Chapter V

IMPORTANCE OF IMMIGRATION IN INDO-BURMESE RELATIONS
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The role of Indians in Burma is of great significance for evaluating Indo-Burmese relations. The Indians who were an important minority group in Burma under British rule played an important role in Burmese economic, cultural, social and political life.

The Origin and Growth of Indian Immigrants

In order to understand how far the Indian immigrants in Burma were a crucial factor in Indo-Burmese relations, we will have to throw light on their origin and growth and their subsequent political and economic role. The origin of Indian immigration to Burma, is not a recent phenomenon. Although, it is difficult to explain as to when Indians first established their contacts with Burma, Burmese legends speak of Indian contacts with Burma during the pre-historic days. Since the beginning of Christian era, however, there has been evidence of Indian commercial activities in Burma. By the third century A.D. Indians from the East Coast of India and some from the West Coast had established their trading-posts on the coastal areas of Burma. In the beginning, Indian influence in general was limited to the sea-bound areas. As the land-route in the north was difficult to penetrate, it was from the sea-route that most of the Indians came to Burma. It is said that

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from the middle of the eleventh century, the influence of the Hindus had spread from Lower Burma to the people of the centre 2 of the country.

Occasional references to the presence of Indians could be traced in subsequent centuries, but at no time did Indian influence so far as can be seen, approach the power which it exercised in the days of the Pagan Empire. The Indian traders and sailors continued to visit Burma's ports and established 3 their settlements. They used to come in small numbers with the band of Portuguese, Dutch, French and English adventurers, who came to Burma at different times with the intention of expanding their political and trading interests during the sixteenth, seventeenth and eighteenth centuries. There is evidence of regular trade conducted by Muslims between the Coromandel-Coast and Burma during the seventeenth and eighteenth 4 century.

In the nineteenth century there was a remarkable change in the pattern of Indian immigration to Burma. The war in 1824 between the King of Burma and the East India Company radically altered the situation of Indians in Burma. From being merely foreigners, tolerated so long as they behaved themselves, they were now in a position to become citizens of the provinces of 5 Arakan and Tenasserim. Naturally, therefore the number of

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3 Ibid., p. 2.
4 Ibid., p. 3.
5 The provinces of Arakan and Tenasserim had been ceded to the Company by the Treaty of Yandabo in 1826. For details see D.G.E. Hall, Burma (New York, 1950), p. 105.
Indians in these ports of Burma increased. Apart from the greater facilities for trade, which were not available, the establishment of the Company's system of government provided openings for Indians.

After 1852, Indians migrated to Lower Burma in increasing numbers to fill a wide range of positions created by the expanding economy and greatly enlarged bureaucracy of the new province of the Indian Empire. On finding the Irrawaddy Delta suitable for rice cultivation on a commercial scale, the British encouraged the flow of cheap Indian labour into this area that was sparsely populated although being the most fertile part of Burma. Moreover, the opportunities for employment and trade in Burma were promoted in the post 1852 period.

With the proclamation of whole of Burma as a province of the Indian Empire in 1886, the British began to promote the immigration of Indians into the empty lands of Burma with a view not only for extending Burma's rice cultivation for export purposes but also to relieve congestion in the more thickly populated areas of India as well as to get rid of the problem


7 The export of rice which was prohibited by the Burmese kings for fear of demuding the country of food, was encouraged all the more in post 1852 years. The opening of the Suez Canal in 1869 provided an impetus to the rice-trade outside Burma. This led to replacement of subsistence agriculture by agriculture for export purposes. For details about the rice-trade see, J.S. Furnivall, Colonial Policy and Practice (London, 1943), pp. 77, 79-80.
of unemployment in the country. During the entire period of
the British administration, immigration of Indians into Burma
remained free and unregulated. Therefore, it has been difficult
to make any precise and exact calculations about the growth of
Indians in Burma. Reliance on the Decennial Census of India
(Reports) including Burma proved quite inadequate. The two

censuses conducted in 1872 and 1881 covered only parts of Lower
Burma. Upper Burma was added in the 1891 census, and most of
the Shan States and Karenni were covered by the census of 1901.
But all these censuses including the census reports of the
latter period covering 1911-1931, did not help in giving any
proper basis of comparison in population growth from one period
to another. Besides this, no special attempt was made during
1824-1937 to classify Indians in Burma as permanent residents,
aliens, temporary residents or seasonal immigrants. It was
only after the separation of Burma from India in 1937 that the
Census of 1941 was directed to give a reasonable estimate not
only of the Indian population in Burma, but also their political
and economic interests in the country. Unfortunately the
Census could not be finally completed due to the Japanese

An overall estimate of the gradual growth of Indian
population in Burma can be made from the information as

8 N.R. Chakrabarti, The Indian Minority in Burma (London,

9 J.R. Andrus, Burmese Economic Life (Stanford, Calif.,

10 Chakrabarti, n. s, p. 14.
provided in the following Table.

Gradual Growth of Indian Population 1881-1941

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
<th>Indian Population</th>
<th>Percentage of Indians</th>
</tr>
</thead>
<tbody>
<tr>
<td>1881</td>
<td>3,736,771</td>
<td>243,123</td>
<td>6.5</td>
</tr>
<tr>
<td>1891</td>
<td>8,092,014</td>
<td>420,830</td>
<td>5.1</td>
</tr>
<tr>
<td>1901</td>
<td>10,490,624</td>
<td>563,263</td>
<td>5.4</td>
</tr>
<tr>
<td>1911</td>
<td>12,115,217</td>
<td>743,288</td>
<td>6.1</td>
</tr>
<tr>
<td>1921</td>
<td>13,212,192</td>
<td>837,077</td>
<td>6.7</td>
</tr>
<tr>
<td>1931</td>
<td>14,697,146</td>
<td>1,017,325</td>
<td>6.9</td>
</tr>
<tr>
<td>1941</td>
<td>16,823,798</td>
<td>818,000</td>
<td>5.4</td>
</tr>
</tbody>
</table>

The above table includes all those people present at the time of census including the permanent residents, the casual visitors, seasonal or temporary immigrants and also a very large number of Moslems of Akyab District who were counted as Indians because of their race and religion.

Moreover on the basis of the information provided by James Baxter in his report on Indian Immigration, it can be acknowledged that the number of Indians in Lower Burma was always higher than in Upper Burma and that the Indian population in Lower Burma increased more rapidly than did the indigenous population. In addition the proportion of the Indians in Rangoon was much higher than the other indigenous population.

