

## AGRICULTURAL INDUSTRY IN COLONIAL MYANMAR (1900-1930)

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### Abstract

The economic condition of Myanmar during the colonial period economy was brought into Myanmar by the English imperialists. Nearly all the businesses were in the hands of capitalist government and the capitalist foreigners. Only before the annexation of Upper Myanmar, the nation's economy was transformed to become a commercialized one with the implementation of capitalist economic system from subsistence structure. This transformation resulted in growth of surplus production by agriculturists and consumer rewards for their efforts. In traditional economic structure under Konbaung kings there was little incentive for agriculturalists to risk the hazards involved in opening new lands on the Delta frontier. Political and economic change led to the emergence of a new society in Myanmar which was radically different and for more complex than that which had existed in the Konbaung period. When the British introduced commercialism, the export drive of rice was made. It changed the whole life-style of the peasants. The rise of the Myanmar had to change Delta in the British period to a position of pre-eminence within with emphasis upon the economic basis. This paper aims to present a detailed history of agrarian development in Lower Myanmar during the British colonial period. The growth and ensuing crisis of the rice industry on the Delta frontier during this period provided a superb case study. The colonial economics in the era of 'high imperialism' created at the same time new economic opportunities and incentives to agriculturalists.

**Keyword:** Peasants, agriculturists, rice, economic system

### Agricultural Industry in Colonial Myanmar

Myanmar economy was generally a sufficient one although economic pattern in general was backward relying mainly on agriculture. Over 80 percent of Myanmar population lived in rural area. Three main economic agriculture.<sup>1</sup> With the fall of the nation under colonial rule Myanmar economy was brought into drastic change in accordance with the policies of the colonial government.<sup>2</sup>

With changing pattern of agriculture under colonial rule rice production increased. With the opening of Suez Canal in 1869 rice export became easier and speedier than ever before and rice from Myanmar could be exported to foreign markets. According to government statistics there was a total of about 4.3 million acres under cultivation in Myanmar of which 3.8 million was rice fields in 1885-86.<sup>3</sup> The British inaugurated a separate department for agriculture in 1907. The whole land area available for cultivation was over 203 million acres of which only 21.8 million acres were used for cultivation and 18 million acres were left un-grown.<sup>4</sup>

The increase in extension of rice fields and production of rice were chiefly due to the money-lender class called Chettyar who came to Myanmar for that purpose and migration of

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<sup>1</sup> Chit Swe, *ဝိသနာရက္ခိတကျမ်း (Treatise on Wunthanu Rakkhita: Caring about the Race)*, Mandalay, Pyinnya Theikdi Press (with no publication date), p. 21

<sup>2</sup> Maung Su Zan, *ဗမာ့စီးပွားရေး (Myanmar Economy)*, Yangon, Gyobu Press, 1968,p. 324

<sup>3</sup> Daw Kyan, *မြန်မာနိုင်ငံအခြေအနေ (1885-86) (Condition of Myanmar during 1885 and 1886)*, Yangon, Sarpay Beikman Press, 1978, p. 129

<sup>4</sup> Mya Mya Ye, *ကိုလိုနီခေတ်ဦး တောင်သူလယ်သမားဘဝသမိုင်း {Peasantry Life in the Early Phase of Colonial Period (1885-1931)}*, Thesis submitted to Mandalay University in July 1992 for the Degree of MA in History, p. 4

large number of Indian farm labourers called Coolie.<sup>1</sup> Generally there were two kinds of cultivation: monsoon cultivation or grown with rain water (wet cultivation) and summer cultivation or grown with irrigated water (dry cultivation). Included in the first one are paddy, sugar cane, rubber and some kind of gardens and that in the second type are groundnut, sesame, cotton, corn, wheat and varieties of peas and beans. In Myanmar under colonial rule there were a total of 12 million acre (both wet and dry) in paddy, one million acres in groundnut, two million acre in sesame, 250,000 acres in cotton, half million acre in corn and wheat, 1.3 million acres in peas and beans, 60,000 acres in sugar cane respectively.<sup>2</sup>

The most significant progress gained in the agriculture sector of Myanmar during the colonial period was in paddy cultivation. Total average of paddy was from six million in 1890 to 12 million in 1936. The production of rice also increased from four million tons in 1895 to eight million in 1940. The extension of rice fields was more rapid in Lower Myanmar than in Upper Myanmar as the former had more favourable conditions for paddy cultivation. In between 1845 and 1936 total acreage under paddy cultivation in both Lower and Upper Myanmar was as much as three to four times than before.<sup>3</sup>

