

We could not do without the Chetties but in my view they should no longer be allowed to enjoy their present monopoly of financing the peasants of this country and something should be done to protect the Burman against himself until the time comes when he shall have acquired the sense of money.

A Land Mortgage Bank would be an effort in this direction but as outlined above, I would have a Government of Burma Bank, one of the duties of which would be to finance cultivators. It is my view that nothing can be done in Burma without the untiring support of district officials I would therefore have the bank and its branches managed in the closest touch with district officers to work in the closest co-operation with the Bank.

As regards the general outline, the Government of Burma Bank would of course be situated in Rangoon. It would have a Board and a General Manager. It would hold the Government's money and all District Treasuries and Sub-Treasuries would be branches.

District Treasuries would cease to be accounting offices. The cheque system would be instituted and accounts kept by disbursing officers. Money would be paid in to credit Government as it is in the Federated Malay States. Sub-Treasuries would continue merely for the purpose of cashing cheques and receiving money and would continue to be held in charge of by Township Officers. Audit would be kept quite separate from accounts and there would be a Central Audit Office to register at once vouchers for say over Rs. 25.

I would also limit the right of peasant proprietors to mortgage land. I would let them do so only through the Government Bank. It may be said that this would be a reactionary step but the interests of the country must come first and I think until the Burmese acquire some degree of "money sense", they should be prevented from ruining



themselves by borrowing sums of money on the security of their lands for *pongyibyans* and *pues*.

I put my view forward with considerable diffidence and only because I am required to do so. They may be considered impractical but at any rate they are nothing like so rash as the experiments of the late Labour Government in Queensland. It may be said that any attempt to start a Government of Burma Bank would endanger Burma's credit but even the wild socialistic scheme of the late Labour Government in Queensland did not do this.

*Hanthawaddy District.\**

1232. There already exist in Burma a large number of indigenous Banks (Chettians) who have during the last 60 years and more been carrying on their business in this Province and who possess a considerable amount of local knowledge and experience of the conditions prevailing in localities all over Burma. They would with a little encouragement be able to carry out a great deal of what it is hoped Land Mortgage Bank will be able to do. It is a trite saying that but for their furnishing the necessary capital a great portion of the arable land would never have been cultivated. There seems no objection to allowing the Chettiar Community to extend their business more and more all over the Province, I think this could easily be done if the Imperial Bank of India and the various Joint Stock Banks in Rangoon could see their way to facilitate loans to Chettiar Bankers on security of agricultural lands provided an unusually large margin, say a half, of safety is left to the Lending Banks. For example if the Rule obtains in the case of Land Mortgage Banks not to advance more than a maximum of 50 rupees an acre on the best paddy fields there could be no risk in advancing the Chettiar Bank a half of the amount not exceeding Rs. 50 an acre he had already advanced. In this way the interest of the Bank would not only be amply secured by the responsibility of the Chettiar Bank but the Bank would have as additional security the property mortgaged to the Chettiar Banks

I concur in the above answer by Mr. Vertannes.

*Prome District.*

1232. Further help may be rendered only with the ripening of practical experience in this matter.

*Myaungmye District.*

1232. We are unable to give much help in the matter as the practice and procedure are not much known here. But we are convinced that the establishment of Banks mentioned in this chapter is a crying necessity.

*Pyawda District.*

No, 1232. The land mortgage banks should be left as much as possible to private enterprise plus Government support in the forms of share investments.

*Deputy Commissioner, Kyaukse.*

1232. Land mortgage banks will be a success provided they are run on business lines, independent of Government in response to a real demand, and not as philanthropic institutions.

\* See foot-note on page 693.

*Yamethin District.*

1232. The practical lessons learnt by the banks of Egypt, Europe and America should be taken as practical demonstrations.

*Burma Agricultural Society.*

A careful perusal of the questionnaire set by the Burma Provincial Banking Enquiry Committee reveals the fact that the committee have gone into the question of banking in Burma very exhaustively and are fully aware of the agricultural conditions of the Province, the burdens under which the industry suffers at present, and the remedial measures that must be taken, especially as regards the necessity for the establishment of an Agricultural Bank to finance the rice industry in particular and other indigenous industries already existing or to be started in the near future.

We shall, therefore, confine ourselves to a few general observations on the conditions of the rice industry at present and on the urgent necessity for the establishment of a Provincial Bank of finance agriculturists both with a view to give them sustained monetary help and to help them to overcome with confidence the ups and downs of the Rice Market.

It is a matter of common knowledge that conditions of the rice industry have undergone vast changes during the last 15 years. General labour wages are now 15 to 30 per cent. higher, transplanting charges have risen from 12 to 15 per cent. the price of cattle has risen from 30 to 40 per cent. reaping and threshing charges have nearly doubled, transport charges have increased and further living expenses have increased by 50 per cent. though we all know what a frugal man the cultivator is.

While expenditure which has risen from 25 to 50 per cent. during the period immediately following the great war, has remained almost stationary on the high level, the price obtained for agricultural produce in the selling market has come down to pre-war level during the last two years.

In view of the increased expenditure all round, and decreased income from his produce, the cultivator requires larger advances for initial expenses and other expenditure until he has marketed his crops. He is, however, at present unable to obtain advances for this necessary expenditure, except at exorbitant rates of interest which may range from 30 to 60 per cent. per annum. This cripples him throughout life and in consequence makes him discontented, thus preventing from carrying on his occupation with zest and interest. In many cases the cultivators are hampered in their work by not getting the necessary advances either sufficiently or in time even on payment of exorbitant rates of interest.

The only way, therefore, to help the cultivators and those directly concerned with the trade and industry, is to establish a Bank, which, while working on safe and conservative lines, will finance him during the working season, and in bad times on reasonable rates of interest and fair terms and conditions.

The cultivator requires two kinds of advances, long term and short term loans. Money obtained on long terms will be used for improvements on land such as making bunds, irrigation and drainage channels and digging wells; bringing new land under cultivation; buying

improved implements and redeeming land mortgaged on crippling terms. Short term loans are required for meeting expenses of cultivation and harvesting.

The Society is aware of the difficulty of meeting such advances by the same agency. We, therefore, are of opinion that it is essential that two Banks, one to provide long term and the other short term credit, are necessary. We should like to point out the urgency for Government to take the necessary steps without further delay to organise the provision of long term agricultural credit. *It is not necessary to wait for the passing of a special act of the Legislative Council and the drawing up of elaborate bye-laws.* We see no reason why a company for the purpose of making long term loans on mortgage of agricultural land should not be registered under the Joint Stock Companies' Act. Such conditions or restrictions on its conduct of business as Government might think it necessary to impose if it were to give it financial assistance could be embodied in the Memorandum and Articles of Association of the company.

*A Land Mortgage Company.*—The business of the land mortgage company would be to make loans to land-owners, grantees, etc., on the security of a first mortgage of land, such loans being for terms of five years and upwards and they being usually made repayable by instalments over a long series of years, say 15 to 20 years. Crop loans, *i.e.*, short term advances for a few months for cultivation purposes, would be made only to land-owners who had already mortgaged their land to the company.

In particular the proposed land mortgage companies to be formed in Burma would make loans preferably for the purpose of improvement of land, *i.e.*, by drainage, by facilities for irrigation, by erection of buildings, by planting trees like rubber or fruit trees and so forth. The replacing of existing loans at higher rates of interest would also be undertaken.

The company would raise its funds as follows :—

1. By share capital divided into :—
  - (a) ordinary shares
  - (b) preference shares
2. By accepting fixed deposits.
3. By issuing bonds.
4. By issuing mortgage debentures carrying Government guarantee.

The company would not accept deposits repayable on demand at all. That is the business of a Bank and should not be undertaken by a concern which locks up its resources in long term loans. The bonds would simply be promised to pay after a series of years, probably 10 years. They would differ from fixed deposit receipts by being negotiable, and transferable either by delivery bearer bonds or by executing a transfer deed as for stocks and shares. They would be issued for round sums of 50, 100, 500 and 1,000 rupees and would pay stamp duty.

The mortgage debenture would be issued as "stock" *i.e.*, for any amount desired. Trustees would be appointed and the Government would be invited to guarantee interest on the mortgage debentures perpetually, but not the capital sum. Government should nominate one or more trustees or at least approve those proposed by the Government.

