

Royal Monopoly on Trade During the Reign of King Mindon

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Abstract

This paper discusses royal monopoly of trade practiced during the reign of King Mindon (1853–1878). King Mindon regarded jade, earth oil and timber as the royal goods to sell to the British merchants from lower Myanmar. Besides, it presents the development of trade for the revenue system and the conclusion of commercial treaties in 1862 and 1867 during his reign.

Keywords: Jade, Earth Oil, Timber

Introduction

Commerce between Upper Myanmar (National Myanmar) and Lower Myanmar (British Myanmar) was not free. Although the British government in the lower Myanmar did not take any control of commerce, King Mindon took control of it in Upper Myanmar.¹ King Mindon monopolized jade, earth oil and timber. It meant that the commerce on these goods could only be carried out by the king.

When King Mindon ascended to the throne, Bago Region of Lower Myanmar where rice was plentiful and lots of revenue were collected already fell under the British. This grievous loss affected the economy of Myanmar since Upper Myanmar could no longer rely on Lower Myanmar as in the former times. In order to improve the Myanmar economy, King Mindon took measures to obtain lots of profit from the British trading instead of collecting heavy, taxes on the people. In order to reduce the reliance on Lower Myanmar, or in other words to promote the productivity of Upper Myanmar, the King tried every means to promote agriculture, industry and mining of minerals. When the productivity of Upper Myanmar was improved, he encouraged for the betterment of trading with the British.²

The products of Upper Myanmar were cotton, catch, dye, indigo, wheat, beans, sesamum, jaggery and brown slab sugar, green tea, dry tea, textile, silkwares, glazed wares and earthenwares, Chinaware, lacquer wares, copper, lead, ironwares, cattle hide, tusk,

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¹ Daw Mya Mya, *Ahtetauk Myanmar Naingngan konthweye thamaing* (1853–1885), M.A Thesis, Rangoon Arts and Science University, History Department, 1971, p.21 (Henceforth: Mya Mya, 1971)

² Daw Myint Myint Than, *British Myanmar kon thwe ye* (1853–78), Tekkatho Pyin-nya Padetha Periodical, Vol.VI, part-iii, 1971, p.155 (Henceforth: Myint Myint Than, 1971)

horns, etc, as well as petroleum, teak, jade, ruby, precious stones and other commodities.³ Some tradable goods from Upper Myanmar were regarded as royal goods that could be traded only by the king in the reign of King Mindon. Such goods were jade, oil and teak. These goods could be bought only by the authorized buyers and representatives of the king. Other merchants did not have the right to trade them.

Jade can be mined in Mogaung in Upper Ayeyawaddy and in the areas of Upper Chindwin, Kachin nationals owned all jade mines. Burmese kings on their part recognized the ownership of jade mines by Kachins, as long as they paid tribute to the king.⁴ Jade trading took place mostly in inland route with China only. The centre of jade trading was Yunnan Phul of Yunnan Region, China, which was called the marketing centre of jade trading. In 1861, a trader from Kaung-ton passed oversea for the first time, and via Lower Myanmar, came to Mandalay, and returned after purchasing as much unrefined jade as he could. With this one strike of fortune, he got rich. Then the traders of Kaung-ton also came by navigation route, and purchased the jade, and thus, the jade trading revived again. In 1866, the licence of tax on jade was sold at auction at Ks. 6,000 over 3 years term. But in 1869, the licence was withdrawn and the king's agents stayed at the jade mine, purchased the jade, brought it to Mogaung and sold the jade to chinese and other jade traders. The Kachins, the jade miners, were dissatisfied. Then only jade of poor quality was supplied so the jade trade did not make successful as it should. So in 1874, the control by the King's agents was released. But in 1875, the King monopolized the jade trading once again.⁵

Whether it was under the monopoly of the king or not, 12420 maunds of unrefined jade were transported from Upper Myanmar to Lower Myanmar from 1867-68 to 1872-73. The price was Ks. 100 per 1 viss to ks. 1000.⁶ The trading of jade from the mine was collected tax of 5 coins per the value of K.100: the seller was to pay 5 coins, and the buyer, 6 coins to the King. Tax was collected for assessing the quality of jade: assessor's tax was 31 kyats 1 mu and 1 pe per K.100 on the jade of Mogaung.⁷

³ Mya Mya, 1971, 11

⁴ Daw Myint Myint Than, *Mindon min let-htet ok chokye hnint Sipwaye acheane*, The Union of Myanmar Literature and social science Journal, vol.II, No.3, 1969, p.85 (Henceforth: Myint Myint Than, 1969)