The basic pattern of agriculture was considerably changed from subsistence economy in time of Myanmar kings to commercial agriculture in time of British colonial rule with vast investment from metropolitan country. In order to implement that system the British introduced five different types of agricultural land owning systems. They are squatter system, *patta* system, renting system, granting system and colony system.<sup>4</sup> The first one is similar to that of *dama-u-cha* system practiced by Myanmar kings. The British authority, with the aim of boosting the agricultural production, permitted anyone who wished to do farming to settle freely on anyplace. The settlers by this way were termed squatter. *Patta* system allowed any peasant, after examining, to work on a plot of 15 to 50 acres range. Renting system allowed peasants to do farming by renting the land from the government for a period of five to ten years. Granting system was enlargement of the renting system and by which farmers could get thousand acres of land at easy terms and regulations for cultivation. This was aimed to attract business firms and individual entrepreneurs to make investment in farming.<sup>5</sup>

Under British rule anyone was allowed to take up land as a squatter on condition of paying the revenue and after paying revenue for 12 years it became his private property. When land values grew, the British began to stake out claims to land and pay revenue on it for twelve years without cultivating it. With a view to encouraging cultivation the Government also introduced a system of making small grants of land up to 50 acres known as *pattas*, free of revenue for a period of years, supposed to represent the time required for clearing the jungle. Now and then attempts were made to induce capitalists to take up large tracts of waste land on grant or lease but these attempts met with little success and were soon abandoned. With very few exceptions the land in Myanmar has been brought under cultivation by squatters or by men holding a *patta*. The *patta* system proved unworkable. Ordinarily there were several applicants

1 J. S. Furnivall, An Introduction to the Political Economy of Burma, Yangon Book Club, 1931, p. 45 (Hereafter cited as Furnivall, Political Economy of Burma)

2 Bhamo Tin Aung, တိုလိုနီခေတ်မြန်မာနိုင်ငံသမိုင်း (History of Myanmar in Colonial Period), Yangon, Shwe Kyae Books, September 1977, p. 15 (Hereafter cited as Tin Aung, Colonial Myanmar)

3 U Kyaw Win, Professor in History and Professors of Other Disciplines, နှစ်ဆယ်ရာစုမြန်မာနိုင်ငံ (Myanmar in the Twentieth Century), Yangon, Universities Press, First Published, January 2002, pp. 102-103 (Hereafter cited as Kyaw Win & Others, Twentieth Century Myanmar)

4 Furnivall, Political Economy of Burma, p. 46

5 မြန်မာ့လယ်ယာခြေသမိုင်း၊ အတွဲ(၁) {History of Farmland in Myanmar, Volume (1)}, Burma Socialist Programme Party, Party Central Organizing Committee Headquarters, Yangon, Sarpay Beikman Press, First Published, November 1970, p. 87 (Hereafter cited as History of Farmland, I)

for the same plot of land and by the time that their claims had been surveyed and adjudicated, someone else was found to be in occupation as a squatter; the *patta* system facilitated the transfer of land to wealthy landowners and money landers and between 1905 and 1910 it was abandoned.<sup>1</sup>

In time of British rule there were vast amount of uncultivated land and virgin land in all over Myanmar. The British therefore termed these lands as government-owned lands and started to grant them to farmer.<sup>2</sup> On these lands people who had migrated from far away regions were primarily chosen to settle and do farming and cooperative credit societies provided them necessary funds for cultivating. Land allotment system by this way was called colony system.<sup>3</sup> The British authority, in order to boost up the extension of farmland, encouraged the inflow of Indian farm labourers into Myanmar particularly to the regions in Lower Myanmar where rice cultivation was largely developed. By this way these labourers became mostly occupied not only in farming but also in transportation and many other labour intensive sectors of the country by 1918.<sup>4</sup> After the First World War (1914-18) the price of paddy became high and large profits were made out of trade. Such profits were party used to build a number of small rice mills in districts where rice cultivation flourished. But since 1927 the foreign companies such as Steel Brothers and the Ellerman's Arakan owned the great rice mills established. This rice mill in the ports controlled the shipping lines in joining together with monopolistic firms and they were also able to lower price.<sup>5</sup> But, because of the World Economic Crisis of 1929-30 it fell to 138 KS 100 baskets of paddy in 1930.

