

[$\frac{6}{11}$]

6/7/93 ✓
5/12/93

ORDINARY, MS.

22/11/89/24 -

Public DEPARTMENT.
G.O., DATED 7.9.93.
No. 734
735.

When given for copying.

[Despatch Abstract.]

Directing that the Govt. of India's
Sanction be applied for to the
deputation of Mr. Nicholson on special
duty for a further period of six months
for the purpose of enquiring into the
possibility of introducing into this
Presy a system of agricultural
or other land banks.

[Handwritten mark]

BACK PAPER, No.

OF 18

FURTHER PAPER, No.

OF 18

READ AGAIN ORDER OF GOVERNMENT, DATED
18, No. MISCELLANEOUS.

ENCLOSURE

CURRENT No.

STATEMENT WITH DATA

ORDER OF GOVERNMENT

A A

LETTER OF GOVERNMENT

STATEMENT WITH DATA

PAPER NOT FILLED UP, BEING MEANT FOR DISCUSSION
IN ORIGINAL (not page)

80 821
4-10-93

N.B.—

A — Copy in full.

B — Not to be copied.

P — Copy abstract only.

C — Copy heading only.

intends to continue his ~~engaging~~
special work during his leave but it is
utterly impossible that it can be completed ~~or~~
~~may be before the expiry of~~
under the above circumstances

(with refce. to § 98(4) of the C.S. C.)
I am to request the sanction of the
Govt. of India to the deputation of
Mr. Nicholson on special duty for
a further period of six months
with effect from the ^{termination} expiry of
his privilege leave. As it will
be convenient if he is informed
at an early date as to the intentions
of Govt in this matter, I am to ^{ask} request
for a reply by te to this communication
by telegram

(From admin)

HP

579193

Cd.
579.

is ordinary duties as a Collector.

He has represented to ~~this Govt.~~

the difficulties attending such a

course ^{and Mr. Nicholson} to ~~this Govt.~~ who entirely

agrees with him in considering that

it will be impossible to arrive at

any satisfactory result so long

as his attention is not wholly

devoted to the ^{important work} ~~subject~~ which he

has ^{initiated} ~~initiated~~ commenced and which, ~~therefore~~

it may possibly ~~not~~ ~~be~~ ~~possible~~ ~~to~~ ~~reach~~ ~~any~~

cannot, in the opinion of the Govt. in C.
~~immediate benefit to the country~~

^{but a complete success}
~~cannot fail to demonstrate in the~~
future of much value in
~~direction of elucidating~~ and some

scheme for the introduction of the

a banking system, the want of

which has so long been felt by

the great mass of the people of

this country.

2. Mr. Nicholson, as intimated

in Mr. Lyall's letter of the 26th

July last, No. 2796, ^{Rev.} he has been deputed

to represent this Govt. at the Agricultural

conference to be held at Simla in

October, ~~and~~ He has been granted

7 weeks privilege leave from the date of

expiry of his duties at ^{there} ~~Simla~~ &

C. No. 2357

Order of the September 1893, No. 735

The Govt. of India will be addressed.

No. 735.

Letter to the Secy to the G. of I.

Rev. Mr. [unclear] Sept. 1893

Sir,

In March 1892, Mr. F. A. Nicholson of the Indian Civil Service was, under the provisions of article 90(a) of the Civil Service Regulations, placed by this Govt. on special duty for the purpose of enquiring into the possibility of introducing into this Presidency a system of agricultural or other land banks. He was on deputation in this connection for a period of 5 months and 26 days - from the 16th March to the 10th September 1892 - and then reverted to the regular line of the service with the rank of [unclear].

~~the impression that he could finish~~
the intention of completing his enquiry whilst attending

Note: It is not quite clear with reference to the G. of I. and India in G.O. 217, 18.9.88, to which Dept. of the G. of I. this should be addressed.

Cl. I think Rev. Mr. [unclear] is right

bel
6th

21/2/93

2357-

Public (1893) DEPARTMENT.

From

THE ACCOUNTANT-GENERAL,

MADRAS,

To

THE Chief Secy to Govt.
Public Dept.

No. 2435

Dated

29

Received

August 1893.



Subject.

Returning the Endorsement of Government No 1468 of 22nd August 1893 with the remark that the sanction of the Government of India appears to be necessary to the deputation of Mr. Nicholson on the special duty.

N^o 2435

Mr. Nicholson has already been on deputation on this particular duty from 16 March 92 to 10 September 92, a period of 5 months and 26 days. He now asks for a further period of about 14 weeks to enable him to complete his investigation. Although these two periods are not continuous, they relate to the same duty and will be made in excess of six months. The case seems clearly to fall within the spirit of the restrictions in Civil Service Regulations Article 98(b) and the sanction of the Government of India appears to be necessary.