12 Chakravarti, n. s, p. 15.
But it cannot be denied that during 1886-1937 and even later until the Japanese invasion of Burma, the absolute freedom of movements to and out of Burma could not encourage all Indians to settle down there. Although the movement of Indians from India to Burma was influenced by a combination of "push" and "pull" factors, specific events in India were also responsible for fluctuations in the net migration. There was often a link between adverse conditions in India and the increases in the volume of net immigration. Moreover the deep rooted poverty, unemployment, starvation, and over population in Indian villages were the other factors which motivated Indians to move for work and employment. They were at least sure that they would not have to starve in Burma. The mass movement of temporary and seasonal labour was made possible also by growing availability of cheap transport in the last decade of the nineteenth century.

Most of these Indians who migrated to Lower Burma were from Madras and Bengal Presidencies of Indian Empire. Only small numbers of Indians moved to Burma from other areas of India like Bombay, North West Provinces, Cudd, the Central Provinces and the Punjab. The greatest majority of Indians in Lower Burma were however from peasantry. Unfortunately, most Indian agriculturists in Burma were low-caste. The high caste groups which monopolised the bureaucratic, professional and commercial positions fitted by Indians in

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14 Adas, n. 6, p. 95.
15 Ibid., p. 97.
Burma migrated largely in response to the "pull" of prospective social or economic gains.

Although there were periodic variations in the percentage of Indians in Burma, the great majority of them were immigrants and not country born. Most of these Indians who came to Burma were labourers of migratory type; they would arrive towards the end of the year for rice harvests, would work through two and a half years, thereby covering three harvests and then return home, perhaps to come to Burma again after spending six or seven months with their families.

Keeping in view their occupation, Indians of Burma can be divided into three classes. The first was the capitalist and the big businessmen class like Chettiyars. The second class consisted of middle class intellectuals like the engineers, doctors, teachers and lawyers. The third category consisted of labourer class, both skilled and unskilled workers. The third group used to work in fields during the harvesting season. After that it would return to the towns for running the railways, harbours, river-shipping, mills, oil-fields, mines and other governmental jobs like the postal, telegraphic and telephone services. They also came forward for the menial jobs of scavanging, rickshaw-pulling and road work etc. By

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16 Ibid., p. 90.
17 Baxter, n. 15, p. 15.
18 For details about the occupation of Indians in Burma and their classification, see Ibid., pp. 24-30.
19 Usha Mahajani, The Role of Indian Minorities in Burma and Malaya (New Delhi, 1960), pp. 3-4.
and large the Indians were employed as labourers both skilled and unskilled which the Burmese disliked and it was this third group of people who were exploited the maximum in Burma.

Political Implications of Indian Immigration

The political problems for Indians in Burma had their origin in the annexation of Burma to the Empire of India through wars and conquests which were staged from India predominantly with Indian men and materials. In the eyes of Burmese, Indians in Burma therefore, remained as associates of the Imperial power in the subordination of their country. Burmese saw that for the purposes of administrative control, Burma was made a province of India, and Indians were introduced in all departments of government to impose the Indo-British system of administration. Indian soldiers were used for the suppression of rebellion, and Indian military police was introduced for the restoration of law and order. The army in Burma always remained largely Indian in composition.

During the first phase of British administration, the Indian and Burmese Communities grew up almost separately from one another. For instance the educational system permitted the establishment of separate school for different communities. In 1898-99 there were 45 schools for Tamils and Telegus and a much larger number for Muslims and other Indian communities. Indians coming from different linguistic areas established Indian schools to impart education in their own languages, e.g.

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20 About Indian participation in various branches of Burmese administration during British period, (see W.S. Desai, India and Burma (New Delhi, 1952), p. 12.)
Bengalee for Bengalis, Hindi for migrants from U.P., and Bihar, Tamil and Telegu for South Indians, Urdu for Muslims and so on so forth. Burmese language was not made a compulsory subject for Indian students until the 1920s. Indians could seek admission into the Anglo-Burmesse or Burmese schools provided they had some knowledge of the Burmese language. But most Indians preferred their own institutions. Added to these there were separate personal laws; Hindu law for Hindus, Muslim law for Muslims and Burmese Buddhist law for Burmese. An Indian was therefore at liberty to spend his whole life in Burma without having such social contact with the Burmese, if he desired. Although special rights and privileges were always demanded by the Indian minority in Burma, the British Government was also to be blamed as it encouraged a plural social order in Burma (as they did in case of Hindus and Muslims in India). Various Government measures kept the Indians generally aloof from the Burmese. Thus Indians grew up in Burma somewhat isolated from the mainstream of Burmese life.

The political implications of Indian immigration in Burma did not appear till the year 1920. When the Montague-Chelmsford Reforms were introduced in India under the Government of India Act 1919, the province of Burma was at first omitted. This circumstance which in itself emphasized the difference between India

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22 Ibid., p. 6.
and Burma, produced a new factor in Burmese life, viz., political agitation. A demand that Burma be separated from India and became a distinct territory of the Crown grew. Once the question of political separation had been raised, the position of the individual Indian was necessarily called into question.

By 1922, anti-Indian feeling started spreading among the Burmese and this alarmed the Indian community. Before Dyarchy was finally extended to Burma on 1 January 1923, "Burmese nationalism had taken a new direction, and anti-Indian agitation had become the daily occupation of a section of the nationalist Press and politicians". In 1930, the anti-Indian feeling took serious colour. For the first time in the history of British Burma, organised violence on an unprecedented scale occurred in Rangoon against the Indians in Burma. Anti-Indian feeling in Burma grew to an alarming scale after Burma was separated from India. In 1938, a year after separation worst manifestation of the anti-Indian feeling was felt in Burma. This particular year witnessed violent anti-Indian riots.

The riots of 1938 were centred around the reprinting of a book which contained such passages that were critical of Buddhism. Although the book had been published by a Burmese Muslim Maung Shwe Hpi in 1931, it had not come into much notice for quite some time. But in 1938 when a new edition was published it gave rise to an agitation. Much publicity

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was given to it by the Burmese Press. The Burmese nationalists were incited so that they resort to violence against Indian minority. On 23 July 1938, when a procession organised by the All Burma Young Pongyis Association was stopped from proceeding to the Indian Bazaar, violence erupted. The situation went out of control because of the spread of racial riots from Rangoon to other parts of Burma subsequently. The attacks which were directed against the Indian Muslims were ultimately let loose on Indians all over Burma. The tempo of the rioters was so high that they made indiscriminate attacks against Indians on a much wider scale than those seen in the years 1930-31. It included cold blooded murders, looting and arson resulting into killings of thousands of people and the loss of property worth millions of rupees.

Imposition of the Rangoon Emergency Security Act by the Governor in September 1938 checked further escalation of the riots. The Governor appointed a committee towards the end of September 1938 to inquiere into the causes of the riots and to find the reasons for the ineffectiveness of the police to handle it. The committee found that the real causes of provocations were political and not religious. As such Shwe Hpi's book was only a pretext of political opportunism used by Burmese Pongyis, Press and political opponents to incite rioting in order to embarrass the Government in power and to


26 For details of the rioting, see ibid., pp. 33-42.

27 For an official estimate of the loss of life and property in the riots, see Appendix X and XI cited in ibid.
"exploit for political ends the social and economic phenomena presented by Burma’s large, industrious and useful population of Indian British Subjects." It was further discovered by the Riot Inquiry Committee that the issue of social, political, economic disadvantages suffered by the Burmese women married to Indian Muslims involving conversion of women into the Moslem faith, was a further cause to affect Indian interests in Burma for a long time to come.