Between 1855 and 1905 the rice industry in Myanmar would expand from 162,000 tons of exported rice and paddy to nearly two million tons by the turn of the century. During this period the total cultivation area increased from 800,000 acres to six million acres. As a result of capitalist investment communities along the *Ayeyawady* River delta saw their environment becoming one of the most important economic zones in the region as well as one of the most populated with the immigration of labour from British India, Malaya and Upper Myanmar. Over the last 20 years of the 19<sup>th</sup> century more and more Indian immigrants (up to 297,000 by 1901) became part of the socio-economic landscape. A total of 70% of the Indians lived in *Yangon* in the early 1870s and by 1901, 50% of the city's inhabitants were Indian. Between 1852 and 1937 some scholars suggest that nearly 2.6 million Indians migrated to Myanmar. Much of the expansion in the rice economy of Myanmar stemmed from the settlement of Indian communities in Lower Myanmar.<sup>6</sup>

Farm labourers called coolie who came to Myanmar for their livelihood were of different races such as natives of Chittagong, Tamil, Hindustani, Urea etc. and they went and settled in port cities and regions where cultivation was flourishing. Many of them went back to their native at the time when farming works finished. By the census of 1911 the total population of Myanmar was 12,115,217 and of which 778,841 were Indians. After a decade later the population rose to 13,212,192 of which 887,097 were Indians. Most of these migrant

<sup>1</sup> Furnivall, *Colonial Policy and Practice*, p. 110

<sup>2</sup> Po Kyaw San, မြန်မာ့လယ်ယာမြေစီးပွားရေးစစ်တမ်း၊ ဗြိတိသျှနယ်ချဲ့ခေတ် (1885-1942) {*Survey on Myanmar Farmland Economy, British Period (1885-1942)*}, Yangon, Pyidaw Kyetthaye Press, First Published, August 1968, p. 14 (Hereafter cited as Po Kyaw San, *Survey on Farmland*)

<sup>3</sup> *History of Farmland, I*, p. 90

<sup>4</sup> *Burma, Volume III, No. 4*, Government Printing and Stationery, Published by the Director of Information, 1953, p. 60

<sup>5</sup> State of Economy, Department of Economics, Yangon University, 1962, p. 14

<sup>6</sup> Michael Aung Thwin and Maitrii Aung Thwin, *A History of Myanmar since Ancient Times*, London, Reaktion Books, , Second Updated and Expanded edition, 2013, p. 207 (Hereafter cited as Aung Thwins, *History of Myanmar*)

Indians replaced in many works the place of Myanmar labourers.<sup>1</sup> On the other hand, necessary funds for farming works were provided by cooperative societies, foreign banks and individual money lenders and most of these funds were from Chettyars. The government in 1884 adopted an act for agricultural loans but the money lent by government was never sufficient enough for peasants. For example, in the year between 1915-16 and 1924-25 the government could provide only two million rupees (R.) for lending. On the other hand, money provided by the Chettyars just in a year 1929 mounted to R. 12 millions.<sup>2</sup>

Under Myanmar rule there was no foreign market for most produce and if a cultivator grew more than was sufficient for his household the surplus might not be worth gathering. He had little money because a barter economy prevailed. He did not need much money because he could himself provide for most of his requirements and there were not many things on which he could spend money. No one need save for his old age because of the tradition deeply rooted in Myanmar social life that children should support their aged parents. Men did not borrow to gain wealth and it might even be dangerous to appear too rich. Those who borrowed through poverty were protected by custom against excessive interest and the loss of land. Interest could not accrue beyond an amount equal to that borrowed and land was a family possession that individual members of the family could not alienate. Under British rule, however, the cultivator was encouraged to borrow and to spend money and deprived of the customary protection against borrowing and spending in unwisely. The principle of economic freedom stimulated cultivation for export. Formerly, the cultivator had been content with as much land as he could live upon but now he wanted all that he could work.<sup>3</sup>