Fort Saint George }
Arch. General Office }
29 August 93 } Offg: Arch. General

To
The Chief Secretary to Government
Public Department

Govt. of {1893} Madras.
REVENUE.



To

The Public Department.

Dated

Recd.



Encl.

Mis. G.O., 16th Aug. 1893, No. 3045.

SUBJECT.

Stating that Mr. Nicholson's great experience in agricultural matters fully qualifies him to represent the Madras Pres. at the Agricultural Conference to be held at Simla in October next, and that his request for a further period of special duty to complete his investigations on the subject of agricultural credit will be considered in the Public Dept.

Pub 80. 20605 5-893
7580 2893
C no 2121
9000 19-8 92 Roul
173 8 15-3-92 Roul

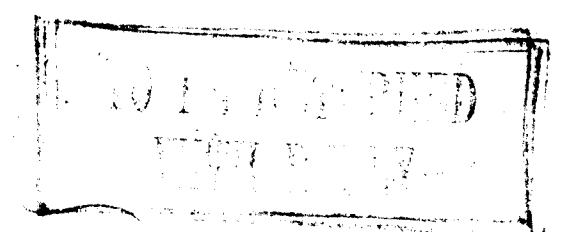
Encl. No 468.

Referred to the Accountant.

-General for favor of early report whether, with reference to article 98(b) of the Civil Service Regulations, the sanction of the Govt. of India would be required to the deputation of Mr. Nicholson on ^{the} special duty referred to in para 2 of the Revenue Department Proceedings.

It is observed that Mr. Nicholson's special duty sanctioned in G.O. 915th March 1892, No. 173, expired on the 16th September following, that notwithstanding on the 11th September he assumed charge of the Collectorate of Salem and that since the latter date he has been employed in the regular line of the service.

Hedrickhies
ootacamund } Chief Secretary
22nd Aug 1893.
Cl.
22/8



be touch with all the varied agricultural questions of the day, but His Excellency in Council is convinced that Mr. Nicholson's great experience in agricultural matters fully qualifies him to represent the Madras Presidency at the Conference. Mr. Nicholson should apply to the Board of Revenue (Settlement Branch) for a copy of Dr. Voelcker's report and for such other papers as he may require.

2. Mr. Nicholson's request for a further period of special duty to complete his investigations on the subject of agricultural credit will be considered in the Public Department.

(True Extract).

Recd

Under Secretary to Government

To

F. A. Nicholson, Esq. I.C.S.,

Collector of Anantapur.

the Public Dept with the notes of H. M. and
H. E. The Governor in original.

practicable as a working proposal, no man can hope by himself and at one effort, to unravel the knot which all Europe has not yet untwisted; all that I can hope is to present a report of what has been done and is doing, whether successful or a failure, and to expose, for discussion, for imitation, for adoption or adaptation, the facts which my studies have yielded. I will not indeed say altogether "je ne" impose rien; je ne propose même rien; j'expose", for I hope to make certain definite proposals, but, as I stated to His Excellency in person, I do not think it likely that a cut and dry scheme can ever be successfully proposed, initiated, or worked: all that is successful has grown, but Government may greatly assist the germination and the growth.

Order thereon, 16th August 1893 No 3045 m. d.

His Excellency the Governor in Council is not prepared to accept Mr. Nicholson's objections to his deputation to attend the Agricultural Conference, which is to be held at Simla in October next. Mr. Nicholson urges that his ordinary Revenue duties have not allowed him time to keep himself in

clearly set out for guidance.
9. For fear of being tedious, I have left out of this letter ~~also mention of~~ series of difficulties and details of enquiries which turned up in my study; it would take hours to mention details. For the above work which I only mention by way of excusing myself both for not having completed my work within the six months allowed and for asking for more, - I have been left to my own personal knowledge, much of it gathered as I went on from point to point, the bulk of it in foreign languages, and, for India, without the direct aids which in all Europe have, for half a century, been available for attempting the solution of this problem. I regret that in half a year I have not been able to assimilate the work of half a century in Europe, let alone to present a digested and possible scheme for Madras, and I ask respectfully that if Government consider that the question is worth a thorough discussion, I may be given some facility for presenting as complete a view as one isolated officer may find himself able to present. I do not pretend that the report will be exhaustive, or altogether practicable

has been a very great task, and my more examination of these societies will be a decent sized report. The examination of the reasons for failure or for non-establishment, necessarily demands an enquiry into the law of India on Companies and on banking, including the extremely difficult questions of the influence of Hindu Family Customs on the security for loans, the absence of any Registration of Titles, the difficulty, cost and delay of recovery of loans, the influence of Revenue laws on the security of mortgages, the social difficulties, customs, and characteristics which stand in the way of credit societies, the immense difficulty resulting from the existing credit system, the indebtedness, poverty and ignorance of the people, &c &c &c.