The loans made by the company should be of four classes :—

1. Loans of 50,000 and upwards for long periods at 9 per cent. per annum.
2. Loans from 5,000 to 50,000 and upwards for long periods at 10 per cent. per annum.
3. Loans up to 5,000 at 12 per cent. per annum.
4. Short term loans at 15 per cent. per annum

The company should issue its bonds at 7½ or 8 per cent. and its mortgage debentures at 6 per cent. It would require a working margin of at least 3 per cent. per annum between its average rate of interest paid to its creditors and the rate charged to borrowers; hence the above rates would be the lowest possible in Burma for many years.

We would propose that the Government pass a special act giving the company the same facilities for the recovery of loans as are given under the co-operative societies act.

It is desirable to make an experiment with forming the first company of the kind proposed in the place most likely to succeed. A good Board of Directors could easily be found in Rangoon. Therefore we suggest that the first mortgage company should have its headquarters in Rangoon and extend its operations to the districts which the Board could conveniently control, such as Insein, Pegu and Hanthawaddy Districts.

*An Agricultural Bank*.—Further we would suggest the immediate establishment of an Agricultural Bank for the Province to provide short term credit to those agricultural people who have no dealings with land mortgage companies. The Bank will raise its funds just as the Land Mortgage Companies do, but it will also accept deposits on current account.

The Bank should issue loans at moderate rates of interest *i.e.*, if interest is paid on the loan raised by the Bank at 5 to 8 per cent. the borrower should not be charged more than 12 to 15 per cent. The advances should be made on the mortgage with possession of crops and other security.

In order to insure that the crops and other security so mortgaged is not mortgaged to others legislation should be made to provide that the Bank has the sole right to the entire crops and other security and the value obtained by its sale to the extent of the mortgages due to the Bank for interest and repayment according to the terms on which the loan was made. Legislation should be further enacted to empower the Bank to distrain, seize and dispose of the crops and other security as necessity arises without having to have recourse to the ordinary processes of law.

*Mr. P. L. L. N., Narayanan Chelliar (Pyawon).*

1232. It will be very necessary for Government to exercise proper supervision. So that such banks may not fail.

## CHAPTER XIII.—BANKING LAW AND PRACTICE.

### Section 1.—Definition of "Banker."

#### *Akyab District.*

1301. (1) We consider that the term banker should be defined in the Negotiable Instruments Act.

(2) The majority consider that a register is not necessary, Mr. Maung Tha Tun dissenting.

(3) (a) Any one who does banking business in the accepted sense.

(b) A register for the whole province.

(c) and (d) Yes.

(e) Issue of books of cheques for the use of customers.

(4) The definition given in question 1311 is suggested as satisfactory. Any other business may be combined with a banking business without prejudicing the status of the business as a banking business.

(5) The same definition should be made applicable to all enactments.

(6) No special term is necessary.

(7) This question does not seem to arise.

#### *Pegu District.*

1301. (1) No.

(2) Yes.

(3) There is no necessity of maintaining a register of bankers but in case any such register is maintained then.

(a) Any one can be admitted who comes under the definition of a banker given hereafter.

(b) By a board consisting of at least 50 per cent of the members recruited from bankers of all grades (one particular class of bankers may not have the majority).

(c) No.

(d) The first part of the answer is in the negative and the second part is in the affirmative.

(e) No.

(4) Banker means and includes a bank and any person or persons or company who receives or receive money in deposit on current account from the public in the ordinary course of business which is repayable on demand by a cheque or otherwise.

This definition will apply to persons who carry on other business also provided they come within the meaning of this definition.

(5) There is no necessity of any definition of Banker in the Indian Companies Act.

In case any definition be given then the general definition given in answer to question No. 1301 (4) may be used.

In Banker's Book Evidence Act the definition of the terms Banker and the Bank should be slightly changed as follows :—

"Any company or person or persons carrying on the business of Bankers."

(6) We did not agree to keep any register of bankers. There is no necessity of giving any special name.

(7) Separation of India from Burma will not affect in any way any part of the aforesaid answers.

1311. See our definition of Banker given in answer to question No. 1301 (4).

*Henzada District.*

1301. (1) Yes the term banker should be defined in the Negotiable Instruments Act.

(2) This definition can be given with tolerable accuracy and a register of bankers should also be kept. It may be noted that the definition given by the U. S. A. Act of Congress as given in paragraph 4 of the notes appended to this chapter is fairly complete and accurate.

(3) (a) Recommendation of the chamber of bankers or a working capital of one lac of rupees.

(b) A chamber of bankers formed by representative election from among the existing bankers

(c) and (d) Yes.

(e) As far as possible.

(4) I have stated above that I am for accepting the U. S. A. definition. It includes all kinds of bankers.

(5) A uniform definition should be adopted for all these acts on the lines of the American definition.

(6) No special names are needed.

(7) Irrelevant as there will be no separation.

1311. Definition of banker here is too narrow and not complete as has been stated above. Indigenous banker has also not been logically defined. This definition by negation is not exhaustive. The definition of bill broker and money lender is subject to the same objections.

*Myaungmya District.*

1301. (1) It should be defined.

(2) It is very difficult to give a satisfactory definition without instituting a register of bankers.

(3) (a) The qualification must be that it must take deposit and current accounts, subject to repayment on demand by cheque draft or order.

(b) The Government of India (or to be more particular the member in charge of the department of Banking).

(c) Yes, they must be forbidden to do business as a bank.

(d) The registered bankers only should get the advantage and privilege. Considering answer to question (c) answer to this part does not arise.

(e) Yes.

(4) But I would prefer to define the bank or banker. It may be defined thus :—Every person (including a Firm or Company) accepting money on deposits or on current account which is repayable on demand by cheque draft or order, and calling himself a Banker or any derivative of the word as part of the title under which he carries on business.

(5) Banking may be defined as above for the purpose of the Indian Companies Act and no change is necessary. But if a register is kept then it may be defined in all acts as a person having his name on the register of Bankers.

(6) No.

(7) Political separation will affect Burma as regards answers to question (6). In case of separation I would suggest the member in charge of Banking in Burma.

1311. (1) Banker—this definition may be criticised in the following way. If simply that connotation constitutes a Bank, then the Government treasury which often receives money in deposit from Municipality, District Boards and other members of the public too and allows withdrawal on presentation of cheque or draft would constitute a Bank; but I submit that a Government treasury in spite of this is not a bank. Therefore I have added in another portion that he must call himself a Bank. Besides, there is no reason why a person that receives deposit money, should not be called a bank.

(3) This definition suggests that one person cannot be a Bill Broker and a Banker. But I see no reason why both the businesses cannot be combined in one. A Bill Broker may be Banker.

This same objection applies to this definition. I think a person can be a money lender as well as Banker, a Co-operative Bank and money lender.

*Maubin District.*

1301. (1) The term "banker" should be defined in the Negotiable Instruments Act.

(2) No, but a banker may be defined as a person duly registered who engages in the business of utilizing money received for purposes of profit and includes a bank, see 43, I. L. R. Madras, page 816.

(3) (a) Every person, firm or Company, having a place of business where credits are opened by the deposits or collection of money, or currency, subject to be paid or remitted upon draft, cheque or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange or promissory-note or where stocks, bonds, bullion, bills of exchange or promissory-notes are received for discount or sale

(b) A Government officer subject to appeal to the High Court.

(c) Yes.

(d) Should be confined to registered bankers only.

(e) No.

(4) Omitted.

(5) As "banker" is to be defined in the Negotiable Instruments Act, definitions in the other Acts should make a reference to this definition for adoption.

(6) Not necessary.

(7) No effect.

1311. See definition of "banker" proposed against Question 1301. The definitions of "indigenous banker", "bill-broker" and "money-lender" appear to be suitable.

*Amherst District.*

1301. We desire to place on record the fact that many of the authorities referred to in the Questionnaire are not obtainable in Moulmein and that therefore all the questions cannot be thoroughly understood.

1301. (1) We are of the opinion that it is not necessary to define the term "Banking" in the Negotiable Instruments Act.

(2) to (4) Do not arise.

(5) We are of the opinion that it is not necessary to insert definitions of the terms "Bank" and "Banker" in the Indian Companies Act. Nor do we consider it necessary to alter the definitions of the terms "Bank" and "Banker" as at present laid down in the Indian Stamp Act. Nor do we consider it necessary to make any change in the definitions of these terms in the Bankers' Books Evidence Act.

(6) We do not consider it necessary to differentiate the Commercial Joint Stock Banks from other Banks.

(7) We do not desire to express any opinion on this point.

*Tavoy District.*

1301. (i) Yes.

(ii) No, not really satisfactory.

(iii) (a) The Company's principal business must be "Banking".

