

The Forest Industry of Myanmar in the Second Half of Nineteenth Century

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Abstract

After the Second Anglo-Myanmar War, the kingdom of Myanmar lost Lower Myanmar including Bago Province. This loss meant the loss of rich resources of revenue because the paddy cultivation of Lower Myanmar and seaborne trade provided revenue to the royal treasury. Thus, King Mindon sought other sources of income. He practiced the royal monopoly system by which the king became a largest wholesale trader in teak, petroleum, gem stones, cotton, and etc. trade. Particularly the king relied on teak trade. He leased teak forests to foreigners. This paper investigates how the king sold teak forests to the private firms and results of this business. The discussion is also made on the illegal logging of Bombay Burma Trading Corporation in King Thibaw's reign and its aftermath.

Keywords : Seaborne trade, tea trade, royal monopoly system

During monarchical period, kings and people usually extracted teak and other when they built new palace, city and religious moments. In order to extract teak, the king appointed forest officer, forest clerk, overseer, and head of saw-men (ROB IV: 1986, 419). Although the western merchants noticed the value of teak since the time of Nyang-yan dynasty (Dijk, 2006, 88-89), teak and other timber were not included in the important export items until the time of King Mindon. The king used forest as the area where the convicted criminals and those who defied him were sent into exile (ROB IV; 1986, 500, 523, 565, 670, passim). It is surmised that most of the forest areas were left untouched by the kings before the Konbaung Period.

Since the Beginning of Konbaung period British and French vied each other to obtain the royal permission to open factories and shipyards by using Myanmar teak. (Hall: 1945, 54-58, 61-62). During Kings Bandon's reign the British shipwrights were allowed to reside in Thanlyin to build ship. Between 1789 and 1824, 111 square-rigged vessels of European Model were constructed, of a total tonnage of 35,000 tons, were built with Myanmar teak (Pearn: 1939, 71). After the First Anglo-Myanmar War, Myanmar had to cede Taninthayi and Rakhine costal regions to the British. The British timber merchant and shipwrights in fluxed into Mawlamyine and began to scramble for teak. Since 1829, timber industry became the most profitable source of wealth (Cady 1960: 84). About twelve timber firms exploited Attaran forest wastefully. They extracted 137,947 teak logs from that forest between 1892 and 1858. The reckless extraction teak finally led to the devastation of Attaran forest (Toe Hla: 2009, 24-29).

After the Second Anglo-Myanmar War, new monarch King Mindon had to be faced with economic problems due to the lass of lower Myanmar important source of rice and revenue. Thus the King made his utmost effort to look for the source of income. His large expenses on religious matter, introduction of salary system to crown servicemen and other reformations forced him to introduce royal monopoly system. Teak, petroleum, gem stone, cotton, etc., were put under royal monopoly.

Myanmar word "*Kondaw*" literally means royal monopoly by which the king became the largest wholesale trader in the kingdom. Some scholars praised the royal monopoly on two reasons. First, the ordinary Myanmar traders could not compete the British wholesale traders. Second, the king enabled to protect the important trade items from exploiting by the British firms(Toe Hla: 2009,65). The most important trade item was teak. King Min don's reign saw the extensive exploitation and trade in teak with the outside world. There were some reasons for this

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extension. First, teak fetched a good price on the international market, and King Mindon could pay the costs of imported machinery with teak (Myo Myint:2012, 275). King Mindon even planned to exchange teak with steamers. In 1863, the king negotiated with foreign trade agents to buy two river steamers. He proposed to exchange steamers with either teak or petroleum. He said that he would relinquish the privilege of logging in the Chindwin forest if the merchants would like to accept teak(Catalogue:1901,118-19). Second, there was rising demand for teak on the international market, especially in shipwright and railway-building programs. Lower Myanmar with its expanding timber industry provided a ready market for the teak of Upper Myanmar.