8. Finally, when these subjects have been grappled with, there comes the synthetic portion of the work, by far the most difficult and as yet without definite form. I cannot make definite proposals, till all the difficulties and obstacles, successes and failures to be found in Europe and India, have been clearly

and several others. Then the legislation of these countries for all these societies had to be examined and collated, and it was found that every country had found it necessary to create special laws either in advance or subsequently, for all classes of institutions, the German law for co-operative societies alone, being most elaborate, and even English law being considerable.

7. This work being hardly done there remained the examination of the credit requirements, credit position and credit systems of this Presidency. I need hardly say how large and difficult a subject this is, and what an absolute want there is of data, the whole of my work must depend upon definite facts on these points, and everything had to be gathered personally. It was while attempting to gather these facts and data, chiefly by means of printed questions - the answers to which fill a large box - that I carried on the study indicated in paras. 4, 5 and 6. Then the examination of the system, rules, successes and failures, with the causes of failure and reasons for success, of the Madras Loan Funds,

work. Perhaps I may accentuate my difficulties by saying that, till 1893, there was not in the English language, a single work - save very slight sketches - on the Land Banks or Credit Societies of Europe.

8. A study of the above was absolutely necessary in drawing up proposals for a working scheme for India: the problem had been so exhaustively discussed and attacked in Europe, that it would be the height of folly to make proposals for India and ignore the work, examples, attempts, successes, and failures of European ryotwar countries. To these however have to be added the numerous other credit and loan societies and institutions of Europe and America, such as the Savings Banks of Germany which have about £40,000,000 out in rural mortgages, the numerous loan and building societies of England, and the 6000 so-called Building Societies or Co-operative Banks of America, the Monte de Piété of Italy and Spain, together with those special societies called Land Improvement Companies of England, Landes-kultur-renten Banks of Germany,

from 1850 to at least 1872 and occupying the thoughts of the highest economic Authorities and Statesmen and resulting in a copious literature. In Italy they have been as unsuccessful as in France for they have not even managed a Credit Foncier, in spite of incessant attempts from the middle of the century, and laws made and altered ad hoc, and of institutions specially favored for the purpose.

The above remarks relate to the establishment of Land Banks only, while success has been still more dubious in the case of that still larger class of rural credit known as "Crédit Agricole", or personal and Chattel credit, which is, I presume, what Government refers to in distinguishing "Land" and "Agricultural" Banks.

5. On the other hand both in Germany, Italy, Austria, &c certain classes of credit societies have been formed which seem to be solving the double problem, without direct State intervention but under special legislation and supervision, but the critical study of these, with information existing only in foreign languages, is a very laborious work.

Prussian Land Banks in 1845, and ending with a report of 1891, given to me in Paris in that year by the Minister of Agriculture, on the subject of a special class of co-operative credit society, for the study of which, an officer had been deputed for two years to Germany. Between these two reports, marking two great phases of credit development, there have been Committees, Commissions, "enquêtes" and "questionnaires", Schemes and proposals without end, so that it is estimated that at least 200 schemes have been conceived and aborted. In Germany, though — Land Banks were started in 1769, their operation by reason of their Constitution was so limited that after the events and legislation of 1850 there were, on the subject of Land Banks alone, many years of incessant Government Commissions, Conferences, or Congresses, and enquiries, the examination of experts, references to economic bodies, projects of law, &c &c, resulting practically in nothing but private operations. A mere abstract of the various attempts by Government to discuss and favor Land Banks occupies several printed pages, the discussions lasting from

Collector's work. Spoiled by the double pursuit.