The Riot Inquiry Committee in its reports of 1938-39 had drawn particular attention to the existence of serious apprehension in the minds of many Burmese that the Indian Immigration was largely responsible for unemployment in Burma. The Committee recommended that in the interests of both the countries some vigorous efforts should be made to ascertain the extent of conflict of interests between Indians and Burmese and to formulate policies to remove the causes of the existing conflict "without injustice to each community and recognising the rights of both". Accordingly the Government of Burma after consultation with the Government of India instituted a committee of experts headed by James Baxter in the year 1939 to examine the volume of Indian Immigration into Burma, to what extent it was seasonal and temporary and to what extent it was permanent; in what occupations Indians were mainly employed in Burma, and

28 Ibid., p. 232.
the extent to which they were unemployed or underemployed; whether in such occupations Indians had displaced Burmese or could be replaced by them; and finally whether in view of such findings any system of equating the supply of Indian unskilled labour to Burmese requirements was needed. It submitted its report in October 1940 which formed a suitable basis for negotiation between the two Governments of India and Burma about the burning issue of immigration.

In accordance with the recommendations of Baxter Report, the Burmese Government under the Premiership of U Saw, concluded an agreement with the Government of India on 23 June 1941. According to the terms of the agreement immigration was classified. In the first category came those Indian immigrants who could remain indefinitely in Burma and be employed there. The second category consisted of those whose entry permits would be controlled by the Burmese Government and issued only

31. James Baxter made some of the important recommendations such as: (1) From a date to be agreed upon after negotiation with the Government of India, Indian nationals who enter Burma should be regulated and registered; (2) Indians born and brought up in Burma having made Burma their homeland should be entitled to a Burma domicile; (3) Indians who had worked in Burma for at least five years (immediately before a date to be specified) be regarded as privileged immigrants; (4) At an early date an Immigration Agreement be concluded with the Government of India; (5) Compulsory registration of unskilled labour be introduced in the port of Rangoon. For details see Baxter, n. 13, pp. 100-13.

32. The draft of the Indo-Burmese Immigration Agreement was initialled in Rangoon on 23 June 1941 but the terms of the Agreement were issued simultaneously in India and Burma on 21 July 1941. Finally the Agreement came into effect from 1 October 1941. See Indian Information (New Delhi, Government of India), vol. 9, no. 79, 1 September 1941, p. 212.
to persons with specified financial guarantees and literary qualifications. In addition, the Government of Burma announced that it would soon institute a system of registering Indians domiciled in Burma.

This agreement based on imposing restrictions on Indian immigration through a system of passports, visas, immigration permits, penalties for unlawful entry or unlawful residence in Burma, met with strong and unfavourable reaction from the Indian public in Burma and India. Even during the debates of the Legislative Assembly in India, the agreement was criticised as discriminatory and humiliating to the Indian minority in Burma. The Assembly opposed to the very idea of concluding the agreement "without consulting the Legislature and public opinion in India" and was of the opinion that the "said agreement ignores the fundamental rights of Indians settled in or having connections with Burma". This necessitated a strong feeling for the revision of the agreement. Before any step could be taken for modifying some provisions of the Immigration Agreement in 1941, Burma came under the Japanese occupation that nullified the prospects of revision as well as the implementation of the agreement.

33 For details about the Agreement (see India, Legislative Assembly Debates, vol. 4, 4 November 1941, pp. 343-51.)

34 Ibid., p. 409.


36 Although consultations continued between the Indian and the Burmese Government in exile at Simla (even after Japanese Occupation of Burma) to draw a tentative agreement, nothing could come out due to political tension in both the countries as well as due to pressure of war. (See C. Kondapi, Indians Overseas: 1939-1949 (New Delhi, 1951), pp. 205-6.)
The Japanese invasion of Burma in 1942 had left an adverse effect on the life and property of Indians in Burma. In case of absence of any security and unstable conditions created by war, Indians left Burma for India in large numbers. Out of a million Indians then in Burma, about 400,000 were evacuated to India, leaving behind about 600,000. Out of these, many thousands trekked to India through the jungle and about 10,000 of them were believed to have died on the way. And it is said that after the war was over about 61,160 returned to Burma of whom 49,743 were evacuees.

After Burma was occupied by the Japanese, a civil administration under the leadership of former Prime Minister Ba Maw was set up in the country in August 1942. The administration of Ba Maw formulated some regulations under the motto "everything in Burma belongs to Burmans". This affected further the Indian interests in Burma. An end came to the traditional tolerance of Burmese and Indians and the normal conditions under which both had lived for about a century. N.R. Chakravarti writes:

The parting of the ways had started in the early 1920s, the separation of 1937 had accelerated the process; the massacre of 1938 and the chauvinistic executive and legislative measures during 1939-41, for economic, social and agrarian reforms in Burma served as sufficient notices of termination of the Indian interests in Burma.

37 *India, Legislative Assembly Debates*, vol. 2, 13 March 1946, p. 1420.


39 Quoted from Chakravarti, n. 8, p. 171.
After the great exodus of early 1942, the Indians remaining in Burma were the object of considerable intimidation and abuse by the Burmese. However, the situation started changing when the Indian National Army and the Government of Free India (Azad Hind) began to function around 1943. The Azad Hind movement provided to the Indians of Burma a greater incentive for unity than they had ever before achieved and a larger identification of their aspirations for independence with those of the Burmese nationalists. This development together with the reduction in the number of Indians and the docility displayed by Indian labour to Burmese leadership had the effect of wiping out almost all Burmese hostility towards the Indian minority by the end of the war.

In reality neither India nor Burma wanted a resumption of the pre-war flow of Indians into Burma. Between May 1943 and

40 Virginia Thompson and Richard Adloff, Minority Problems in South East Asia (Stanford, Calif., 1965), pp. 77-78.

41 Ibid., p. 79.

R.R. Chakravarti, however, presents an entirely different view. He writes:

"When the Japanese sponsored Indian Independence League (I.I.L.), the Indian National Army (INA) and the so-called government of 'Free India' (Azad Hind) began to function around 1943, the position of the Indians became extremely delicate. They had in fact three masters, the Japanese High Command, the Burmese Independent Government and Azad Hind Government, all demanding allegiance and services but none capable of extending any protection to them. Indians became 'dual citizens' and their property, a bone of contention between the two governments: The Burma Government imposed tax, because they were Burma residents and Azad Hind Government did because they were Indian nationals".