An important feature which appeared in agriculture sector under colonial rule was indebtedness of the majority who engaged in this industry: peasant farmer, peasant grower, and tenant alike and farmlands formerly owned by native farmers gradually fell into the hands of foreign investors, and thus appeared the system of absentee landlordism in the colonial period. As the alien business firms gained more and more profit from agriculture, native growers who did the actual works of farming in persons grew more in poverty. The government in 1925 tried to loosen the imbalanced situation by regulating some measures such as to make tenant bond once a year, do not fund loans in repay back with crops at fixed interest rate, to use standard containers for weighing agricultural products etc. But in reality these undertakings were not enough for relaxing the situation and even they were not fully implemented by the government.<sup>4</sup> Therefore, many Myanmar farmers and peasants gradually brought down to degradation to become tenants. The following figure shows the increase of landless peasants in ten years between 1921 and 1930:

**Figure (1): Increase of landless peasants between 1921 and 1930**

	<u>1921</u>	<u>1930</u>
Peasant farmer	50.6%	36.9%
Tenant peasant	22.3%	23.0%
Coolie	27.1%	40.1%

The increase in number of coolie showed the increase of landless peasants during these years. Total number of landless peasants in 1911 was 912,359 and it increased to 1,027,598 in

<sup>1</sup> အဓိကရုဏ်းစုံစမ်းရေးကော်မတီ၏ ကြားဖြတ်အစီရင်ခံစာ (Interim Report of the Riot Inquiry Committee), Yangon, Government Printing, 1939, pp. 20-21

<sup>2</sup> Kyaw Win & Others, *Twentieth Century Myanmar*, p. 104

<sup>3</sup> Furnivall, *Colonial Policy and Practice*, p. 114

<sup>4</sup> သူရိယာတင်းစာ၊ ၁၆ ဇန်နဝါရီ ၁၉၂၆ (Thuriya Newspaper, 16 January 1926), p. 13

1921.<sup>1</sup> As the development of capitalism in Europe rose into industrial capitalism and brought about landless peasants as its consequence, extension of farmlands in Myanmar produced both Chettyar money lenders who owned more farmlands and Myanmar peasants who grew to become landless tenants. Percentage of falling farmlands into the hands of absentee landlords in 1930 was 10.52% in Upper Myanmar and 32.52% in Lower Myanmar respectively.<sup>2</sup> Due to World Economic Crisis of 1929-30 and fall down of the price of rice, peasantry's indebtedness grew higher and 942,047 acres of farmlands had to be handed over to credit banks and money lenders in 1931-32. In 1930 there were 1,655 money-lending centres of Chettyar with a total investment of about 50 million R. and due to the great war of 1939 the investment fell in 1941 to 7.42 million.<sup>3</sup>

Formerly during the two months' interval between harvest and ploughing the cultivators obtained from the adjacent jungle the material for repairing their houses and agricultural implements. But in colonial period, with the spread of cultivation, they had to buy these things. They could no longer earn money in the dry weather by making salt and fishing but now they had to buy their salt and fish. Instead of earning money as boatmen they had to pay steamer fares for their necessary journeys. In place of home-made clothes they had to buy foreign cloth. By their own standards the people were still well fed and well clad and in some ways better fed and better clad. Imported salt was better than local salt and imported cloth if less durable than local cloth, had a much greater variety of patterns. But those who could not afford to buy these things felt poorer than before. Their wants expanded as their income declined. Naturally men borrowed recklessly and took full advantage of the new facilities for borrowing. Western law fixed no limit to the accumulation of interest and gradually defined and restricted family property in land making it freely and finally transferrable by the occupant while the courts supported creditors in treating as sales transactions that in the intention of the borrower were mortgages.<sup>4</sup>

Apart from rice, other varieties of crops are being grown from time to time up to the modern days. Sesame was mainly grown in the areas of Upper Myanmar where there is scanty of rain and much sunshine such as *Shwebo*, *Monywa*, *Sagaing*, *Meikhtila*, *Myingyan*, *Pakokku*, *Thayet* etc. Another kind of popular oil-crop was groundnut which was introduced in 1904 and grown in *Magway* and most of the regions where sesame was grown. Similarly, cotton was grown in these areas and in some parts of the *Shan State*. Corn was grown both in Upper Myanmar areas and also in Lower Myanmar areas of *Hinthada* and *Maubin*. Gram was grown too in both Upper and Lower Myanmar (in *Thayawady* and *Maubin*). The sown acreages of respective seasonal crops in some years are shown in the following figure:<sup>5</sup>