(b) A committee formed of the Secretary of Finance and the representative of the leading Bankers of the country.

(c) and (d) Yes.

(d) It all depends upon what is meant by banking business.

The keeping of accounts against which cheques are cashed should be confined to registered bankers, but it would be difficult to limit other banking business to them.

*Deputy Commissioner, Kyaukse.*

1301. (1) Yes on the lines of Paget's *Law of Banking*.

(2) A register should also be maintained.

(3) (a) Compliance with the terms of definition.

(b) Financial Commissioner (Transferred Subjects).

(c) Yes.

(d) Yes.

(e) No.

(4) Nil.

(5) Omitted.

(6) Credit bank appears suitable.

(7) It would not effect it.

1311. "Indigenous banker."

(d) The phrase "managed on European lines" is vague and somewhat invidious.

*Mr. P. L. L. N. Narayanan Chelliar (Pyapon).*

1301. (1) Not necessary.

(4) Banker can be defined as a person who is registered with an approved capital, receives money on deposits, honours cheques drawn upon him by depositors and discounts cheques.

(5) Cannot say.

1311. *Banker* see answer to 1301 (4). Definitions of other words are proper.

1311. *Banker* see answer to 1301 (4).



**Section 2.—Definition of "Customer."**

*Akyab District.*

1302. (1) The term should be defined. "Customer should be defined as a person who has a current account with a bank.

(2) The duties of a banker should be prescribed.

*Pegu District.*

1302. (1) No. In view of the answer given to part one second part of the question does not arise.

(2) Registered Bankers should make inquiries and the unregistered bankers need not.

*Henzada District.*

1302. (1) I do not think the term customer requires a definition. It is generally understood as a person having current account or a fixed deposit with a bank, but this definition will prove too narrow.

(2) Duties of bankers to their customers may be formulated in the Act without defining customers.

*Myaungmya District.*

1302. (1) I think the word "Customer" should be defined. I would prefer the following definition (as Lord Dervy said 1901A, 414-20 Great Western Railway Company and London and County Banking Company).

A customer is a person who has some sort of account with the Bank and who usually sends his cheques and drafts there for payment.

(2) Second part. Question does not arise in view of answer to question (3) (d).

*Maubin District.*

1302. (1) No definition seems necessary for purposes of the Negotiable Instruments Act.

(2) No.

*Amherst District.*

1302. (Paget's *Law of Banking* and *Legal Decisions affecting Banking* are not available for reference) (1) We do not consider it necessary that the term "Customer of a Bank" should be defined for the purposes of the Negotiable Instruments Act. (2) We are of the opinion that it is not necessary for the Act to lay down the duties of a Banker in respect of enquiries to be made and references to be required on admission of a new customer.

*Deputy Commissioner, Kyaukse.*

1302. (1) Yes.

(2) Yes, in the case of registered bankers only.

*Burma Indian Chamber of Commerce.*

1302 to 1306. My Committee are not in favour of any amendment of the Negotiable Instruments Act, merely to relieve the banks of certain obligations imposed on them, at present, by decided cases unless it can be proved that such decisions cause a real hardship to the banks.

*Mr. P. L. L. N. Narayanan Chettiar (Pyawon).*

1302. (1) Not necessary.

(2) Enquiries should be made before lending to customer over and above his deposit.

### Section 3.—Underwood Decision.

*Akyab District.*

1302. The suggestion in the last sentence is accepted.

*Pegu District.*

1303. No. In view of the answer to the first part, second part of the question does not arise.

*Henzada District.*

1303. Yes, this legislation is necessary in view of the Underwood ruling for the protection of the bankers.

*Myaungmya District.*

1303. I think the law as enunciated in Section 31, Negotiable Instruments Act, places the onus on the Bank and the Bank is bound to prove that the Bank had funds in his hands for payment and the fund was properly applicable for such payment. So I think in this case too, the Bank should have that responsibility and they must prove that (1) Cash was credited and (2) Customer might draw at once.

*Amherst District.*

1303. We are of the opinion that there is no need for legislation to be undertaken on account of the decision in Underwood's case so as to relieve the Banker of the burden that it imposes upon him.

*Tavoy District.*

1303. Yes, legislation should be undertaken and we consider it would be suitable to declare that by crediting as cash a bill or an uncrossed cheque which was not overdue and upon which there were no forged endorsements, a banker shall become a holder for value.

*Mr. P. L. L. N. Narayanan Chettiar (Pyapon).*

1303. Yes.

### Section 4.—Negligence.

*Akyab District.*

1304. Negligence should be defined. The definition suggested is appropriate.

*Pegu District.*

1304. Yes.

Yes.

*Henzada District.*

1304. Negligence requires no definition as it carries with it its innate implication of omission to do something which a reasonable person would have done under the circumstances. It also comprehends very often cases of commission of an act which a reasonable person would not have committed under those circumstances. Hence the definition proposed is too narrow and defective.

*Myaungmya District.*

1304. It is desirable to define the word "negligent" in section 131. It should include an omission to do anything which a reasonable business man would do taking surrounding circumstances into consideration [The Indian Law is rather stricter in this respect than the English Law. See the definition of Holder in due course (see 9)]. The word occurs also in section 77 and certainly it must include "Omission to do etc.". Otherwise in many cases the Bank will escape liability and the same word should have the same qualification in both places.

*Maubin District.*

1304. No; "negligence" is a term largely dependant on the practice of bankers and each case of negligence will have to be determined on its own merits. The proposed definition does not carry us very far.

*Amherst District.*

1304. (The case of *Morrison V. Westminster Bank* is not available here.) We do not consider it desirable to have the term "Negligence" in section 121 of the Negotiable Instruments Act defined. If it is desired to define it the proposed definition is in our opinion satisfactory.

*Tavoy District.*

1304. "Negligence" as used in the Act would be an extremely difficult word to define, and we do not think your suggested definition would help much.

*Deputy Commissioner, Kyaukse.*

1304. The proposed definition appears satisfactory.

*Mr. P. L. L. N. Narayanan Chelliar (Pyapon).*

1304. Yes, definition seems satisfactory.

**Section 5.—Care in Drawing Cheques.**

*Akyab District.*

1305. The ruling may be embodied in the Negotiable Instrument Act. The customer should be required to enter the amount in words as well as in figures and leave no blank spaces which can be used for fraudulent alterations.

*Pegu District.*

1305. No. In view of the answer to the first part of the question the second part of the question does not arise.

*Henzada District.*

1305. Yes, this ruling should be introduced in the act in the form of a section.

*Myaungmya District.*

1305. I think it should not be embodied in the Negotiable Instruments Act, owing to the difficulty of determining as to what will constitute "facilitating fraud".

*Maubin District.*

1305. Not necessary.

*Amherst District.*

1305. (*Legal Decisions affecting Bankers* not available). We are of the opinion that it is not necessary to embody the principle laid down in Macmillan's case in the Negotiable Instruments Act.

*Tavoy District.*

1305. Yes. It should be stated that in the amount both in words and figures the writing should be started at the extreme left close up to the word rupees so that nothing can be added in between. At the end of the writing should be added either the word *only* or a dash should be drawn.

*Deputy Commissioner, Kyaukse.*

1305. Yes, by defining negligence and laying down that cheques must not be drawn negligently.

*Mr. P.L.L.N. Narayanan Chelliar (Pyapon).*

1305. Not necessary.

**Section 6.—Pass Book.**

*Akyab District.*

There should be no presumption of a settlement unless an acknowledgment is taken in writing from the customer. In cases of difficulty the bank may take action by closing the account. No special legislation in necessary.

*Pegu District.*

1306. No. Second part does not arise. Yes, there are other cases of difficulties.

*Henzada District.*

1306. Yes it should be treated as a settled account. Rule should be made for the presentation of the pass book once a month during the first week of the month for entries and adjustments.

*Myaungmya District.*

1306. I am not in favour of such legislation as it will work hardship on the customers particularly. There may be many who do not properly understand account and in order to legislate like that some provision shall have to be made and penalties provided for due presentation of Pass Books to the Bank which I think should not be done.

*Maubin District.*

1306. Emphatically not. No special provision is necessary.

*Amherst District.*

1306. We are not in favour of legislation to make the taking out of his pass book by a customer and its return to the Bank by him without comment constitute a settled account.

*Deputy Commissioner, Kyaukse.*

1306. I do not agree to the proposal, as it might afterwards come to light that the pass-book was in error. I think accounts should be considered "settled" six months after the striking of the half yearly or yearly balance.