Of the forests of Upper Myanmar, Nin-gyan forest was the most productive forest. It contained much excellent teak, which could be floated down the tributaries of the Sittaung River, and they were closest to the British-Myanmar. In 1854 timber was first sold to Mr. Grant. In March 1855, it was reported that Myowun-town officer U Bwa, on behalf of King Mindon's government, had sold between 3,000 and 10,000 of the same logs to the British, who used them in building of Taungoo cantonment(Myo Myint:2012,277). Other merchants who bought teak logs from Nin-gyan forest were Mr. Lewis of Gladstone Wylie & Co., Messrs Chrisman, McToon, and William Wallace. Myanmar government timber was floated to the frontier and sold to the merchants. Of these merchants, William Wallace had personal acquaintance with King Mindon. He presented the king with a gold telescope studded with 542 small diamonds, and received one thousand one hundred teak logs in exchange. After he got a forest lease at Nin-gyan from King Mindon in 1866, Wallace formed Bombay Burma Trading Corporation in the following year.

Although the British annexed Bago Province after Second Anglo-Myanmar War, Nin-gyan forests (Present day Pyinmana) the richest teak forest, remained in Myanmar hands, Other teak forests were located along Masa Shweli, Dokhtawaddy, Mu, Chindwin, Salin, Moun rivers (Myo Myint: 2021, 276). King appointed a German Physician, named Dr. Muffle as Thit-taw-wun Forest Minister under title of Minkyaw Theikdi Bithakka (Toe Hla: 2009, 83). He also appointed his royal agent, a man named Maung Shwe Tha, at Yangon for teak trade with foreign merchants. After the appointment of forest officers, he leased his forest at the Taungoo frontier to d'Avere, a French resident in Mandalay.

Among the foreigners who were making contracts with the king, William Wallace, Mr.Lewis, of Gladstone Wylie and Co, Messrs Chrisman, Bombay Burmah Trading Corporation (BBTC) the largest firms. The BBTC was founded by Wallace. The firm did not work forests directly, but through the contractors such as Messrs. Goldenberg and Derwood and *myo-thu-gyis* town officers of Ay-lar and Le-way. In 1871 king Mindon sent Kinwun Mingyi as the revenue officer to improve administration and increase the revenue. When Kinwun Mungyi left this office for other important duty, J.S Manook succeeded this position from 1875 to 1877. King Mindon obtained Rs. 620,750 as forest revenue from Inwa and Sagaing forests, Chindwin and Mu forests, Mong Nai forests, Mong Pan forests, Kyaing Tong forests, Masa Shweli, etc. (Myo Myint: 2021, 277-279). Although the British merchants repeatedly asked for the release of teak from the list of royal monopoly, the king did not comply the British and other European firms. The annual overall income from forest duties during the Mandalay Period is as follows(GUBSS:1900,Ib,424) ;

Forest Duties	Rs.
Ava and Sagaing forests	36,000
Other connected duties	13,560
Taungoo forest	180,000

Taungdwingyi forests	8,500
Miondon forest	10,500
Chindwin and Mu forest	100,000
Mong Nai forest	10,000
Mong Pan forest	10,000
Keng Tawng forest	30,000
Masa Shweli	200,000
Thayaungchaung forest	1,750
Hlaingdet forest	10,000
Other small duties	10,000
Total	620,750

During King Thibaw's reign (1878-1885), the British contractors expected more concession from the king. In this period BBTC negotiated with King Thibaw's government to collect forest revenue and toll station taxes along Mu River, Taungoo and Yamethin and along Ayeyawaddy River (Taw Sein Ko: 1960, 75-76). In 1880 BBTC eliminated all outside contractors and began advancing money to its own covenanted employees to harvest its forest leases. In 1880, J.A. Bryce and H. Maxwell resided in Mandalay and signed the 1880 Variable Duty Contract. It gave the BBTC new leases in the Chindwin, Mu, Yaw and Pyaungshu Forests.

It is interesting to note that the 1880 variable Duty Contract provided for a duty per log to be paid to local Myanmar forest official. In doing so, teak logs 4'6" or more in girth, but less than 18' in length, were not listed. Mr. Walker of Goldenberg, Darwood and Walker reported King Thibaw's government that they would like to buy the lease on all logs under 18' in length. Andreino, the BBTC agent at Mandalay also noticed that there had been a large number of logs at Ningyan in 1881-1882 that could not be brought out under the 1880 Variable Duty Contract. Anyway, the logs less than 18 feet in length became an important source in illegal logging.