**Figure (2): Sown acreage of seasonal crops**

	<u>sesame</u> <u>groundnut</u>	<u>cotton</u>	<u>corn</u>	
<b>1900</b>	828,521	11,731	162,800	86,172
<b>1920</b>	1,148,354	-	-	-
<b>1930</b>	1,125,026	570,616	319,977	200,036
<b>1940</b>	-	78,060	347,442	221,936

<sup>1</sup> Chit Maung, တောင်သူလယ်သမားတိုက်ပွဲ (Peasants' Struggle), ပြည်သူ့ရေးရာစာစောင် (Public Affairs Bulletin), No. 1, March 1961, p. 40

<sup>2</sup> Benison, Census of India, 1931, Yangon, Government Printing, 1933, p. 88

<sup>3</sup> U Thaw, အိန္ဒိယ-မြန်မာဆက်ဆံရေးမှတ်တမ်း (Record on Indo-Myanmar Relations), Yangon, Sarpay Beikman Press, p. 48

<sup>4</sup> Furnivall, Colonial Policy and Practice, p. 115

<sup>5</sup> Russell Andrus, Burmese Economic Life, Oxford University Press, 1948, pp. 45-46

Each of three other crops was normally planted on about one million acres but was subject to large fluctuations in area depending upon demand, rainfall and rice prices. These crops and their areas during the season 1936-37 were legumes 1,138,007 acres, peanut 700,000 acres and cotton 515,642 acres respectively. Peanut was introduced into Upper Myanmar in 1905 and the trade was almost entirely controlled by Chinese brokers. In addition to these crops millet and other forage crops covered 506,732 acres. During years of low paddy prices the area sown to subsidiary crops increased and likewise when the paddy market was strong there was a decrease in the acreage of miscellaneous crops. Cotton has been grown in Myanmar for centuries. *Myingyan* and *Thayetmyo* were the centres of cotton cultivation, smaller quantities being grown in *Meikhtila* and *Pakokku* districts and elsewhere in the dry zone.<sup>1</sup>

Beans and pulses were chiefly grown in Upper Myanmar areas and *Hinthada*, *Thayawady* and *Maubin* of the Lower Myanmar. In the colonial period Myanmar generally exported over 100,000 tons of variety of beans and pulses annually. Tobacco was prevailed in *Hinthada*, *Pakokku*, *Thayet*, *Myingyan*, *Taungoo* and *Pathein* and Virginia strain of tobacco was mainly grown in *Linkhay* region of *Shan State*. Sugar cane was grown in *Thaton*, *Myitkyina*, *Yamethin*, *Taungoo*, *Bago*, and *Kyaukse* regions. Wheat was grown mainly in Upper Myanmar regions and also in the *Shan State*. Rubber was thrived in *Taninthayi* coastal region, on southern part of *Bago Yoma* and around the *Yangon* region where there is much rain and sunshine. In time of colonial rule there was a total of 3,693 plantations of rubber all over the country of which that of only under 100 acre size were owned by Myanmar citizens and the rest of all were owned by Steel Brothers and other European firms, and most of the workers employed in this industry were Indians.<sup>2</sup> The export value of rubber from Myanmar in the following years shows the decrease of rubber industry in later years.<sup>3</sup>

**Figure (3): Export value of rubber from Myanmar**

<u>year</u>	<u>export value of rubber</u>
1913-14	1.65 million <i>kyats</i>
1926-27	11.88 ditto
1936-37	6.99 ditto

In colonial days Upper Myanmar was noteworthy for its small independent holdings and for the variety of its crops. Basically Upper Myanmar, although less prosperous than Lower Myanmar in times of high rice prices, had a more constant economy due to the variety of its crops and cottage industries. Despite an erratic rainfall very rarely did Upper Myanmar have failure of all its crops in any one year. The toddy plant of which there were more than two million in *Pakokku* and *Myingyan* districts did not show the effects of a drought until the year following a dry season. Thus the Upper Myanmar cultivator may have five acres of early sesame, a similar area of late sesame, a few acres of cotton and peanut and his fields bordered by toddy trees that yield toddy sugar for a ready market. Unless rain was entirely inadequate one of the crops was certain to have a normal yield and even in a totally dry year his toddy trees would not fail until the following season. He was consequently better prepared to face