*Mr. P.L.L.N. Narayanan Chettiar (Pyañon).*

1306. Yes.

**Section 7.—Instruments permanently payable to bearer.**

*Akyab District.*

1307. (1) and (2) Yes.

1308. No.

*Pegu District.*

1307. (1) We do not approve of the proposal.

(2) Yes.

1308. No.

*Henzada District.*

1307. (1) I do not approve of this wide power of negotiation by delivery as cases of mistake and fraud will arise constantly. The local trading people are not fit yet for this privilege.

(2) Yes.

1308. Yes, very desirable.

*Myaungmya District.*

1307. (1) I am not in favour of the proposal. When a bearer cheque is indorsed in full and is made payable to somebody or order he does so with some purpose and I think a bar should not be set up like that. I think the provision in sections 54 and 55 are good.

(2) If such legislation is passed there will be necessity of providing for some such thing as "Crossing", in case of bearer cheque: this is another reason why I am opposed to the above proposal.

1308. I don't think there is any necessity for such creation.

*Maubin District.*

1307. Drafts, hundis and cheques payable to bearer should be negotiable by delivery irrespective of endorsements that may be made on them. Endorsements might otherwise prove a hitch in negotiation. Hundis are used mostly by Chettyars and are seldom made payable to bearer. No safeguard of crossing is necessary.

1308. No.

*Amherst District.*

1307. (1) We are of the opinion that drafts, hundis and cheques originally made payable to bearer should not be declared by law to be negotiable by delivery in all circumstances irrespective of any endorsement.

(2) Does not arise.

1308. In our opinion it is not desirable to create by law a special type of Negotiable Instrument which being originally drawn payable to bearer should always remain payable to bearer.

*Tavoy District.*

1307. (1) No, we do not approve.

1308. Do not consider necessary.

*Deputy Commissioner, Kyaukse.*

1307. (1) No remarks.

(2) Yes.

1308. Such legislation would not appear to be necessary.

*Burma Indian Chamber of Commerce.*

1307. My Committee are against the proposal that drafts, hundies and cheques originally made payable to bearer should be declared by law to be always payable to bearer irrespective of restrictive endorsements.

*Mr. P. L. L. N. Narayanan Chelliar (Pyañon).*

1307. (1) It is a sound proposal.

(2) No.

1308. No.

**Section 8.—Amendments to the Negotiable Instruments Act.**

*Akyab District.*

1309. No.

*Pegu District.*

1309. No change is necessary.

*Henzada District.*

1309. None.

*Amherst District.*

1309. We have no amendments to suggest to the Negotiable Instruments Act with respect to cheques or hundis or other Negotiable Instruments.

*Mr. P. L. L. N. Narayanan Chelliar (Pyañon).*

1309—1310. No amendment.

**Section 9.—Amendments to the Bankers' Books Evidence Act.**

*Akyab District.*

1310. No.

*Pegu District.*

1310. No other amendment is required.

*Henzada District.*

1310. None.

*Myaungmya District.*

1310. No amendment is necessary.

*Maubin District.*

1310. No amendment recommended.

*Amherst District.*

1310. We do not consider that any amendments are required to the Bankers' Books Evidence Act.

## CHAPTER XIV.—GENERAL REPLIES.

### *Commissioner, Arakan Division.*

I consider that the Akyab Committees have furnished as good replies on points of fact as could be expected in the very short time allowed for such abstruse questions.

2. A curious feature of the replies to questions 54—61 is that land is worth more in the small and isolated District of Sandoway than in Akyab District, and that the people are better off. I think this is correct, and the Akyab replies give a true impression of the poor state of the paddy trade in the District. This is due to a combination of circumstances :

(1) The District borders on Bengal, and is being gradually overrun by Chittagonians, who have a lower standard of living and are harder working than the Arakanese, and who have in the northern part of the District very largely ousted the Arakanese from their lands.

(2) The Chittagonians are not remarkable for honesty, and both races are backward and slow at adopting new and improved methods of agriculture. The local paddy has therefore deteriorated rather than improved and has acquired a bad name and the European market has been almost lost.

(3) The District has had a series of disasters in recent years, the Maungdaw cyclone in 1926, very severe rinder-pest epidemics in 1927 and 1928, and very bad floods in 1929. This has increased the indebtedness of the cultivators, which was already high owing to their competition with the Chittagonians and has led to the indigenous bankers and money lenders restricting loans on landed security, and has reduced the value of the land.

3. The general tone of the replies seem to me to indicate that the local idea of a bank is a place from which to borrow money, not a place in which to deposit it, and it must be plainly realized that the local "indigenous banks", of which there are several, are really nothing but money lenders, who lend preferably on the security of the land. There is indeed very little other security on which to lend. A series of bad years like that which has recently occurred combined with falling prices, is therefore bound to increase rates of interest and to depreciate land. Whether an increase in banking facilities which appears to mean to the local residents mainly an increase in facilities for borrowing money, is the remedy required is to my mind extremely doubtful; and I am equally doubtful if much good would be done by bolstering up Co-operative Societies with Government money. The roots of the trouble to my mind lie deeper than this and are briefly (1) the isolation

of the country which leads to ignorance of improvements taking place elsewhere and backwardness and lack of enterprise generally.

(2) the unhealthiness of the country, which leads to the poor physique and general apathy of the people,

(3) the unfortunate circumstance that the nearest and best known neighbours and competitors are the Chittagonians, who combine a low standard of living with a low code of commercial morality.

4. For the Akyab District therefore I consider that improved communications, expansion of education, and an intensive public health campaign are far more urgently required than increased banking facilities. The effect would doubtless be slow, but it would lead in the end to more modern methods of banking and of other things.

5. I think the answers of the Deputy Commissioner, Kyaukpyu, may also be accepted as generally correct. The answer to Question 60 shows the Kyaukpyu Cultivators to be less in debt than those of Akyab which is probably true. The Kyaukpyu District is very unimportant in this connection ; it is isolated and backward, and is likely to be one of the last Districts in Burma to adopt any modern methods of banking.

*Deputy Commissioner, Salween.*

I regret to say that I am not prepared to put forward any suggestions. My reasons are as follows :—

As regards the non-Karen races in the District I have been unable to obtain any views from leading elders who say that they have no special knowledge on these subjects. This being so I do not like to formulate any views as I am unable to check them. Nor do I consider that I myself have any qualifications to advise upon banking. The small amount of business done here too renders it impossible to get any secure basis for the formulation of any theory. The conditions are as regards these races, much the same that obtain in Thaton and I do not think that personal views can be of much importance.

As regards the Karens, the elders have displayed a reluctance to come forward. This is probably due to the fact that the matter is above them and also possibly to the attitude of the Karen in awaiting some guidance. The question of money-lending which is chiefly indulged in by the Indian community is already known to you and needs no elaboration. I cannot find that they are much interested in other respects of the situation. Probably in many cases they do not realize that other aspects exist.

For these reasons I am not desirous of expressing any opinions.

*Bhamo District.*

Bhamo has been a commercial centre of some importance for years. The trade is mostly with Western China and the Shan States ; but Bhamo itself is merely a place of transshipment, and there are no merchants of any standing, but there are agents or clerks who merely see that goods pass from Mandalay and Rangoon to Western China and vice-versa.

The chief exports to China are European manufactured goods, Indian and European cotton twist and yarn. The imports are hides, orpiment and raw silk.



Statement showing the total value of Foreign Merchandise which passed through the Bhamo Custom House en route to Tengyueh, and the amount of drawbacks granted during the official years 1920-21 to 1929-30 (*i.e.*, up to the end of November 1929).

Official years.	Value.	Amount of drawbacks granted.	Remarks.
	Rs.	Rs.	
1920-21 ...	5,03,232	37,674	Though there was internal disturbance in Western China trade was normal.
1921-22 ...	3,03,238	25,274	Decrease was due to fall in price and also due to internal disturbance and famine in Western China.
1922-23 ...	4,08,156	36,729	Favourable state of affairs in Western China.
1923-24 ...	2,91,455	36,088	Unsettled state of affairs in Western China.
1924-25 ...	5,50,589	45,985	No internal disturbance in Western China.
1925-26 ...	7,21,862	70,424	More settled state of affairs.
1926-27 ...	6,95,748	81,445	From September 1926 till the end of December 1926 great confusion reigned in Western China owing to internal disturbance, and during these months trade was at a standstill.
1927-28 ...	15,61,560	1,82,809	Western China was in peace.
1928-29 ...	9,05,994	1,42,900	Decrease was due to the boycott of Japanese goods by China. This boycott started earlier but the Japanese goods practically stopped going to Western China from the beginning of October 1928.
April 1929 to November 1929 (eight months only).	4,14,022	51,087	The boycott of Japanese goods by China came to an end only in the last week of October 1929. Also the muleteers' strike affected the trade from the last week of July 1929 till the beginning of October 1929.