4. I think it right to explain why I consider the task immense, impossible in fact for any Collector to complete who respects his ordinary work. My orders are to report on the feasibility of establishing Land and Agricultural Banks, in ^{Country} ~~a rural~~ where rural banking is practically unknown, where the lender is an individual only, where hoarding takes the place of banking, and where the vast mass of the people to be reached are petty holders, finding parallel only in the masses of petty proprietors, the peasants and "small folk" of Europe. I may suggest the difficulty of the Indian problem when I say that for more than 50 years France has exhausted public and private effort to bring organised credit to her peasant proprietors, with the sole and solitary result of the Credit Foncier, a ~~land~~ and not an Agricultural Bank, which, after all, absolutely fails to go below the middle classes. France has sent out her Inspectors on tours of enquiry, beginning with her Examination of Prussian

then, except that I have lost my ideas, trains of thought and my grip on complicated groups of facts. When I thought, in August 1892, that I could finish my work at leisure, I was entirely mistaken both as to the possibility of working at odd times on a subject requiring continuity, and as to the stage I had reached. I propose now to use my seven weeks leave in working at this question and I would ask that Government would add a similar period on special duty; in 14 weeks continuous work I might make a decent advance. If I were to go to Simla, a month of my time would be spent at Government expense to very little purpose. I ask for very little more for work which, whether it is to be useful or not, is in hand and must be finished. If the cost to Government prohibits this proposal, I would willingly take Sub-Collector's pay for such time, exclusive of privilege leave, as may be necessary; had I furlough due, I would apply for it, rather than see my special work and my Collector's

fact been directed to the study of the rural credit question, and I beg therefore to point out for consideration that Government money and my time will practically be wasted if I am to be deputed, and to ask that I may be excused from this honorable duty.

3. I take this opportunity of asking Government to give me, on the other hand, some facility in the way of time for finishing my enquiries into Agricultural Credit. I have asked seven weeks privilege leave intending to take a voyage to Italy, partly for health, partly to visit certain Italian banking institutions and experts. On further consideration, I have reverted to my former intention of going to Bangalore to try and finish, even imperfectly, my work. It is not a time of year when I would ordinarily take leave but the oppression of this enormous task added to the work of a collector in a backward district, is such that I prefer to take leave so as to get rid of the burden. I left the work off in September 1892 to act at Salem, and it is now almost exactly where it was

then,

on: that of "credit". I have therefore paid no attention to Agricultural questions in general, nor to those points in particular which are to be discussed at this Conference. What I had to say, especially on Agricultural Education, I said in 1889, and I have nothing new to add, for I have had no subsequent opportunity of studying the questions. I have seen not a single official paper on the subject, nor even a copy of the Report on which the discussion is to be based, nor have I been able to study the work of other countries on these matters. On Subjects (I) to (III) mentioned in the Government of India Resolution I have nothing to say; the matters treated of being beyond the scope of such study as I have given to this immense problem; Subject (IV) (Conduct of experimental farms) is obviously beyond my province, and Subject (V) is equally beyond me. On Subject (I) I have had no opportunity since 1889 of extending and developing my slight knowledge. All my available time and thought have in fact

PROCEEDINGS OF THE 'MADRAS' GOVERNMENT.

Read the following letter

from F. A. Nicholson, Esq. Ag. Collector of
Anantapur, dated 7th August 1893,
Dis. No. 2531 :-

I have the honor to acknowledge receipt of G.O. No. 2795 dated 28th July directing me to "present at the Agricultural Conference to be held in Simha in October and I beg to tender my respectful thanks for the honor of being thus delegated."

2. May, I, however, very respectfully ask that Government will be pleased to cancel my deputation in this important duty, as I feel that I could render no assistance to the Conference, nor give any reasonable return for my pay. Since my connection with the Madras Agricultural Committee in 1889, I have either been in charge of heavy districts, (Tinnevely, Salem, and North Arcot), on leave from ill-health, or on special duty connected with a branch of rural development.

REVENUE DEPARTMENT.

No. 5863/53

From

J. A. Nicholson - Esq.

Collection of Anantaform

Dated

6. Aug 1893

Received 9.

FOR ORDERS.

Then Wm. Miller - has been giving
us some history of the
line re proposed between
Mr. Nicholson to the Agent
Conference in Oct. & the
express must interfere
with intelligence, and the
D. of India held in N.
western as a means of
some rise in agriculture.
Particular on something to
the effect -

I don't think Mr. N's
 modesty is a chapter at all
 distinct to - the city, in
 any case, represents the
 I mean? better than that
 Claps town or any other
 else & it won't improve
 any place on line - the
 the contrary, it will be a
 little better, which will
 & which will, good - &
 many which will be
 all to do a good deal
 of work in the town
 which now most serious
 been - did the
 from here but from

W. Nicholson has been
defeated under No ³²⁸⁵
to attend the Agric: ^{20 July 93}
Conference at Saida in October
next - In his present letter
he begs to be excused on
the ground that he is now
out of touch with many of
the questions that are to be
discussed there, and he urges
that his time will be far
better spent in completing
his report on the subject of
Agricultural Credit.