<sup>1</sup> John Leroy Christian, *Modern Burma*, Berkeley and Los Angeles, University of California Press, 1942, pp. 110-111 (Hereafter cited as Christian, *Modern Burma*)

<sup>2</sup> U Tun Wai, *Economic Development of Burma from 1800 to 1940*, Yangon, Universities Press, 1961, p. 28 (hereafter cited as Tun Wai, *Economic Development*)

<sup>3</sup> Dr. Kyaw Thet, *ပြည်ထောင်စုမြန်မာနိုင်ငံသမိုင်း* (History of the Union of Myanmar), Yangon, Khit Myan Press, (with no publication date), p. 462 (Hereafter cited as Kyaw Thet, *History of Myanmar*)

economic stress than was the farmer of Lower Myanmar whose prosperity depended almost entirely upon the export price of paddy and rice.<sup>1</sup>

The export value of miscellaneous products produced by Myanmar people gradually increased during the colonial days. They were included products of cotton, cotton seed, sesame oil, spice, tobacco, rope made of coconut fiber, cutch, tree barks useful as dye, fish and related products of ponds, hides, lac, tea etc. and the following list gives this increase:<sup>2</sup>

By the 1880s local and foreign credit operators had already entered the scene and begun to influence the rice industry as the price of land and the amount of loans required to develop it increased for first time farmers. Local money lenders began to see their businesses decline as urban creditors: Indian Chettyars and large landowners began to exert their dominance on the rice economy. For the majority of small-scale Myanmar cultivators profit was difficult to make as the circumstances surrounding the boom of the rice economy required financial and economic tools that were not readily available to them. Scholars estimate that total land cultivation rose from around one million acres in 1870 to eight million acres by 1930.<sup>3</sup>

The colonial government on its part, only serious effort was made through the Indian Cooperative Societies Act of 1904 to provide an alternative source of credit to that of the Chettyars and traders. The cooperative credit movement developed from a recommendation contained in the Indian Famine Commission report of 1901. In Myanmar, however, there existed no popular understanding or support for the cooperative idea when the Department of Agriculture undertook to foster the programme. Because of the smallness of the share capital and member deposits in Upper Myanmar, the Upper Myanmar Central Union Cooperative Bank was established in 1910. It became in 1920 the Myanmar Provincial Cooperative Bank. The lending operations of this bank as an aid to cooperative societies were extended quite dangerously beyond its direct knowledge of circumstances to cover the needs of hundreds of local societies.<sup>4</sup> The first cooperative society was founded in 1905 and by 1927 there were 4,000 (with 90,000 members) lending money at 15%, an unprecedentedly low rate. They lent only to members, fellow villagers who all knew each other, the average loan was only £ 17.<sup>5</sup>

By 1915 some 1,250 credit societies were organized which number increased to 3,319 by 1920 and to 4,057 by 1925.<sup>6</sup> But even at its maximum operation the cooperative movement provided only a fraction of credit needs for agriculture. By 1920s the societies were running into serious difficulties, a problem which will be treated in a later connection. The credit societies could provide only a limited solution because the need for credit was heaviest in precisely those delta areas where the population was migratory and lacked the social cohesion and mutual trust needed for cooperatives to function. In this instance also, business elements represented in the Legislative Council supported the Chettyars and traders in resisting government efforts to protect cultivator-owners from usurious demands.<sup>7</sup>

The phenomenal expansion of rice production was accomplished under a triple stimulus: (1) the steady immigration of experienced agriculturalists from Upper Myanmar skilled in the art of wet rice cultivation (2) abundant cash credits based on land security and

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<sup>1</sup> Christian, *Modern Burma*, p. 110

<sup>2</sup> Kyaw Thet, *History of Myanmar*, p. 463

<sup>3</sup> Aung Thwins, *History of Myanmar*, pp. 207-208

<sup>4</sup> Report of the Land and Agricultural Committee, Part iii, Agricultural Finance, Yangon, 1939, pp. 86-90

<sup>5</sup> Harvey, *British Rule*, p. 56

<sup>6</sup> *Ibid*, pp. 84-86

<sup>7</sup> David G. Hinners, *British Policy and the Development of Self-Government in Burma, 1935-1938*, Thesis Submitted to University of Chicago in 1951 for the Degree of MA in History, p. 21

provided especially after 1880 by the Chettyar money lender caste of South India and (3) the importation of transient coolie labourers from India to cover peak seasonal demands for planting, harvesting and milling the rice crops. Other Indian immigrants manned wharves, railways and large river craft. Governmental policy facilitated the agricultural development by constructing bunds to protect large areas from threat of river floods by developing railway and water systems of transportation for Lower Myanmar and for a time, by subsidizing the steamship companies which were transporting the Indian labourers from Indian ports to *Yangon*.<sup>1</sup>