⁵ Dr. Khin Maung Nyunt, *Myanmar -min-mya-let-htet Kyauk-sein Yaung we-ye*, Vol.XXIV, No.287, 1971, p.95 (Henceforth: Khin Maung Nyunt, 1971)

⁶ Report on the Trade and Customs of British Burma for the year (1871-72), Rangoon, The secretariat press, 1872, p.5 (Henceforth: RTCBB, 1872)

⁷ Report on the Administration of the British Burma for the year (1875-76), Rangoon, The secretariat Press, 1876, p.54 (Henceforth: RABB, 1876)

Earth oil was royal monopolized goods and a source of royal revenue. Oil wells were mostly found in Yenangyaung and its environs in the central dry zone of Myanmar. Some of these oil wells were owned by hereditary earth oil diggers and some by the government.⁸ In King Mindon's reign, there were about 8 wells, in the north of Yenangyaung, where good quality oil could be produced and in the south of the town, about 50 wells, where poor quality oil could be got.⁹ Only a person granted permission by the king was to do the business. In 1873, the permission was given to *Lay Myo-wun* and Maung San Wa,¹⁰ and in 1875, Mular Abraham Tin.¹¹ In order to control the earth oil industry, the King Mindon installed the princess of hereditary earth oil diggers to be a queen. In this way, the king put about 120 oil wells under his control. The rest were owned by many hereditary earth oil diggers, who were liable to pay a revenue of 7 *kyats* and 50 *pyas* per 100 viss of earth oil.¹² To control the oil trade, King Mindon ordered that the government must sell and trade all oil produced in the country and to this effect, *Twin-sa* were to sell their oil to the government with the price rate of 1 *kyats* and 8 *pè* per 100 viss.¹³ Henry Yule estimated that Yenangyaung oil field could produce about 7,154,000 viss of oil, equivalent to about 11,690 tons.¹⁴ Oil transportation was done like that, oil was put in the earthen pot, which were carried by bullock-carts to the river port from where oil was transported to Yangon by rafts.¹⁵ Government agents bought all oil in Ya-ta-na-pôn Kingdom and resold it to the British traders in British Burma. It is thought that the oil trade could produce much benefit for the kingdom.

Timber formed a major export item from Ya-ta-na-pôn Kingdom to British Burma. Timber also was a royal monopolized goods. Though abundant in Burmese forest, Burmese

⁸Myint Myint Than, 1969, 84

⁹Tkkatho Ne Win, *Inwayauk ingaleik tan aphwe*, Yangon , sabeusape, 1978,p 71-72(Henceforth: Ne Win,1978)

¹⁰J.G.Scott and J.P Hardiman, *Gazetteer of Upper Burma and the Shan States*, Vol.II , Part iii, Yangon, Government printing,1901, p.276 (Henceforth: Scott and Hardiman,1910)1901, 276

¹¹*RABB*, 1876, 52

¹²Albert Fytche, *Burma Past and Present*, Vol.I, London, Kegan Paul, 1878, p.312-313 (Henceforth: Fytche, 1878)

¹³J.G. Scott, *Burma: A Handbook of Practical Information*, Landon, Dela More Press, 1921, p.244 (Henceforth: Scott, 1921)

¹⁴Ne Win, 1978, 75

¹⁵Ne Win, 1978, 74

had never used it as a precious export product, till before 1852.¹⁶ When King Mindon built a new capital, the needed timber was extracted on 7 August 1857, from the Anya Thittaw Layyat along the up riverine regions.¹⁷

Timber production regions were located along the Dottawaddy River, Myit-nge River, Chindwin River, Yin Stream in Taungdwingyi and Mon Stream in Salin. Timbers from the *A-nya Thit-taw Lay-yat* were floated down the Ayeyawaddy, timbers from Thonze, Hsipaw in the north Shan State along the Mu River, timbers from the forests of Taungdwingyi along the Yin Stream; timber from the forest of Salin Town along the Mon Stream. At that time, timber production was done with officials and *A-hmu-dars*.¹⁸

The major port for timber production was Ohdoktan Port in Inwa Town, from where timber for the British Burma was to be floated down.¹⁹ The King appointed an officer and one *A-saung-daw-mye*, to sell these timber logs in the British Burma. The king ordered that

Boat giving the quality and quantity of timber and expenses incurred, men commissioned to work in timber business are not allowed to do any other thing and for negligence of duty they shall be punished like every body else.²⁰

To carry out timber trade, King Mindon appointed Nga Shwe Tha as the royal procurement officer at Yangon. Every timber from Ya-ta-na-pôn Kingdom were to be given to Nga Shwe Tha for trade.²¹ From 1867-68 to 1872-73, the tons of timber exported to Lower Myanmar was 48923 tons in total (over 8%).²² Tax was collected also on the forest products. There were two types: *Ra-za-hta-ni* forest tax and *A-way* forest tax. The latter was mostly at fixed rate. The timber produced from the forests of *Le Myo* included in the