For this purpose he states that he is prepared to spend the 7 weeks privilege leave, for which he has applied at Bangalore in finishing his work, and also got to add a similar period on

FOR O

of special de
bit on the
the whole man -
climate of Bangalore is
really having such do
him good -
his mother Mr. Thompson
has kindly agreed to write
the letter to the
to the Conference
J. P. S.
11/7/93

I don't think the Commission is likely
to accomplish much, except a basis
for loud sounding but empty "plans" by
L. C. Buck, and I don't attach much
importance to Mr. Nicholson's taking
part in it. I would let him off as he
wishes it. Mr. Thompson will do very
well to represent Madras.

The more serious question is as to Mr.
Nicholson's report on Agricultural Banks.
Judging from his account of the course of
study he deems necessary & has in part
completed, and from what we know of
his ability, conscientiousness, and devotion
to the subject, I am sure that even if he
fails to devise a practical scheme for
Agricultural Banks in this Presidency, he
will not fail to produce a useful and
sufficient work which will be creditable
to himself & the Pres. and will throw
much light on the problems to be solved.
I think it would be worth some six months
of special duty, and would get better
than 14 weeks would not be of much

and 14 weeks of continuous
work. Mr. Nicholson adds -
"if the cost to Govt. prohibits
this proposal, I would willingly
take Mr. Clerk's pay for such
time, exclusive of privilege
leave, as may be necessary".

The question of
deputing Mr. Nicholson on
special duty must be
considered in the Public Dep't,
and it is submitted that
the papers may be transferred
in original to that Dep't for
the necessary action, if H. M.
agree that such deputation
is desirable.

As regards Mr. Nicholson's
deputation to Simla, it is
submitted that he shows
good reasons for declining
the honor. The Agricultural
Conference is not likely to
accomplish very much, and
in any case as Mr. Nicholson
declares himself not to be a
competent witness, it is sub-
mitted that Govt. may accept

FOR ORDERS.

E

on R.
of the

Deputation of
W. Nicholson
to the Swiss Agricultural
Conference -

H. W. and H. S. W. Gorman

Mr. H. W. W. C. S. (Public Dep.)
for favor of Committee - initials

From

F

I agree with the hon. Mr. Garstin that we should delicately but firmly overrule Mr. Nicholson's objections to go to Simla, as though the conference may not result in much, we shall have the satisfaction of knowing that one of our representatives is the most experienced man in the agricultural line in the South of India, and it would be a great pity if we did not contribute to the conference our best available talent. I would ^{after Simla} have the 7 weeks he wishes for to go to Italy - and when he returns, place him on special duty for 6 months - or longer - in order to enable him to complete the "magnus opus" on which he has embarked. It may possibly not result in any immediate benefit to the country - but I quite believe that whatever he may produce will be a step - probably a long stride forward in the direction of elucidating some scheme for the introduction of a banking system, the want of which has so long been felt by the great mass of the people of this country.

W

Dated

189 .

OR ORDERS.

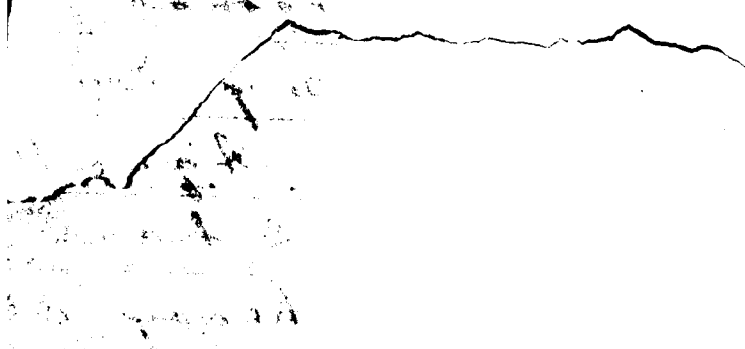
Madras Govt will still have
W. Clogston as its representative
at the Conference.

Rm
5. Aug. 83.

Under the circumstances
stated the Department of
Education to attend the
Cultural Conference being, it
is admitted, cancelled.
From Mr. Nicholson's statement
it also remains to be done
in connection with the pro-
position of a scheme of
Agricultural Banks that
does not seem to be much pro-
spect of his completing the work
in 14 weeks and he is in
doubt as to whether it is

May 5.0.2 15 June/92, 17.
The present for which a bond
for: may dip to an other
no special duty with the
sanction of higher authority
is limited by sec 90(1) C.
May 2.0.1000. 10.
In addition with special duty
from 10 June to 11 Sept.
5 days 10000. 10000. 10000.
If he is the present in special
duty again for the same
object I presume that the
sanction of the Gov. of India
will be necessary -

Ch
18/8/93



100.3
Pub. Dept.
100.3