An important contributing factor to the expansion of agricultural credit was the Land Revenue Act of 1876. This law required the payment of taxes continuously for twelve years before the holder could gain clear title to a newly developed piece of land. But it also provided that an "occupancy right" obtained by payment of nominal land revenue for a single year could be used as security for loans to cover the purchase of such things as food, the cost of clearing and drainage, cattle and seed and the planting of a crop. The lender and the trader almost invariably moved in to take over the virgin area and repeat the process. Fever, cattle disease, conflicting claims and flood damage took heavy toll of the struggling cultivators. Persons of wealth aided by the connivance of officials would sometimes stake out claims without improving them, pay the annual taxes for twelve years while waiting for adjacent areas to be developed and then sell their full title at a substantial profit.<sup>2</sup>

During the decade 1930-1940 Myanmar, Thailand and French Indo-China exported an annual total of 6.3 million tons of rice milled and in the husk. Of this huge export Myanmar's normal share was nearly 3.5 million tons- more than half the total. During the 1933-34 season Myanmar's rice exports reached a record total of 3.779 million tons. It is no unusual sight to see as many as 20 ocean-going ships loading rice in the *Yangon* River during the height of the milling season. Due to World Economic Crisis, however, rice export prices reached their lowest level during April 1934 only 40% of the 1929 level. During these years Myanmar has about 12.5 million acres under rice of which some 10 million acres are in Lower Myanmar. During the 1938-39 season the amount actually exported from *Yangon* and out ports was 3.604 million tons. The prices obtained during the 1939 season were the highest during the decade. The price began at R. 185 per 100 baskets during January 1939. In October, the price had risen to R. 275 per 100 baskets.<sup>3</sup>

Fifty out of a hundred cultivators had to borrow some capital from wealthy people at high interest rate to buy cattle and farm instruments such as mattock, hoe, harrow and to hire tenants and coolies. The interest rate was 2% if diamond or gold was pledged as security for money to be borrowed. It rose to 5% if paddy field or land was mortgaged. The boatman and fisherman had to pay 7% to 10% interest for they could not give any security for the money they borrowed. The cultivators, on the other hand, had to pay not only land revenue but also capitation tax to the government not in kind but in money. The ordinary rate of capitation tax was fixed 5 *kyat* for married couples and 3 *kyat* for unmarried adult males. Land revenue was fixed to be paid 10% of crop produced. Moreover, farmers were needed to pay tax imposed on export rice which was calculated at the rate of 3 *annas* per *maung* မာၤ - one *maung* equals 80

<sup>1</sup> John F. Cady, *A History of Modern Burma*, Ithaca, New York, Second Printing, 1960, p. 157 (Hereafter cited as Cady, *Modern Burma*)

<sup>2</sup> Report of the Land and Agricultural Committee, Part ii, Land Alienation, Yangon, 1939, pp. 39-42

<sup>3</sup> Christian, *Modern Burma*, pp. 105-107



pounds or one *tinn* (တင်း) and one *pyi* (ပြီ) of rice. Merchants and brokers also placed the burden of tax on farmers by subtracting the tax from the price they offered.<sup>1</sup>

The official policy of the Government had always been to discourage the growth of a landlord class and to make Myanmar a country of small landowners. It would appear however that the Government has not in the past regarded its declared policy as imposing on it any obligation to action since very little has been done to make the policy effective. Nothing more was attempted until it appeared that the serious rebellion in 1931 was partly due to agrarian distress. The subsequent agricultural depression revealed something of the gravity of the situation. The revenue records for the 13 chief rice districts of Lower Myanmar showed that half the land was held by non-agriculturists and that the chief money lending caste- the Indian Chettyars alone held a quarter of it. The following figure shows the possession of farm lands in Lower Myanmar by different proprietors in 1930 and 1937.<sup>2</sup>

**Figure (4): Occupancy in acres in thousand**

	<b>(a) total area occupied; (b) area held by</b>			
	<b>(b) (i) non-agriculturists (ii) Chettyars (iii) agriculturists</b>			
	<b>(a)</b>	<b>(b) (i)</b>	<b>(b) (ii)</b>	<b>(b) (iii)</b>
1930	9,249	2,943	570	5,736
1937	9,650	4,929	2,446	2,275

The figure above shows the fact that the percentage of agriculturists in 1930 in Lower Myanmar was about 62% of total area occupied under cultivation but the number sharply declined in 1937 to only 23.5% of total farmland.