¹⁶ Jorg. Schendel, *Upper Myanmar Trade with Lower Myanmar* (1853-85) Growth, Division of Labour and Material wealth, proceeding of the Myanmar Two Millennia Conference, Part.II, Yangon, University Historical Research Center, 2000, p-70 (Henceforth: Schendel, 2000)

¹⁷ Maung Maung Tin, *Konbaung-zet Ma-ha Ya-za-win-daw-gyi* (The Great Chronicles of Konbaung Dynasty), Vol. III, Yangon, University Historical Research Center 2004c, p-176 (Henceforth: Tin, 2004c)

¹⁸ Dr. Toe Hla, *Myanma Thit-taw hnint Myanma Lu-hmu A-pwe-a-si (1752-1962)* (Burmese Forest and Burmese Society), Yangon, Thiri May Colour Press, 2009, p.40 (Henceforth: Toe Hla, 2009)

¹⁹ Toe Hla, 2009, 74

²⁰ Dr Than Tun, "The Royal Orders of Burma", A.D.1598-1885". Part nine, A.D.1853-1885, Kyoto, Kyoto University, 1989, 182

²¹ Toe Hla, 2009, 75

²² RABB, 1873, Appendix-H

former type of tax was: tax of Ks.10 plus *Gai-pwè* pay two *kyats*, two *mus* and one *pè* per Ks.100 of interest in total, Ks.12, 2 *mu* and and one *pè*.²³ The forest tax collected at Chindwin forests custom on the logs reaching Alon Town, Kanni Town and Wun Po Thayakon Village on both sides of the Chindwin was 10 *kyats* the value of Ks.100.²⁴ Licenses were issued for collecting the forest tax. . According to the royal order issued on 14th February, 1880, the license for collection forest taxes in the region ranging from Talôk, Pakhangyi, Malun, Myedè, and Thayet was granted to Nga San Nyein, Nga Hsin, Nga Poe Hsaung and Nga Poe Wa: Ks.10,000 tax was submitted every year, every three months. Only Ks.4,000 taxes were obtained in the previous year, and from then on, the rate of Ks.6,000 was collected for the tax collection license. Formerly, one-tenth of the tax was paid in terms of goods, but the payment in cash was first introduced in King Mindon's reign, and the license for tax collection was sold at auction.²⁵

The governments from the reign of Myanmar Kings to those of British era tried to take careful control of timber enterprise because it could earn a large a mount of money. Since 1752, timber was officially announced as royal goods and timber trading was monopolized by the king. Timber trees growing on private lands were not allowed to be cut off. After the second Anglo-Myanmar war, India Lord Dalhousie having seized the lower Myanmar announced that timber was owned only by the state. And, in 1862, he traded timber from Pyinmanar area (Nin Gyan as old name) and some forests in Upper Myanmar with the permission from the king Mindon and paying the tax.²⁶ There were various kinds of tax collected by the Myanmar kings on trading. export tax, import tax, bazaar tax, sentry tax, ferry tax, etc. 6% tax was collected on the export from Upper Myanmar and 10% on the import from Lower Myanmar.²⁷ Similarly, up to 10% tax was collected on the imported goods from Yunnan of China via Bhamo-Kaung-ton. The goods exported from Upper Myanmar to Yunnan of China were collected tax from 6% to 10%. There was a custom gate at Bhamo. As the goods from China were going to be transported to Amarapura, one did not need to pay the tax at Bhamo. In Amarapura, the tax was paid either in cash or in goods. Though the traders had to pay one-tenth of the value of the goods, only 8%

²³ *A-kauk-hnôn sa-yin* (The List of Revenue), Mandalay, Yatanapon Press, 1885, p-78 (Henceforth : *A-kauk-hnôn 1885*)

²⁴ *A-kauk-hnôn*, 1885, 88

²⁵ Toe Hla, 2009, 89-90

²⁶ Toe Hla, 2009, 40)

²⁷ Henry Yule, A Narrative of the Mission to the court of Ava in 1855, Reprint Kualalumpur, Oxford University Press, 1968, p.256-257 (Henceforth: Yule, 1968)

reached the Royal Treasury, since 2% went to the salary and charges of the tax collectors. If the goods were not be sold in Amarapura, but between Bhamo and Amarapura, the tax was to be paid in Bhamo.²⁸ In passing from one region to another in Upper Myanmar, the traders had to pay taxes at inland sentry gate and the waterway sentry gate, which was called the sentry tax (kin khun). As to the inland tax, there were 30 in Myanmar territory, 17 in Shan State (47 in total).²⁹