From the above statement it is obvious that the trade with Western China in Foreign Merchandise shows great improvement during the last four or five years. It would have been greater had it not been for the internal disturbances in Yunnan and the boycott of Japanese goods by China.

The transfrontier trade is capable of enormous expansion, but improved communications are absolutely necessary for the furtherance of trade. Railway communication with Tengyueh, or better still with Tali Fu and Yunnan Fu is a desideratum. A survey of the country from Bhamo as far as Tengyueh was made some years ago, and the facilities for transport which will be afforded by opening this line of railway will result in much benefit, for by this channel there will be a continuous flow of trade, and both Bhamo and Tengyueh will grow into large commercial towns. The journey would occupy as many hours as it

takes days at present, and freighting on merchandise would be considerably less than the cost of transporting by pack-animals. The caravan season commences in September and ends in June, during which period pack-animals are largely in evidence. But the scarcity of pack-animals during the rains hinders the movement of merchandise to a great extent and therefore railway communication with Yunnan Province is much needed.

Cotton piece-goods monopolised about 74 per cent. of the total trade; textiles other than cotton piece-goods such as wool, artificial silk, cotton twist and yarn, and cotton manufactures other than piece-goods represented 16 per cent. of the total trade; and all other articles such as soap, metals, safety matches, hardware, etc., shared 10 per cent. of the total trade.

#### Note on Agricultural Credit.

Necessity for rural credit :—Agricultural Credit. It is well known that agriculturists must have credit. This is due to the fact that the agriculturist's capital is locked up in his land and stock, and is immobilised; hence credit cannot necessarily be taken as objectionable nor should borrowing be taken as a sign of weakness of the country. But borrowing may be abused, the indebtedness may be a cause of danger, if the conditions or the system of credit are unsound or defective.

In fact the agricultural classes all over the world are in a state of indebtedness, due very largely to causes such as poverty, ignorance, carelessness, the custom of inheritance, foreign competition, seasonal disasters, etc. This indebtedness has been recognised by every Government as a position of danger and the only remedy as lying in the direction of organised credit.

Ordinarily the general conditions of credit may be as follows :—

Proximity of lender and borrower; complete security to the lender as regards the title of the property offered, its freedom from prior encumbrances, the recovery of his capital and interest at due date and in convenient amounts, with facilities for enforcing such recovery in case of arrears, through safety and facility to the borrower in his ability to obtain cheap loans, upon terms equitable in themselves.

A loan for the improvement of the land should be repayable in instalments over a period of years; that for the purchase of stock should be similarly repaid within a shorter period and loans upon crops or for maintenance might be repayable in a lump sum or by instalments according to convenience. Loans for improvements or for enterprise in which the returns are gradual should be repayable only by instalments covering a period proportionate to the nature of the enterprise.

The agricultural class are always in a state of poverty and indebtedness and means and ways for its relief should therefore be considered. It will not be possible to suggest one set of remedies as the only panacea, as the local conditions and rural difficulties vary.

The organisation of credit, and a mere supply of cheap capital cannot form a sufficient remedy, it may probably intensify the difficulty of increasing the load of debt. The credit must be cheap and facile and advice should also be at hand to give the cultivator ideas and cause him to think to plan, to save, and at the same time educate and discipline him for the purpose of mutual help, and thereby enable him to grasp the system of organised credit which may develop in him the quality of thrift and co-operation. It is suggested that neither Joint Stock Banks

nor Banks financed by Government should be promoted but that the efforts of Government should be directed towards the system of the establishment of mutual credit unions, and co-operative societies on broader principles in which cultivators will learn the value and powers of co-operation where the ignorant will be taught the business methods, thrift and prudence and the necessity of helping their poorer and weaker brethren.

Poverty and indebtedness may not disappear even when such systems as "Credit Unions" and "Village Banks" mature but they will help develop the national character.

A Village Bank would include a savings bank for the purpose of receiving deposits and investing them in safe loans for the purpose of improving agriculture and a separate branch for land improvement and financing small industries.

Also the formation of Village Societies for the co-operative purchase and supply of stock, and the construction of granaries for storing surplus grain at harvest and lending it out in the succeeding cultivation season.

These things should all find a place in a properly organised system of credit. It is not only co-operative unions that are suggested but all forms of institutions which would afford facile, cheap and safe credit and should be encouraged by the State.

In Lower Burma the money-lender of the cultivator is usually the Chettiar and sometimes the Marwari. Cultivators borrow from them at one time or other, while a large proportion live habitually in advance of their income, and pay dearly for the habit.

A District Bank with Sub-Banks at every township headquarters on the co-operative system which should combine a Joint Stock, and Savings Bank might be established as an experimental measure and when the cultivators have gained some experience and have learnt thrift, heedfulness, temperance, mutual help, etc., such banks might be extended to larger villages. The common feature of such institutions should be accessibility and cheap credit. Above all it should seek to inculcate thrift and probity. This would eliminate indebtedness, encourage productivity, and the proper use of savings otherwise lying idle. Again when periods of distress occur, which often happens, the cultivator can have recourse to such banks secure in the knowledge that his indebtedness will be lighter than would be the case if he is compelled to have recourse to the professional moneylender from whose toils he rarely, if even is able to succeed in escaping.

The Village Bank (it may be called Credit Unions for mutual assistance) would eventually consist of small neighbourhood, or Kayaing, who have united their savings, and attracted capital by their thrift and prudence.

The crux of the matter lies in educating the villager to help himself and to enable Banks to be conducted without Government supervision which is costly.

On the other hand without Government assistance and rules such Banks have but little hope of birth or prospect of survival.

Reserves must be made compulsory and invested in Government securities. The duties and responsibilities of directors should be defined and rules framed for the election of committees for supervision, and for periodical audit by outside persons. Certain privileges—fiscal legal and executive—should also be conferred.

### Establishment of Village Bank.

(The note does not purport to be exhaustive but merely suggesting some general outlines).

A Village Bank may be either co-operative or Joint Stock or both, if convenient its objects should be—the encouragement of thrift and provision of credit within a specified area. The capital should consist of a moderate number of small shares, perhaps from 100 to 1000 of say, Rs. 10 each with a Government guarantee which may be kept as a reserve until such time as a bank is in a position to repay it.

To form this reserve 20 per cent of the profits should be set aside compulsorily.

**Membership**—Every person whether a male or female, above the age of, say, 18 and residing in the village shall be eligible as member under rules framed. If a villager is elected as a member he should sign a declaration that he will abide by the rules. Election is necessary as the safety of the bank depends upon the quality and character of the components of the society.

The Bank should consist of a Governing body of Directors who should be acquainted with the affairs of the village and with members of the bank.

To prevent the bank assets from being dissipated by the Directors themselves, rules should be framed that when a Director desires to leave from the bank the matter should be referred to the General Body. They may however obtain credit by pledging property. They should be forbidden to stand surety for other persons. Rules framed should prescribe the appointment, powers and duties of the Directors and also regarding their removal for misconduct, etc.

The office and business of the bank should be conducted at a Thugyi's house and the Thugyi should be *ipso facto* a Director of the bank.

Cash should be paid out in loans as soon as it is received; any surplus and all valuables being lodged in the nearest treasury or sub-treasury.

The affairs of the bank should be subject to Government inspection. For a start loans should be made for short-terms only until such banks have gained experience.

It will be necessary to bring out a manual prescribing a set of forms and rules of procedure which should be so succinct and simple that they will be easily understood by the villagers. Government examiners—men of the position of Local Fund Auditors,—will at first be necessary until such time as these banks develop and are formed into unions when the question of union inspectors under the Co-operative Department of the Government might be considered.

An important function of an Agriculturists' bank should be the making of advances upon property which belongs to the borrower within the villages.

Penalties for non-payment of interest and principal should also be embodied in the rules. Where members fail to pay the Directors of the bank should be empowered to have recourse to a Civil Court for the recovery of the amount and any costs that the bank may incur.

As regards the utilization of the profits of the bank that accrue yearly, a certain proportion say 20 or 25 per cent should be transferred to the general reserve fund, until such time as the reserve amounts to one-half of the share capital and all the amounts such as entrance fees.

ines, etc., should be placed in the reserve fund. It should also be ordained that any surplus profits derived may be utilised for purposes of public or general utility.