See Chakravarti, n. 8, pp. 174-5.
April 1947, less than 3,000 new immigrants had been sponsored by the Government of India and probably one-fourth of those who had fled from Burma in 1942 had returned by the spring of 1947.

**Independence and its Aftermath**

After the Second World War, during British re-occupation (1945-47), and also during the post independence period, the Indians in Burma appeared to be a different lot from what they were before the war. Their importance in economic and political field started diminishing in a rapid way. Rising wave of nationalism among the Burmese leaders of the Anti-Fascist People’s Freedom League (AFFPL) was not only anti-British but also anti-Indian. Aung San, the great nationalist leader and freedom fighter of Burma who headed the post-war Burmese Government till he was assassinated in July 1947 showed great concern at the presence of Indians in Burma. In January 1947 at a Press Conference in New Delhi, he said that “Indian vested interests like any other vested interests are not in favour of (Burma’s) independence.” This subsequently led to promulgation of various legislations to regulate and control the Indian immigration into Burma.

An important step was taken in February 1947, when the Burmese Parliament proposed a legislation to control Immigration. In spite of protests from the Indian Government, the Burmese Government finally promulgated The Burma Immigration (Emergency) Act.

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42 Uma Shankar Singh, n. 21, p. 9.

Provisions Act on 14 June 1947. This Act kept out of Burma nearly three lakhs of Indians who were all residents of Burma before the war. The ban put on the return of evacuees, unskilled labourers and their family, affected at least one and a half lakhs of Indians more from exercising their right of returning to that country.

The Press Note issued in this connection by the Government of Burma said that the Immigration Act had been necessitated by the large-scale unauthorized entry of non-Burmese, principally Indians into the Burmese territory. Evidently, the Act had been motivated by the prevailing impression that there was an Indian menace and that "Burma will be flooded by Indian Immigrants". However, this impression was without any foundation. It was no longer the policy of the Government of India in post-war period to encourage large scale unrestricted immigration into Burma. All that the Government of India was interested in, was that the Indian evacuees from Burma should not suffer and that Indians settled in Burma who came to India and wished to return there for renewing business or family contacts should have no difficulty in returning to Burma. The present Act was, therefore, considered to be a great hindrance to the success of the policy of the Indian Government. The Indian Government sent a strong letter of protest to the Government of Burma against the passing of this Immigration Act, which it regarded as a "breach of diplomatic procedure, almost amounting to an unfriendly act".

Being unilateral, this act imposed certain restrictions on the re-entry of evacuees and the departure and return of Indians then in Burma into that country. It also placed insistence on acquiring fresh entry permits from the Immigration Officer at Rangoon, even though they possessed sponsoring certificates issued by the Indian Government or departure certificates issued by the representatives of the Government of India in Burma or landing permits issued by the protectors at ports. This placed all Indians including the large number of evacuees having a permanent stake in Burma in the category of foreigners who could not enter Burma without a permit. This measure was effectively implemented in post-independence period. On 10 July 1947 it was announced however, by the Burmese Government that it had further tightened up its control of immigration into Burma and that permits enabling Indians to return to that country were being issued under two heads: one covering Indians of lengthy residence in Burma who were being allowed a period of one year in which to return to this country; and the other covering casual labourers and similar people who were given four months to return to Burma. It was emphasized that in no case could any extension be granted to those overstaying the time limit and they would have to take a chance along with fresh immigrants.


On 4 September, another announcement came from the Burmese Government. It said that the permits for re-entry into Burma after temporary absence therefrom were being issued by the Controller of Immigration only to persons permanently residing and having connections and interests in Burma. The Karagola incident was an important instance to prove the draconian application of the provisions of this act.

Regarding citizenship, the first announcement came from the Interim Government of Burma in the year 1946 about its desire to deny electoral rights to those who were not holding Burmese nationality. Absence of any proper definition of Burmese nationality had created a great confusion over the future status of Indians and the issue of their electoral rights, though many of them were born and brought up in Burma. In September 1947, U Tin Tut, the then Foreign Minister of Burma, made a declaration about the status of Indians who were living

\[49\] S.S. Karagola, a ship which started from Bombay with a party of 33 Indians came straight to Rangoon and sought permission to land the Indian passengers. As there was no Burmese official at Bombay, the repatriates, contrary to the Burmese Government's orders failed to have their identity papers countersigned by a Burmese official in India prior to their return. On that ground the Burmese Government refused the permission to land, holding that the party of Indians could easily have fulfilled repatriation requirements by securing such counter-signature from the Burmese official at Calcutta and that their default in doing so constituted a deliberate "flouting of Burma's sovereignty". The party was sent back to Calcutta for getting the identity papers countersigned. This, in fact, was an important example when for the sake of technical non-compliance with the immigration regulations, the humanitarian considerations were violated. (See ibid., P. 61.)

\[50\] Kondapi, n. 36, p. 419.
in Burma as Burmese nationals. However, he made it clear "that the Burma Constituent Assembly would constitutionally define who was a Burmese national and that this definition would cover the majority of Indians in Burma." He added, "They will have exactly the same rights as the Burmese." 51

Ultimately the issue of citizenship was decided by the Constitution of the Union of Independent Burma. Section ten of the Constitution laid down that "there shall be but one citizenship throughout the union; that is to say, there shall be no citizenship of the unit as distinct from the citizenship of the Union". Section eleven, sub-section (i), (ii), (iii) and (iv) further clarified the issue of citizenship. In this connection both the blood test and the place of birth were applied to determine citizenship. For example a person whose parents belong or belonged to any of the indigenous races of Burma and a person born in Burma, at least one of whose grandparents belong or belonged to any of the indigenous races was a natural born citizen of Burma. Similarly a person born in Burma, of parents both of whom are, or if they had been alive at the commencement of the constitution would have been citizen of the union is a natural born citizen. But under sub-section (iv) certain category of Indians and foreigners were allowed to elect for Union citizenship in the manner and within

51 Indian Review, vol. 48, no. 9, September 1947, p. 504.
53 Ibid.
the time prescribed by law. Until they had acquired citizenship, Indians who had been residing in Burma for generations were to be deprived of their electoral rights.

The procedure of acquiring citizenship through naturalisation was first laid down by the Union Citizenship (Election) Act 1948. Under section (viii) of this Act, the conferment of Burmese citizenship required a deliberate prior renunciation of any other nationality or status as citizen of any foreign country.