The boats and barges going up and down the Ayeyawaddy were collected at Sampanago sentry Gate, Kyauk. Talone sentry Gate and Mingun Sentry Gate: 1 kyat, 1 mu and 1 pe per one ply trip. One trip of cart, oxen, load, footman, carrier over the shoulder, boat or horse going out to British-Burma to the south was issued a ticket over the tax of one kyat.³⁰ The tax rates on the import and the export between Upper and Lower Myanmar ranged from 6% to 10%, but not equal taxes on all the goods. There were various kinds of taxes depending on the type of goods. While goods were taken as taxes for some goods, five coins were collected on some goods of value of ks. 100.³¹ Though the trading between Upper Myanmar and British Burma had increased according to 1862 contract, both sides, were not satisfied. King Mindon made efforts for the promotion of the productivity and modernization of the production. Modern machinery to purchase was an important issue, so a contract was signed in 1862, in which one item was included that the traders of upper Myanmar be allowed to do trading in the territory of the British. It is assumed that the king expected to purchase the machinery, guns and ammunition. After the contract had been signed, the mutual trading between Upper and Lower Myanmar had increased from year to year.³²

The British Government was willing to sign a new contract as the 1862 contract did not bring as much profit as they had expected. So, on the ground that the British had given aid in suppressing the uprising of Myin-Kun and Myin-kontaing, they attempted to sign a new contract. On 25 October, 1867, the second trading contract was signed in the presence of Sir Albert Fytche and Pakhan Minister.³³ It contained the terms of agreement; to cancel

²⁸ D.G.E Hall, *The Dalhousie Phayre Correspondence (1852-1856)*, London, Oxford University Press, 1932, P.406 (Henceforth: Hall, 1932)

²⁹ Ohn Kyi, *Konbaung khit haung A khun Kauksanit*, Mandalay University, History Department, 1969, p.102 (Henceforth: Ohn Kyi, 1969)

³⁰ Ohn Kyi, 1969, 102

³¹ Myint Myint Than, 1969, 88

³² RTCBB, 1869, 7-9

³³ Fytche, 1878, 231

the government's control on other goods, except teak, oil and precious stones; to collect only 5% on the import and the export; to appoint a British agent in Mandalay, etc after the 1867. Trading contract, there was an increase of British–Myanmar Trading as stated in the following table on the trading of the import and the export.

Increase of Trading between British and Myanmar after signing the 1867 Contract

Year	Export (Kyat)	Import (Kyat)
1866–67	5633511	7256691
1867–68	10670310	12781170
1868–69	8820970	12324070
1869–70	9053080	12835891
1870–71	10147692	13262402
1871–72	11048380	12151508
1872–73	11910920	13320920
1873–74	12921790	12976450
1874–75	14575720	14702600
1875–76	15146130	13559190
1876–77	15857520	14807030
1877–78	20010000	17760000

Source: Myint Myint Than, 1969, 90

According to 1867 contract, there was an increase of trading between the British and Myanmar, and one note worthy fact related to trading was discovered: though the value of the import was always higher than that of the export from Upper Myanmar, the value of the export had begun to be higher than the import of British–Burma starting from 1875.76. In 1877–78, the value of export was over 22 lakhs more than the value of the import. ³⁴The higher value of the export of Upper Myanmar is assumed to be the fruit of king Mondon's efforts to promote the productivity.

³⁴ Mr.Taw Sein kho, Hlut-taw Hmat-tan, Yangon, Government Press, 1960,p-14-15(Henceforth:Taw Sein kho,1960)

Conclusion

In conclusion, at the beginning of King Mindon's reign, because of the possibility of British attack and because of the bad rulers, the monarchy became weak. Moreover, the economy also suffered because Lower Myanmar, the rice granaries of Upper Myanmar, was under the British government. King Mindon tried for the Upper Myanmar to be a strong and modernized nation through increased productivity and profits from trading. Besides, the king practiced monopoly of trade to gain more profit. Therefore, he regarded jade, earth oil and timber as the royal goods which were sold to the British merchants from the Lower Myanmar. Instead of collecting heavy tax from the citizens, the King tried to make profit from increased productivity and international trading controlled by the King. In order to get the necessary money to build the nation. The king conducted trading with Lower Myanmar with the two trading contracts; one in 1862 and another one in 1867. After the trading contracts, the value of the exported goods from Upper Myanmar was higher than the value of the imported goods. Myanmar economy which had been falling down was stronger again because of the effort of King Mindon.

Acknowledgements

The author wants to express very sincere thanks to all those who were involved in preparing this paper. The author is also very grateful to Professor Dr Tun Tun Shein (Professor Head , University of Yadanabon) for his encouragement.

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