*Deputy Commissioner, Myitkyina.*

Myitkyina is a "Backward Tract" and the majority of the questions deal with conditions which do not-exist here.

*Burma Indian Chamber of Commerce.*

With reference to your letter .....on the question of financing of foreign trade my Committee are of opinion that the Exchange Banks and other European managed banks, while giving all possible facilities to European parties, do not extend the same facilities to Indian parties under identical circumstances. My Committee are prepared to admit that in certain cases the credit of the merchants does not come up to the required standard. But to a large extent differential treatment is due to want of contact between European bank managers and Indian merchants and to a general attitude of indifference on the part of European managed banks towards Indian clientele. Thus considerations of nationality influence the policy of European Banks to an undesirably large extent. There are a few individual cases of Indian firms in a large way of business who are treated by Exchange Banks quite as liberally as European houses; but these are exceptions.

*Chinese Chamber of Commerce.*

This Chamber does not propose to deal in detail with the questionnaire issued by the Banking Committee, but wishes to make a few suggestions.

(1) This Chamber feels that there exists financial stringency throughout Burma which has greatly hampered trade specially in rice and paddy and would suggest the establishment of an Agricultural Bank with branches all over Burma.

(2) The Burmans still lack banking knowledge and experience and the establishment of a Banking School or College is urged with a view to promote public interest in banking and induce more depositors in banks than hitherto.

*Mr. P. S. V. Nambi (Chartered Accountant, Rangoon).*

The difference between Indian and English banking methods consists in this that the former is individualistic and the latter is collective. I mean that the Indian system provides for one man show and their accounts, etc., are prescribed with that object in view whereas the English banking methods have been devised to enable the greatest number of men to run the bank under unified control and direction. The secret of the limited success of the Indian Chettiar banking is due to this one man rule. The Chettiar Banker at any locality can do what he pleases within limits of course. He can give a loan to anyone without any security whatever merely on the man's personal credit which can never be dreamt of, in a Joint Stock Bank whose Manager is responsible to his auditor and his shareholders. The Chettiar naturally can lend on practically anything on earth as security or even without

security. He is a pawn-broker, financier, speculator, investor and what not. "A Bank" can never be all in one or even for that matter more than two or three of the above. Burma is even now not yet a settled province and as such many a Bank would refuse to handle business which a Chettiar by reason of his personal visit and confidence can do. Further he has through his community a big available credit behind to back him up for further loan if his venture proves successful. Many of the fertile rice fields of Burma deltas owe a lot to his initiative in risking his capital. The above will go to show why the Chettiar occupies such an important place in the economic structure of Burma and even the Co-operative lending societies find it difficult to oust him. There is another very delicate reason for his existence (*i.e.*) the vanity of persons to pass for persons richer than what they really are. This vanity manifests itself in this way that a man would not mind borrowing Rs. 2,000 from a man, who, he is sure would never divulge it and make a show in a marriage or some such thing but would think twice or thrice before borrowing in the local co-operative society as the fact of borrowing would be broadcasted in the village. Further the Chettiar will take in deposits or permit withdrawals at any time of day or night which the Banks will never allow. Having dealt with the *raison d'être* for the existence of the Chettiars I have to state that they should be brought under some sort of control. At present any Chettiar with practically no capital can start business but this should be stopped and regulated as under.

An Indigenous Bankers Act should be passed enabling all Indigenous Bankers to be registered. Unlike companies these banks should be permitted to be a one man show but the capital should be a certain sum to be publicly announced. The Act will require one or more guarantors before any business in excess of say twice the capital is to be carried out. Periodical returns have to be prescribed for submission to a certain authority. The central authority should be an office conversant with banking and not the usual register of Assurances. The duty of the Central Authority should be to check the Bankers who are exceeding their limits and to watch the depositors' interests. All the above will be valueless unless the Central Authority is effective and also treats things confidentially.

Another point for recommendation will be the respecting the confidential nature of deposits which now is utilised by the Income-Tax inquisitorial officers to levy additional tax and as a result many of the would-be depositors have taken to hoarding in jewellery or diamonds.

As regards the Joint Stock Banks other than Imperial Bank I would suggest that more stringent rules be framed regarding fluctation and subsequent inspection by auditors other than the usual company auditors. I mean that the auditors are at present having a free hand with no check over them except perhaps the unexpected failure of the Bank. I would suggest the creation of a central supervising staff to carry out a test check on the so-called securities that they show against their liabilities.

Personally I would leave the exchange banks alone as they will be of great use in bringing external capital in times of need though when any form of control is brought in for the local joint Stock Banks these banks should have certain checks against unfair competition with the local banks.

**Banking Education.**—So far, the banking education is confined to the very few commercial schools and a few G. D. A. classes, the much advertised Institute of Bankers of India have very few adherents in Burma. It is time it is popularised more in Burma by having a local board and an energetic Secretary. Further the Institute's examination should be thrown open to all who have anything to do with Banks, -i.e. even indigenous banks and currency office employees. This was the case in the English Institute of Bankers up till about six years ago when the entrance qualification was increased.

*Saw Pak Dwai, A.T.M., M.L.C., Bar-at-Law (Thalon).*

1. The "civilised" world has made things so complicated; the "more civilised" it becomes the more complicated things are made. I sometimes wonder if simplicity is incompatible with "civilisation". If it is not so, why not then try to make the "advanced" and the "educated" world simplify things for once, be that even at the expense of "Civilization".

2. I see that the Questionaire deals with, shortly put—

- (1) The different kinds of loans.
- (2) The different kinds of Banks, or Documents,
- (3) The different kinds of lenders, and
- (4) The different kinds of borrowers,

and the details of all these are so numerous and so complicating that they are really of no use for practical purposes and for those the movement is intended to be. I understand, if I be not mistaken, that the primary object of the movement is to protect the borrowers from being swindled, oppressed and trodden down and to help the lenders from being put into unnecessary troubles, worries and loss.

3. (1) Instead of dividing the loans into short, long, intermediate and so on, why not convert them all into one and let the lender please himself as to the period, kinds or classes of loans.

(2) Banks and lenders perform the same function but for the sake of division they may be dealt with separately. Discussion on Banks will be made, later.

(3) I see no harm in making lenders one class.

(4) Borrowers may be divided into two class, namely, those having credit and those having none for whom special arrangement is to be made.

4. **Banks.** Let us see how many classes of Banks there are at present and the benefit of each class thereof one way or the other. The wellknown saying of the Burmese "By serving others you are really gaining your own end" and the words of the Founder of Christianity, "Whosoever will save it (his life) shall lose it and whosoever will lose it the same shall save it" are great truisms in every department of life but are apt to be overlooked by all.

(a) *Imperial Bank, National Bank and the kindred ones* are Aristocratic Eagles that soar on high and never come near the bushes beneath and therefore need not be touched here. We are dealing with the thrushes and the sparrows that hop beneath the grass and the undergrowth.

(b) *Chettiars Banks.* Tersely and pointedly speaking, Chettiars Banks are fiery dragons that parch every land that has the misfortune of coming under their wicked creeping. They are a hard hearted lot

that will wring out every drop of blood from the victims without compunction for the sake of their own interest. One proof of this : 30 or 40 years ago, out of 10 villagers in the country 9 had lands ; now it is just the reverse and the one that has got anything, has the same tied up in the hand of the Chettiar tightly. The recompense is also manifest this year. The people are hard up, the lands of the Chettiars vacant and the Chettiars howl. Heaven also frowns upon human selfishness and human wickedness and make things harder still through worms, drought and so on. Again, suffice it to say that the swindling, cheating deception, oppression of the Chettiars in the country, particularly among the ignorant folks, are wellknown and these are, to a large extent, responsible for the present impoverishment in the land.

(c) *Co-operative Bank.* These are full with formalities, technicalities and what not and there are no end of meeting, signing, forwarding submitting, correcting, explaining, re-submitting and so on. And the clerks and petty officers form no exception to "the crows in the nest opening their mouths wide and red on the return of the mother bird". Simple people in the country hate these forms—intricate forms—and these unscrupulous beggings and Co-operative Banks are becoming more and more unpopular, or more a curse than a blessing.