As the acquisition of citizenship was subject to prior fulfilment of certain requirements, Burma had originally fixed a time limit up to 4 April 1949 for the Indians to register either as Indian citizens under the Registration of Foreigners Regulations or elect for Burmese citizenship. The response from the Indians, however, was not very encouraging. Therefore, on requests from All Burma Indian Congress, the Government of Burma extended the date line till April 1954. In case a person wanted to apply for election of Union Citizenship after the last date, a special exemption granted by the President of the Union, through the Ministry of Immigration and National

54 Maung Maung, Burma's Constitution (The Hague, 1959), p. 94.
55 Under this Act, the Burmese Government announced that all those persons eligible for Union citizenship who are abroad for bona fide reasons, may send their applications in the prescribed forms for election of the Union citizenship to the Burmese Embassy in New Delhi not later than 31 December 1949. For details about the Union Citizenship see S.I. Poplai, ed., Select Documents on Asian Affairs: India, 1947-50 (Bombay, 1959), vol. 2, pp. 57-89.
56 Mahajani, n. 19, p. 133.
Registration was required.

Under the original Citizenship Act of 1943 as amended in 1954, the person against whom revocation proceedings had been taken had the right to demand a judicial enquiry. Moreover, the Government of Burma was permitted to cancel citizenship certificates within a year of granting it if it was established in a district court of the Rangoon High Court, that the person was disloyal to the Union of Burma. But under the amendment of the Citizenship Act of 1958, the Government was allowed to revoke citizenship at any time, without court enquiry, if the immigration authorities are satisfied. This limitation on judicial authority which made executive the sole and final authority in case of proceedings concerning citizenship went a long way in discouraging and hampering the chance for Indians to acquire Burmese citizenship.

First of all not many Indians were interested in losing their citizenship and nationality. As far as the figures regarding Indians actually acquiring Burmese citizenship is concerned, they are not exactly available. The Constitution of Burma did not recognise Indians as a minority, and as such did not make any special provision like the previous British Government to safeguard their interests. Since the Burmese citizenship too could no longer be automatically acquired, the naturalization procedure became too expensive, time consuming and difficult, and since it was necessary to apply for it, not

57 Maung Maung, n. 54, p. 96.
58 Mahajani, n. 19, pp. 135-6.
59 Maung Maung, n. 54, p. 96.
many were willing to take such a decisive step.

Many did not want to become Burmese citizens because of their sentimental attachment to India as well as insecure future prospects in independent Burma. Those who stayed back in the country were badly affected by the Burmese Government's policy of retrenchment of those Indians who did not learn Burmese language and did not accept Burmese citizenship. Moreover employment opportunities for these Indians, in government jobs had become difficult due to various legislations in the post-independence years of their stay in Burma and more so after the military coup in March 1962. As a result there occurred gradual decline of Indian population in Burma in 1950s and 1960s.

The number of persons of Indian origin which was estimated to be somewhere between 600,000 and 700,000 at the time of independence had reduced to about 550,000 towards the end of 1950s. In the year 1962 the number of Indian citizens was estimated to be about 130,000 in Burma. Among those seeking Burmese citizenship, about 35,000 had applied for the same and only a small number of about 7,000 cases had been accepted for Burmese citizenship. About 370,000 persons of Indian origin were found without any citizenship papers, out of which nearly 100,000 were technically eligible to apply for Burmese citizenship, the remaining were described as stateless. For these

60 Mahajani, n. 19, p. 124.
62 India, Parliamentary Debates (Lok Sabha), second series, vol. 9, no. 9, 19 November 1962, col. 2173.
63 Ibid., cols., 2173-4.
stateless people the Indian government made representations to the Burmese Government. But nothing much was done in their favour. They were left with no other alternative than to leave Burma for good or accept an alien resident status which offered no scope for any trade or employment in Burma. Consequently many of them left Burma with the assistance of the Indian Government.

**Economic Role of Indian Immigrants and its Impact**

It was not only in the political scene but also in the economic field that the Indians in Burma played a significant role. In ancient times, at the time Burma was a province of British India and even after the separation in 1937, the Indians in Burma played a very significant role in the economic life of Burma. They were prominent in transport, industry, labour, road construction, banking, insurance and exchange business, wholesale and retail trade. Among the immigrants two sections namely the Chettiyars and the labourers practically covered all sections of Burmese economic life. Hence an analysis of the role of the Chettiyars and the Indian labourers in Burma would make us understand the economic situation better.

**Role of Chettiyars and Indian Labourers in Burma**

The wealthiest of the Indian population in Burma was a group of businessmen and capitalists known as Chettiyars. This Chettiyar Community was famous as maritime traders and bankers for centuries past, came mostly from the Chettinad district of Madras State, where they had built through money lending a

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64 Thein, n. 43, p. 152.
great capital over generations. Probably some Chettiyars migrated to Burma by the middle of the nineteenth century but began to attract widespread attention by about 1880. It should be noted that Burmese money lenders came on scene at a later stage, and never accumulated as much capital as the Chettiyars. As their main business was of a banker or money lending mainly for agriculture purposes, they no doubt made a great contribution to the economic development of Burma but also exploited the poor Burmese agricultural class.

With the rapid expansion of rice cultivation and its high price in the export market the requirements of the Burmese agriculturists increased tremendously. In order to accelerate the production of rice money was needed for buying agricultural implements and seeds etc. As no rival agency could compete with Chettiyars and as the government was little interested in providing alternative credit facilities, Burmese agriculturists were forced to borrow money from the Chettiyar money lenders. By lending money on crop and land security, the Chettiyars provided sufficient credit for expanding rice cultivation throughout the Irrawaddy delta. But this precipitated the involvement of the cultivators in debt "for crop returns varied with the rains, and loans carried fifteen to forty-five percent interest, sometimes collectible in advance".

65 Andrus, n. 9, p. 66.
66 Adas, n. 6, p. 117.
Apart from lending money to the Burmese farmers at profitable rates the Indian Chettiyars also acquired a considerable amount of Burmese agricultural land especially in Lower Burma. Most of the land was acquired in 1930s, when the world economic crisis and the resulting slumps in prices forced many Burmese farmers to part with their lands in order to meet their debt obligations.

Originally the Chettiyars had no desire to become land owners. They were basically businessmen, not farmers. However circumstances left two options for them either to foreclose or to lose their investment. And when they had to foreclose, they had to retain the ownership of the land because there was no one with the capital to purchase it from them. However, this process did not take place to any marked extent until after 1929. From 1930 onwards foreclosures occurred to an alarming member. In 1930 Chettiyar capital invested in agriculture alone, was estimated at Rs. 500 million, and was considered to have been chiefly responsible for the rapid development of rice production in Lower Burma. The remaining Chettiyar investment of roughly Rs. 250 million was largely concentrated in urban property and business. By 1931 non-agriculturists owned about 3,231,661 acres of land in Lower Burma and 797,105 in Upper Burma. In 1937 they came to own 5,306,017 acres in Lower Burma and 1,136,016 in Upper Burma. Roughly half of the

68 Thein, n. 43, p. 154.
69 Chakravarti, n. 8, p. 64.
70 Andrus, n. 9, pp. 305-6.
cultivated land in Lower Burma was owned by landlords not by peasant proprietors and this land was in the hands of Chettiyars. So by 1937 they had come to own either outright or through mortgages a huge proportion — amounting to perhaps one quarter of Burma's best rice land. As a result, the Chettiyar community of money lenders and landlords became the "butt of the Burmese Cartoonist" and "Public Enemy No. 1".