The general condition in agriculture sector under colonial rule and its effects on Myanmar cultivators can be vividly seen in the following brief assessment of Dr. *Khin Maung Nyunt*:<sup>3</sup>

The effects of British economic system had enriched Myanmar nation but impoverished the Myanmar people. Myanmar peasants were caught up in the vicious circle of debt, fall in labour price, bad harvest and hardship. To the Chettyars (ချစ်တီးကုလား) they owed agricultural debt of considerable amount which was estimated at £ 40 million by 1930. More than one-third of the paddy land fell into the Chettyars' hands as mortgaged property. Thus peasant proprietorship broke down and absentee landlordism appeared. The landless peasants eventually found themselves hard against the Correngees (ဂေါ်ရင်ဂျီကုလား) who with a much lower standard of living than theirs undercut them in competition for land tenancy. The alternative means of livelihood to be found in the urban life was already monopolized by the Indian immigrants who thronged the cities and towns as cheap menial labourers. There was little or no effort on the part of the British Government to prevent the natural phenomena of food, draught and pestilence which caused bad harvest almost every

<sup>1</sup> Daw Kyan, သီဝေမင်း ဝါတော်မူချိန်က မြတ်သျှ-မြန်မာ နိုင်ငံသူနိုင်ငံသားတို့၏ အခြေအနေ (Condition of Myanmar People at the Time of Take away of King Thibaw), *Union of Myanmar Literature and Social Sciences Journal*, Volume II, No. 2, 1969, pp. 7, 9

<sup>2</sup> Furnivall, *Colonial Policy and Practice*, pp. 110-111

<sup>3</sup> *Selected Writings of Dr. Khin Maung Nyunt*, Yangon, Universities Press, First Published, 2004, p. 117 (Hereafter cited as *Khin Maung Nyunt's Writings*)

alternate year. Added to these evils were the bazaar debt (ဈေးကြေး) which the peasants owed to local retailers usually Chinamen from whom the former bought their daily needs on credit system. At the time of the harvest the bazaar debts had to be paid back in kind i.e. on every debt of K. 35 to K. 40 hundred baskets of paddy had to be returned at a time when the average price for 100 baskets of paddy was in the neighbourhood of K. 85!

The seriously deteriorating condition prevailing in agriculture sector particularly in the aftermath of Great Depression was neglected by the British authority and this situation finally led to great upheaval in December 1930 led by *Saya San* began in the *Thayawady* District and quickly spread to other parts of the country. *Saya Gyi* continues his remarks on the above situation as follows:<sup>1</sup>

Yet the British authorities at the high level did not realize that things were not going right for they were not in touch with the conditions of rural life. There seemed tranquility because the discontent peasants with their characteristic rustic endurance remained restful by trying to make both ends meet as best they could. But tranquility was a lull before the storm. Proponents of British Regime pointed out some attempts made by the British Government “to save the peasants from the clutches of the money lenders by the passing of two acts to provide cultivators with loans at low rates of interest.” But terms of loans were too complex and stringent for the simple minded peasants. There were also cooperative societies financed by land banks which were half-hearted and inadequate for the economic evils of the peasants needed remedy not palliative.

In brief agricultural sector of Myanmar under colonial rule showed great progress in comparing with that of under Myanmar kings. This progress was mainly due to transformation of subsistence economy to commercial economy in accordance with capitalist economic system. Although Myanmar became a leading rice producing country of Southeast Asia within a short period after colonization, majority of Myanmar farmers did not enjoy the benefits of this progress and even became worse than before when Myanmar suffered the impacts of world economic slump in 1929-30. The British policy, on the other hand, continued to neglect the general welfare of peasants mass and sufficient attention had never been given to all-round development of agriculture sector.

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<sup>1</sup> *Khin Maung Nyunt's Writings*, p. 118

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