(d) *Government Loans or Government Banks* (as a rule through Township Officers) these are really plagues to the people. They are worse than Co-operative Banks which are *Quasi Government Banks*. Teasing, taunting, worrying, begging, robbing, dacoiting are regular orders of things there. To get Rs. 100 or Rs. 50 or Rs. 10 (in cases like this year) one has to go back and forth between his village and the court a dozen times or more—and the expenses incurred with the loss of energy and nerve ? At the end he draws Rs. 100 with ten or 15 rupees discounted. This year's borrowers are so numerous that the amount of loans are reduced to Rs. 25 or Rs. 15 and the discount is at least Rs. 5. Rs. 15 is meant to be for one bag of rice but with Rs. 5 discounted I do not know what the borrower would do with his remaining Rs. 10. Robbers and dacoits in these borrowings are, as a rule, Taiksayes, Headmen, clerks, peons and sometimes, the Township Officers himself. These robbers often go by clubs and in shares.

(e) *Private lenders* in the villages. Certain Indians or Burmese would go about hawking beads, brasses, glassware, etc., or set up a hut at the quiet end of the country village. They would first spin their thin life out of the wellknown hospitality of the country folks—the Karens—. Their life-thread becomes thicker each day through tricks, "wisdom" and foresighted frugality and at the end would spin this thread around the ignorant folks and devour them up like the spider does the fly. Lending a bag of rice for between 25 and 40 baskets of paddy in four or five or six months is a common thing. One bag of rice cost Rs. 12 or Rs. 15 and one basket of paddy is worth between Rs. 1-8-0 and Rs. 2. The interest is therefore between 600 and 1,500 per cent. These are common things and villagers in the hills have been literally translated into slaves but those in authority would go callously blind amidst loud and pitiable cries all round and the "public hearted" Indian M.L.Cs. has got the "courage" to put questions in the Burma Parliament relating to the "sufferings" of the Indians among the Karens.

One can see that I have only touched at the fringes of the entire situation, time and space not allowing me to deal with the whole for the present.



5. *Courts*—petty courts in particular—wellknown for their *corruption* as advertised all over the country and repeatedly in the Burma Council, are largely responsible for the flourishing business of the *passive* country rogues (and it is these *passive rogues* that have brought forth the *active ones*—robbers and dacoits). Courts must be overhauled and *corruption* must be beaten out and washed clean off. They are the sources or manufacturers of plague and hence the root. The disease is in the root and unless it itself is cured, the disease is bound to return again whatever change may have been made above the ground surface.

6. *Documents*.—Why create so many “documents” and make things so intricate? The Hundis, the Pro Notes, the Deeds and this and that and all the rest of them are to me fanciful complications. I would simplify things with only the Pro Note secured with the Tax Ticket, the two together being known as Equitable Mortgage. It is a simplest form of document and the cheapest.

7. *Borrowers*.—For those having credits, it is the lender's own look-out to arrange with them.

But for those having no credit special provision may be made for them, if the object is really to help them up from sinking deeper into the mire of poverty. Properly speaking it is the duty of the State to do so. The creditless folks forms the main labour and the backbone of the State, generally speaking and when the backbone sinks the whole body goes. This is naturally law and the State must be wise and foresighted if it wishes to escape a catastrophe. Lands may be bought for a good labourer and held back by the Bank till the man pays up all his dues. The Bank may rely on a good headman and the village Committee. The moral standard of the villagers and the Committee Members must be raised.

8. Above all the heart of all concerned must be changed, particularly the one at the top. No improvement is possible or improvements are rotten farces without a true and sincere *change in the heart*. The saying is, “When the pupils have gone wrong, the teacher is responsible, and when the children are in bad ways, the parents are responsible.” Who is the teacher or parent or who are the teachers or parents?

#### *Nattukottai Chettians' Association.*

From very ancient times, India had a very efficient and fairly well organised indigenous banking system. The Nattukottai Chettians, a relatively small but a compact and highly organised community of bankers, inhabiting a few taluks of the Ramnad District and Pudukotah State in Southern India, have been for centuries developing and perfecting to a remarkable degree a system of indigenous banking. Their initiative, energy and enterprise enabled them to spread to Burma, Ceylon, the Federated Malay States and other distant parts. This community established a few of their banking institutions in Burma before the advent of the British rule. But after Burma was made a part of British India they established numerous banking institutions all over Burma. Their banking organisations are found in almost every important town of Burma and even large villages of Lower Burma can boast of adequate banking facilities in the shape of Chettiar banks. It is well known that but for the enterprise and

heavy risks undertaken by this class of bankers it would have been impossible to open up the country or bring extensive areas under cultivation. The banking concerns carrying on business on European lines did not and do not care to run the risk of advancing money to indigenous cultivators and traders ; and it is left to the Chettiars to undertake the financing of such classes, dealings with whom are naturally a source of heavy risks. Besides the Chettiars, there is a small class of Marwaris and Multanis doing banking business but they are confined practically to the larger towns. So far as banking business is concerned the Chettiar banker is the financial back-bone of the people and is held by them in great esteem. His rate of interest is uniform for all communities and he makes no distinctions of race, creed or colour. There are a few Burmese and Chinese bankers but the total extent of their business is very small when compared to the operations of the Chettiars. The Burmese bankers are far from popular owing to their high rates of interest and crude methods of business.

The allegation by the Separationists that the Chettiars are usurious and harmful to the interests of the Burmans is wholly unfounded and it may be pointed out that the highest officials who are in the position of detached spectators have paid well-deserved tributes to the enterprise of the Chettiars and the immense services rendered by them to Burma. Sir Harcourt Butler, the ex-Governor of Burma, said to the Chettiars in one of his public speeches :—

“ I value your good work. You represent a very important factor indeed in the life of this province. As a class moneylenders come in for a good deal of criticism but they have always been absolutely an essential part in the economic growth of the country. When the banker has to call the law into his assistance, he is often and unfairly criticised and the vast amount of really good work that he is doing is lost sight of. You, gentleman, have gradually and carefully built up a remarkable system of banking throughout the province, the ramifications of which are known to a very few except those who have taken the trouble to make a real study of the question. Without the assistance of the Chettiar banking system, Burma would never have achieved the wonderful advance of the last 25—30 years. The Chettiars provide the necessary finance to the agriculturists in practically every village throughout the province and while enabling the Burman greatly to increase his production, they have at the same time undoubtedly inculcated the ideas of thrift and economy by their insistence on regular payments as regards both principal and interest. The Burman to day is a much wealthier man than he was 25 years ago and for this state of affairs the Chettiar deserves his share of thanks. Your interest in this province and your desire to help it forward has often been shown by your public spirited actions. Those who know you best and whose dealings bring them into daily contact with you have told me how deeply they appreciate your high standard of integrity and I feel confident that whatever future developments of banking may do for Burma, the Chettiars will always hold his own and prove himself in the years to come as he has done in the past, the real back-bone of the banking system throughout the province.”

No other system of finance has yet been evolved which is capable of giving to agriculture and business in this province the impetus and stability which the Chettiars have achieved. Owing to some reason or other, the co-operative societies in Burma have on the whole not proved a success. For a long time to come, the co-operative credit societies and the land mortgage banks which are to be established cannot in the very nature of things replace to any appreciable extent the Chettiar element. While the Chettiars' Association does not look with disfavour on any Government scheme for ameliorating the conditions of the rural or urban population, they cannot refrain from remarking that any

Government scheme of loans for purely agricultural purposes cannot be successful to any appreciable extent. The following remarks of the Committee appointed by the Government of the Federated Malay States in connection with the failure of the scheme of Government loans for purely agricultural purposes apply with greater force to the position of the Chettiar community in Burma :—

" These people have an apparently inexhaustible capital ; their sole reason for existing is to borrow and lend money ; they are mild and gentle in disposition ; among Europeans and Asiatics, they bear a good name for honesty and even kindness to borrowers. It is a well known fact that where these moneylenders know a Malay of good standing, they often lend him money merely on a note of hand with no security at all. As they have been bankers for centuries they know their business. No Government fund can hope to compete with them except to a very restricted extent. They live or their agents live amongst their borrowers and can lay a finger on the pulse of any man's business should they care to lay it. They are men of business, not a Government Department and they know their business as professionals and not as amateurs."

There is a free play of human element in the Chettiar credit organisations, unlike the western banking organisations which are rigid automata. Their overhead charges are small when compared to that of joint stock bankers.

In the best interests of Burma, it is necessary to devise ways and means to extend to this class of indigenous bankers all possible credit facilities, and all measures should be taken with a view to increase the supply of capital to this class in Burma. Care should be taken that no measures are carried out which are likely to create a feeling of insecurity in the minds of Chettiars, as the withdrawal of the Chettiar element from Burma will be disastrous to the rural development of Burma.