When the Japanese invaded Burma in early 1942, most of the Chettiyars fled to India, leaving behind few agents and one functioning bank which was transformed into the People's Bank of Burma in 1943. In any case, the few agents of Chettiyars left behind did not attempt any large-scale collections of rent or interest. As a result Burmese took positions and held millions of acres of fertile land, without payment to the legal owners. Thereafter the Chettiyars were just not allowed to function either by the Japanese or the British re-occupation authorities and finally after independence, their role in Burma was just non-existent.

Apart from the Chettiyars it was the Indian labour that played an important role in the economic development of Burma. Since sufficient Burmese labour was not available, the Indian Government encouraged Indian immigration to ensure the cultivation of land. During the colonial period the Government

71 Pearn, n. 2, p. 23.
72 Harvey, n. 1, p. 55.
73 Thompson and Adloff, n. 40, p. 83.
74 Andrus, n. 9, p. 337.
of India adopted some regulations to control the flow of Indian immigration to countries like Ceylon and Malaya. As far as Burma was concerned, there were no such effective restrictions and instead it continued to encourage large scale immigration of Indians even without any guarantee of employment or subsistence.

The worst part of the whole immigration was the method of recruitment of Indian labour into Burma which was controlled by two types of people, viz the shipping agents of companies (that operated steamship between India and Burma) and Indian labour contractors known as Maistry. Of the two methods it was the Maistry system that became very popular for supplying labour to the Indian employers in Burma. This particular method was marked by many flaws which led to the indebtedness of the labourers because the Maistry was a middle man who regulated the payment of wages and the tenure of employment of the labouring class. The Maistry who worked in alliance with the shipping agents, used to take bribe from the workers. He also tried to contract labourers to the employers in Burma through different types of enticement. The Maistry gave no guarantee to the Indian labourers of the permanent employment which ultimately resulted into deterioration of working and

75 Baxter, n. 13, pp. 47-43.

76 For the working of the Maistry system in Burma, (see United Nations, Economic Survey of Asia and the Far East 1947 (Shanghai, 1948), pp. 128-9.)

77 Cady, n. 67, p. 10.
living conditions of the Indian labour in Burma.

The deplorable conditions under which the Indian labourer lived in Burma with less wages naturally aroused a feeling of contempt for them in the minds of the Burmese who regarded Indians of the inferior type with low standard of literacy finally damaging outlook of the local people about the Indians as such.

At the close of the First World War, relations between Burmese and Indians in Burma began to be strained because many Indians had taken charge of various departments in the administrative set up. The Burmese realized that his country was not only being ruled by distant foreigners, but that even subordinate posts in certain departments of the government and also in industrial and commercial firms had been held by foreigners — mainly Indians, depriving the Burmese of employment and gainful experience. The Burmese, because of lack of resources could not compete with foreigners in business. The cost of living was rising and more and more Burmese were migrating to Rangoon and other towns for employment. Burmese capitalists however were not willing to employ them because the Indian labour was known to be more efficient. In such a situation the Burmese had to struggle hard for survival.

78 For details see F. J. L. Andrew, Indian Labour in Burma (London, 1933), pp. 70-71.


80 Desai, n. 20, p. 33.
The depression of 1930s resulted in large scale unemployment caused by heavy influx of agrarian Burmese to urban areas particularly Rangoon in search of some better means of livelihood. There started a bitter competition between Indian and Burmese for jobs in Burma. This created an apprehension about the economic monopoly of the Indian minority over the Burmese majority which ultimately resulted in the outbreak of first anti-Indian riots in 1930. The immediate cause of the riots was a strike by the Indian dockyard labourers in Rangoon on 8 May 1930. The British brought Burmese labourers on a temporary basis to replace the Indian labourers and break the strike thereby. But once the matter was settled between the British employers and the striking Indians, the Burmese were discharged. Instead of directing their wrath towards those who had first employed and then discharged them, the Burmese attacked the Indians. Much damage was caused to Indian life and property. As a result, about 33,000 Indians were estimated to have left for India in June 1930 only. At this time the British did nothing to assuage the anger of the Burmese people.

By the end of the year 1930 an agrarian rebellion led by Saya San spread to all parts of Burma. This rebellion started initially as a sort of nationalist rebellion as it had been directed against the British power. In a later stage, however,

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many Indian agriculturists settled in rural areas were also attacked and murdered. These violent acts against the Indians met with strong reactions not only from the Indians in Burma and India, but also from the members of Indian Legislative Assembly. However, the most important anti-Indian riot occurred in the year 1933 which besides being political, had obvious economic reasons behind it. The Final Report of the Riot Enquiry Committee puts clear emphasis on the economic part of the story. It reports:

The scale of Indian immigration into Burma in the past and the comparative experience, ability, industry and thrift and the relative success of the Indian financier and immigrant have, under present political influences, tended to obscure in the minds of the Burman the benefits this country has received, and will yet receive, from the Indians in the country and to create a real apprehension lest it may be continued so as to interfere with the prospects of the Burman himself in his own country.

In the words of J.L. Christian, Indo-Burmese relations had been "troubled more by the racial riots of the decade 1930-40" than by any other factor. "These outbreaks" according to him "had their roots in economic distress". The Burmese who had been "steadily dispossessed of his lands and natural resources" had found "the Indian a convenient object of his resentment".

84 Members of the Indian Legislative Assembly demanded that a Committee by the Governor-General be instituted to investigate the cause of rebellion. But the Burmese representative in the Assembly advised against the appointment of such a committee at the moment because it was likely to arouse further anti-Indian feeling. (See India, Legislative Assembly Debates, vol. 5, 22 September 1931, pp. 355, 356.)
During this period economic depression produced a strong feeling of insecurity. Also increasing indebtedness of the Burmese cultivator, the large scale alienation of land particularly in Lower Burma and the rise of a strong feeling of nationalism coupled with hatred for foreigners, brought into prominence the problem of the immigration and the employment of Indians in the country. That is why the Riot Inquiry Committee in its final report put forward a plea for re-examination of the Indian question.

During the Japanese occupation period, there was large scale displacement of Indian labour which became further intensified in the post-war years. Because of the Government's failure to rehabilitate Burma's war damaged economy and later due to the civil war after independence, many saw mills were closed. There was also curtailment of the mining and petroleum industries and reduction of transport services. All this led to curtailment of labour needs and intensification of the displacement of Indian workers throwing many of them out of jobs. By May 1949, there were estimated to be at least 5,000 unemployed Indians in Burma.