On the contrary, the BBTC would like to negotiate "Shorts" contract because that contract gave BBTC "the right to take possession of all the timber rejected under the present 1880 variable Duty lease. It also gave the BBTC the right to work all timber under three (4'6") in girth and timber not full 12 cubits (18') in length (Keeton: 1974, 202-203). In 1884, a new contract known as "Lump Sum" Contract was negotiated. Under the terms of contract, BBTC was no longer to pay a duty on each log to the local forest officials. Instead it paid a "Lump Sum" in advance to Mandalay Finance Minister. Under the terms of "Lump Sum" Contract BBTC had the privilege to obtain lease on following forest.

- (1) Ningyan forest leased to 1891: Rs. 450,000 (29, 999) per annum.
- (2) Chindwin forests leased to 1891; duty per log to October 1887: lump sum of Rs. 250,000 per annum for succeeding years to 1891.
- (3) Yaw forests leased to 1891; Rs, 32,000 per annum.
- (4) Taungdwin gyi forests leased to 1890, Rs. 26,000 per annum.
- (5) Pyaungshu forest leased to 1887: Rs 10,000 per annum.
- (6) Malun forests leased to 1890, Rs. 10,000 (Keeton: 1974, 204)

The above mentioned leases created large profit for BBTC which enable to extract teak and other timber up to the early twentieth century. Some foresters of BBTC attributed that about 500,000 teak trees would be girdled in 1886. According to a study, about 500 non-teak trees, growing in the teak forest, would be clear to obtain a teak log of standard size. BBTC committed illegal logging by paying bribes to the Myanmar foresters and local headmen (Mya Than Tint:

2009, 400-401). Thus, it is attributed that the forests under the cheap lease contract with BBTC were put under the threat of total devastation within a half decade.

The reason of negotiating cheap lease contracts insolvency of King Thibaw's government. Before 1883, the total royal revenue of King Thibaw amounted between Ks 10 million and 10.5 million. After the serious drought of 1883-1885, the people were unable to pay revenue. Those who living in the serious drought-hit areas stopped paying revenue. Some areas of Ayeyawaddy valley fell under the lawlessness and chaos (Thant Myint-U: 2001, 175).

The rising financial problems of King Thibaw's government forced Pauk Myine Atwinwun, finance minister of King Thibaw, and Taingda Mingyi to squeeze BBTC for higher payment or off selling the lease at a higher price to other firms. In February 1885, a meeting between Andreino and three Wungyis; Kinwun, Taingda and Taungwin was held. Taingda Mingi told Andreino that Ks. Twenty-two lakhs were requires by his government and even reminded the latter that the BBTC would not work its teaks leases if he fail to do so.

On April, 20, 1885, Chief Commissioner Bernard received an initial complaint form S.G. Jone, Yangon manager, about accusation of Myanmar government on thieving of logs. Meanwhile French Consul Frederic Haas offered Myanmar government to replace the leases of BBTC with French firms (Keeton: 1979, 208-212). On the contrary, the British government in Lower Myanmar noticed the French intrigues in Mandalay. However Myanmar government did not realize the situations and accordingly fined Rs.23, 59, 066 or about to 153, 333. The fine was to be paid in four monthly installments within four months (Keeton: 1797, 218). The action of King Thibaw's government triggered the outbreak of Third Anglo-Myanmar War. Although King Thibaw's government decided to reject the ultimatum of BBTC and to fright against the possible invasion of British troops, the people were facing with immense economic and social distresses due to serve drought and lawlessness. The poverty - stricken people and crown servicemen could not defend their kingdom from the invasion of powerful enemy.

Conclusion

After the end of Second Anglo-Myanmar War, kingdom of Myanmar largely depended on the extraction of mineral and forest resources to meet the financial requirements. King Mindon practiced royal monopoly by which he sold leases to the British and native firms for timber extraction. The famous timber companies and individuals who formerly conducted their business in Mawlamyine went to Upper Myanmar to scramble for teak exploitation. About a decade after the selling leases to the contractors; Bombay Burmah Trading Corporation became the largest firm in extraction of principal forests. During King Thibaw's reign a dispute over the illegal logging of BBTC created the immediate cause for the outbreak of the Third Anglo-Myanmar War. Myanmar was not ready to face against the powerful enemy due to the economic collapse of state and people.

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