## II.—CLASSIFIED LIST OF WITNESSES.

*The order of this list is the order in which replies to each group of questions are printed.*

### 1. District Replies and Comments by Commissioners.

Serial No.	Districts and Divisions.	Name of Deputy Commissioner or Commissioner.
1	Commissioner, Arakan Division ...	Mr. F. B. Leach, B.A., I.C.S.
2	Akyab District ...	Major R. R. Ewing, I. A.
3	Kyaukpyu District ...	U San Aung, K.S.M., A.T.M.
4	Sondoway District ...	Mr. J. E. Baker.
5	Pegu District ...	Mr. R. M. MacDougall, M.A., I.C.S.
6	Tharrawaddy District ...	Captain M. J. Clarke, I.A.
7	Hanthawaddy District ...	Lieut.-Colonel A. P. Sandeman, O.B.E., I.A.
8	Insein District ...	Mr. J. K. Stanford, M.C., I.C.S.
9	Prome District ...	Mr. H. L. Nichols, I.C.S.
10	Bassein District ...	Lieut.-Colonel V. Beadon, M.C., I.A.
11	Henzada District ...	Mr. C. C. Crosby.
12	Myaungmya District ...	Mr. D. B. Petch, B.A., I.C.S.
13	Maubin District ...	Mr. C. K. Davis.
14	Pyapón District ...	Mr. D. C. P. Phelps, I.C.S.
15	Thatón District ...	Lieut.-Colonel H. P. M. Lord, I.A.
16	Amherst District ...	U Po The, B.A., A.T.M.
17	Tavoy District ...	Mr. A. J. S. White, I.C.S.
18	Mergui District ...	Mr. R. S. Wilkie, M.A., I.C.S.
19	Toungoo District ...	Mr. G. C. Tew, B.A., I.C.S.
20	Commissioner, Magwe Division ...	Mr. J. A. Stewart, M.C., I.C.S.
21	Thayetmyo District ...	U Hla Bu, B.A., A.T.M.
22	Minbu District ...	U Ba Thin, B.A., K.S.M.
23	Magwe District ...	Major H. R. Pelly, I.A.

Serial No.	Districts and Divisions.	Name of Deputy Commissioner or Commissioner.
24	Pakókku District ...	U Kyaw, (2), B.A., A.T.M.
25	Mandalay District ...	Mr. H. F. Searle, B.A., I.C.S.
26	Kyauksè District ...	Mr. A. J. M. Lander, M.C., M.A., I.C.S.
27	Meiktila District ...	Mr. G. N. Martin, I.C.S.
28	Myingyan District ...	U Saw Hla Pru, B.A., B.L., A.T.M.
29	Yamèthin District ...	Major R. W. Barker, I.A.
30	Commissioner, Sagaing Division ...	Mr. H. A. Thornton, C.I.E., B.A., I.C.S.
31	Bhamo District ...	Mr. F. V. Clerk.
32	Myitkyinā District ...	Mr. F. S. Grose.
33	Shwebo District ...	Lieut.-Colonel H. H. Batten, I.A.
34	Sagaing District ...	U Ba E, B.A., K.S.M., A.T.M.
35	Katha District ...	Mr. K. J. H. Lindop, M.C., I.C.S.
36	Upper Chindwin District ...	Mr. W. R. Head.
37	Lower Chindwin District ...	Mr. A. H. Seymour, M.A., I.C.S.

## 2. Officials other than Deputy Commissioners and Commissioners.

Serial No.	Designation.	Name.
1	Accountant-General, Burma ...	Mr. J. Davidson, O.B.E.
2	Administrator of Government Estates, Burma.	Mr. A. McCracken, M.A., I.C.S.
3	Agent, Burma Railways ...	Mr. J. R. D. Glascott, C.I.E.
4	Commissioner of Income-Tax, Burma	Mr. J. C. Mackenzie, M.A., I.C.S.
5	Assistant Commissioner of Income-Tax, Rangoon.	Mr. A. S. Nicholas.
6	Assistant Commissioner of Income-Tax, Eastern Range.	Mr. W. R. Wall.
7	Assistant Commissioner of Income-Tax, Western Range.	U Ba Thi (1), B.A.
8	Assistant Director of Agriculture, Southern Circle.	U Kyaw Zan, B. Ag. S.
9	Director of Public Health, Burma ...	Lieut-Colonel G. G. Jolly, C.I.E., I.M.S.
10	Deputy Director of Agriculture, Arakan Circle.	Mr. R. Watson, N.D.A., I.A.S.
11	Deputy Director of Agriculture, Irrawaddy Circle.	Mr. R. A. Beale, B. Ag. S.
12	Deputy Director of Agriculture, Myingyan Circle.	Mr. T. D. Stock, B.Sc., I.A.S.
13	Inspector-General of Registration, Burma.	Mr. J. B. Marshall, M.A., B.Sc., C.I.E., I.C.S.
14	Fishery Settlement Officer ...	Mr. A. M. Bown, M.C., B.A., I.C.S.
15	Joint Registrar, Co-operative Societies, Riverine Charge (Pakókku, Myingyan and Minbu Districts).	Mr. R. K. Harper, M.C., I.C.S.
16	(Deputy Registrar, Co-operative Department, Mandalay Charge. Myoók (Co-operative Branch) Myinmu Range.)	U Po Tin, A.T.M. U Ngwe Kin.
17	Range Officer, Co-operative Department, Insein.	U Po Wun.
18	Charge Officers, Co-operative Department, Henzada and Prome.	U Po Kya and Charles Maung Kin.
19	Committee of Officers of the Co-operative Department.	Mr. R. K. Harper, U Po Tin, U Po Kya, U Ba Tin (1), U Ba Tin (2), U Po Han, U Maung Gale, U Po Wun, U Kyaw E and U Ngwe Khin.
20	Joint Sub-Registrar, Pegu ...	U Sein.
21	Official Assignee and Administrator-General, Burma.	Mr. J. Hormasji, C.I.E., I.S.O., M.A., L.L.B., <i>Bar-at-Law</i> .
22	Postmaster-General, Burma ...	Mr. W. D. MacGregor, M.I.E.E.
23	Subdivisional Officer, Mogaung ...	Mr. E. T. D. Gaudoin.
24	Superintendent of Land Records, Myitkyina.	U Thein.

**3. Representative Bodies (other than Chettiar).**

1. Burma Agricultural Society.
2. Burma Buildings and Loan Association, Limited.
3. Burma Indian Chamber of Commerce.
4. Burmese Chamber of Commerce.
5. Chinese Chamber of Commerce.
6. Karen National Association.
7. Rangoon Stock Exchange.

## 4. Private Individuals (other than Chettiers).

Serial No.	Name.	Description.	Address.
1	Mr. J. S. Furnivall ...	L.C.S. (retired) ... ..	Rangoon.
2	Mr. G. B. Hall ...	Chartered Accountant ...	Rangoon.
3	Mr. A. D. Kiernander	Retired Police Officer ; land-owner.	Mandalay.
4	Mr. P. S. V. Nambi ...	Superintendent, Currency Office	Rangoon.
5	Saw Pah Dwal, A. T. M.	Karen, M. L. C. ... ..	Thaton.
6	Mr. P. S. Subbaiya, B.A., A. I. B.	C/o Thos. Cook & Son (Bankers), Ltd.	Rangoon.
7	Maung Maung Bya, C.I.E.	Assistant Registrar of Co- operative Societies (retired).	Mandalay.
8	U Aye ...	Bar-at-Law, M. L. C. ...	Rangoon.
9	U Ba Maung ...	Manager, Pegu Central Co- operative Bank.	Pegu.
	U Mya, * T. P. S. ...	Manager, Myingyan Electric Lighting Co., Ltd.	Myingyan.
10	U Shwe Tha, * K. S. M.	Retired Deputy Commissioner	Maymyo.
11	U Kyi ...	Managing Director, Modern Burma Timber Trading Co.	Rangoon.
12	U Po Thin, K. S. M. A. T. M.	Extra Assistant Conservator of Forests (retired).	Indaw, Katha District.

\* Also members of the Burma Provincial Banking Enquiry Committee.



5. Chettiars.

Serial No.	Name.	Address.
1	Nattukkottai Chettiars' Association	Rangoon.
2	Mr. P. L. L. N. Narayanan Chettiar	Pyapon.
3	Mr. V. C. T. N. Ramanathan Chettiar	Shwebo.

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