As a consequence of the post-independence Burmese Government's policy to recruit and train Burmese labour for dockyard, mines and oilfields, the number of Indian labour in Burma had started decreasing. By 1953 the percentage of Indian

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Baxter, n. 13, p. 83.


Thomson and Adloff, n. 40, p. 88.
labourers of the total urban labour had come down to 13 per cent. This decline in employment of Indian labourers brought an end to the Indian leadership in the trade unions. Moreover, after independence the Indian labour unions were deprived of registration. As a result most of them had been absorbed in various trade unions, under the Trade Union Congress of Burma which was affiliated to AFPL which was in power until the formation of the government under General Ne Win in October 1962.

During the colonial period in Burma, Indian businessmen prospered there because of their familiarity with the British ways and laws. According to Andrus, Indians came to control "more than half of Burma's rice exports and were important in the exports of several other commodities, as well as being the leading importers of most items". The Indians also made heavy investment in industry. Besides Ghettiyars' investment of over £57 millions (during 1941-42), other Indians (excluding Ghettiyars) had also made heavy investments in various industries to meet the requirements of Burma's domestic trade. During 1939-40, out of 1,031 factories in Burma, about 303 were said to be owned by the Indians and their total value was estimated to be somewhat above Rs. 150 million.

90 Mahajani, n. 19, p. 174.
91 Ibid.
92 Andrus, n. 9, p. 351.
93 Chakravarti, n. 2, pp. 89-90.
The Indians who formed the largest minority group in Burma came to establish not only their business but also their residential houses in important trading places like Akyab, Bassein, Mandalay, Pegu, Moulmein, Maymyo and Rangoon. On the basis of the figures provided by Narayan Rao, an Indian economist, and a member of Burma Legislative Assembly, the total value of the urban properties owned by Indians in Burma was estimated to be Rs. 25 crores.

Indians in Burma also held substantial investments in all the British companies like Bombay Burma Trading Corporation, Burma Oil Company, British Timber Company, Steel Brothers and other important timber, oil and mining concerns. Apart from these there were several other fields where Indians had their major share. For instance, in the shipping, about one-third of the total volume of Burmese trade was carried by Indian ships mostly owned by Scindia Steam Navigation Company. Similarly Indians had made major investment for running the business of road transport.

Although the correct estimates of Indian investments (including Chettiyars) are not available, yet according to N.R. Chakravarti, "the estimated wealth of Indians in Burma at 1940-41 prices was not less than £ 150 millions and was probably somewhere between £ 150 and £ 375 millions."

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95 Chakravarti, n. 8, p. 92.
96 Ibid., pp. 85-86.
97 Ibid., p. 95.
Measures that Affected the Economic Role of Indians in Burma

The economic domination of Indians in Burma was so tremendous that in post-war years there started a vigorous nationalist agitation in the country to liquidate the capitalist interests of the foreigners particularly Indians. Subsequently various measures were taken to control foreign trade and exchange remittances as well as to nationalise all major sectors of the economy.

In 1946 a Civil Supplies Board was constituted to control imports which affected the Indian merchants. In 1947 the Government of Burma adopted a policy of giving 50 per cent of import licences to Burmese firms whereas before war, they had handled only less than 10 per cent.

In the interests of building a socialist economy various laws affecting land ownership and their immovable property were enacted. Article XXX of the Constitution of the Union of Burma laid down provisions to regulate the private ownership of the movable and immovable property by the foreigners, mainly Indians. Thus the spirit behind Article XXX was to recover land from the big landlords, the absentee landlords, the

98 Kondapi, n. 36, p. 347.

99 Article XXX stipulated that the State shall have the right to regulate, alter or abolish land tenures or resume possession of any land and distribute the same for collective or co-operative farming or to agricultural tenants. The landholdings of large land were not allowed to exist on any basis. The maximum size of the private landholdings was to be fixed by law. (See, The Constitution of the Union of Burma, n. 52, p. 6.)
Indian Chettiyars and moneylenders and the distribution of the land to the Burmese landless peasants, which, in fact, was the basis of Socialist ideology and had always been the ultimate objective of the nationalist movement in Burma. Aung San, the nationalist leader, emphasized this point at the Constitution drafting AFPFL Convention in May 1947, when he said:

We must adopt the policy of land for every tiller. Landlordism must be abolished by legislation and we must legislate for limitation of land ownership to prescribed acreage. Otherwise we shall not only fail to abolish the old landlordism but encourage a new landlordism.

Gradually, some more legislations were enacted to effect the land reform system. The first legislation to come into effect was the Tenancy Standard Rent Act of 1947. This act aimed at fixing the rent that a landlord might receive at roughly twice the amount of land tax. The Act, after coming into force in December 1947, reduced the standard rent of agricultural land under paddy cultivation for the tenancy year 1947-48. However the operation of this Act was extended to the year 1948-49 through an ordinance in 1948. As a result of it, the standard rent of agricultural land not under cultivation continuously for the three preceding seasons, was further reduced so as not to exceed the amount of land revenue for the same. This went to a large extent in hampering the landed interests of the Indian Chettiyars.

100 Maung Maung, n. 54, p. 107.

101 For details of the Tenancy Standard Rent Act of 1947, see Kondapi, n. 36, p. 299.
Another Act entitled "The Transfer of Immovable Property Restriction Act" was promulgated on 3 January 1948, one day before Burma became independent. This act stipulated prevention of transfer of immovable property to any non-Burmese national for a term exceeding one year and this applied to all foreigners including Indians. Originally the term "foreigner" did not include British subjects domiciled in Burma but in February 1948 this Act was amended to include all non-citizens of Burma. This further affected Indian nationals who had owned immovable property in the country. This new legislation caused a sudden fall in the value of their property and created favourable conditions for the Burmese to buy such properties at cheap prices. Three more laws which were enacted subsequently in the year 1948 had even more far reaching consequences for Indian Chettiyars.

Another Act, the Land Alienation Act of 1948 was designed to prevent the sale of land to persons other than the Burmese nationals. This act affected almost all those Indians who had acquired Burmese citizenship but were regarded as aliens.

The Disposal of Tenancies Act of 1948 empowered the government to lease to tenants of its own choice the maximum area that a single tenant could cultivate effectively, subject to the payment of the prescribed rent by the specified tenant.

103 Kondapi, n. 36, p. 300.
104 Thompson and Richard, n. 40, p. 84.
The Act however, did not apply to land below 50 acres, cultivated by the owner himself.

Another Act called "The Land Nationalization Act, 1943" prohibited non-cultivators from owning land at all and cultivators from possessing not more than 50 acres. Although enforcement of this law was to be gradual, its ultimate effect was immense on Indians. The Indians in Burma had acquired nearly three million acres of fine cultivable paddy land which according to the then prevailing price could fetch any amount between Rs. 40 crores to Rs. 90 crores. But the new Act affected to a very great extent the right of ownership of land. The Act provided for the maximum compensation of twelve times the land tax then being paid which ranged from one to five rupees an acre. On this basis, in no case the compensation was to exceed Rs. 60 per acre which was roughly half the annual income at the then existing prices. Thus for the assets worth at least Rs. 40 crores, the amount of compensation was in the range of Rs. 4 to 5 crores. Representations to the Burmese Government for fair amount of compensation by the Indian land owners did not yield satisfactory results. The issue

107 Ibid.
108 Ibid.
109 As a result of the nationalization of 250,000 acres of Indian land by 1950, only a sum of Rs. 1,50,000 was received as compensation. The Bank of Chittianad which owned over 35,000 acres could hope to get only Rs. 300,000. See Mahajani, n. 19, p. 15.
of compensation could not be satisfactorily settled up to the expectations of the Indians even under the new Land Nationalization Act 1954 which tried to correct the defects of the earlier legislation by replacing Section (42) - a crucial section prescribing rates of compensation.

Indians were also greatly affected by foreign exchange control which was imposed after independence to restrict remittances from Burma by Indian labourers or other Indian employees or Indians doing trade and business. In the year 1950 remittances per month and per head were reduced to Rs. 20 from Rs. 40 in 1947. Moreover, as Burmese were not prepared to buy Indian properties at prices demanded by Indians, and as Indians were not allowed to sell them to any one else except Burma nationals, Indians could hardly benefit from the sale. In fact, most of the properties fell under unauthorized occupation during the absence of the owners and could not be reclaimed.

Implications of the Measures Taken by the Burmese Government in the Post-Independence Period

All these legislative measures taken by the Burmese Government on the eve and after independence were no doubt an outcome and manifestation of the feeling of national assertiveness. It met with strong protests from the Indians both in India and in Burma. Indians who had lived and toiled


111 Chakravarti, n. 8, p. 178.
in Burma for years together were faced with the problems of citizenship and dispossession of the landed property in the years following Burma's independence.

Indians were not only declared foreigners by the Constitution of the Union of Burma (1948), they were also affected by the various legislations which, although equally applicable to Burmese and Indian landlords, left an adverse effect mainly on Indian Chettiyars, the largest non-cultivating owners, owning a vast amount of landed property in the Union of Burma.

The Indians criticized the Tenancy Standard Rent Act of 1947 and the Disposal of Tenancies Act of 1943 on the ground that while these acts imposed a government chosen tenant on the landlord, the payment of the land rent by the tenant to the landlord was not at all assured. Moreover, as the land revenue was paid to the Government of Burma and the restrictions were imposed on remittances abroad, the income of a landlord was almost reduced to a negligible point. Regarding the Tenancy Standard Rent Act of 1947, the Hindu in its editorial of 2 March 1948 commented critically in the following words:

There is no doubt of the constitutionality of the action taken by the Government; the authors of the new constitution saw to it that the Government's position would become from that point of view alright. Therefore, it is not open to those now affected by the Act to obtain any sort of redress in the courts. At the same time, it was obvious that a serious injunction had been perpetrated on the Indian owners of land who over a series of years of hard work and

112 Mahajani, n. 19, p. 176.
heavy investment, have succeeded in developing them and earning in recent years, some decent reward. Nor is the extent of the service and interests negligible. Indians owned there over two and a half million acres of land, and it was but simple justice to demand that when it is taken over, owners should have been paid reasonable and equitable compensation. 113

The other question which became a focal point of agitation for Indians both in Burma as well as in India against the Burmese Government, was in respect of facilities for the effective management of their businesses in their country. The immigration laws imposed restrictions on the entry and re-entry of Indians, thereby limiting the freedom of Indian traders in Burma to send in and out of the country without any hindrance the people of their own choice. The Statesman in its editorial of 23 June 1947 commented upon the Immigration Control Act as follows:

Their government emphasises that the new Act cannot be enforced at once for administrative reasons, and undertakes that it will be used in no discriminatory spirit. It seems clear, however, that though Chinese immigrants also are to be watched, the new Act is aimed primarily against Indians. 115

In this respect, the Indian community desired no more facilities or concessions than those which the Government of Burma had promised to British people for the management of British businesses in that country. In the undertaking which Thakin Nu had given to Prime Minister Attlee, on 17 October 1947 there was a clause under which the provisional government of Burma agreed "that they will not take action which would

113  The Hindu (Madras), 2 March 1948.
prejudicially affect existing United Kingdom's interests in Burma in the legitimate conduct of business and professions in which they are now engaged. Thus the Indian community insisted upon the Burmese Government to provide similar facilities to Indians on grounds of equity and fair play.

In 1948 the Legislative Assembly of Madras passed a resolution on the position of the Indian community in Burma and also on their property and trading rights. In this resolution the Assembly expressed its great apprehensions at the deteriorating position of Indians in Burma. The Assembly, therefore, requested the Prime Minister of India to keep in abeyance the ordinances relating to the properties of Indians and suspend the then imposed restrictions on the immigration of Indians into Burma till the final settlement of all outstanding problems between India and Burma and the final signing of the treaty between the two countries.

As it was the Chettiyar community that was directly affected by the Land Nationalization Act of 1948, the act became a highly controversial matter and evoked strong reaction from the Indians both inside the Union as well as in India. The crux of the whole problem created by the Nationalization Act, revolved, however, around the principle of compensation. In this respect the Nattukkottai Chettiyars Association appealed to the Indian Government to provide some protection for the interests affected by Burma Nationalization Act of 1948.

118 Ibid., vol. 49, no. 11, November 1948, p. 607.
Subsequently, a delegation of Indians in Burma representing Chettiyar Association came to Delhi in August 1943 to impress upon the Government the urgency of entering into an agreement with Burma, demanding a reasonable and fair amount of compensation for the property nationalised by the Government of the independent Union of Burma. In fact, this delegation submitted two memorandums subsequently, one to the Government of India and other to the Government of Burma.

But the recommendations made in the memoranda submitted by the Chettiyars Associations, were not accepted by the Government of Burma. Instead the Government of Burma began to pursue its own strict policy of compensation as envisaged in the Land Nationalization (Amendment) Act, 1954. However, the sliding scale of compensation based on allotting 12 times the annual land revenue for the first 100 acres, 11 times the land revenue for the second hundred acres, and to just a year's land revenue for holdings over 1,100 acres had an adverse effect on the landed interests of Chettiyars since they were the major group of landholders owning more than 1,100 acres.

119 The Statesman, 22 August 1943.

120 The memoranda laid emphasis on the following points. Firstly, it demanded that the Indian landowners should be allowed to sell off their land in small holdings upto 10 years after which the Government could be at its privilege to nationalise the rest. Secondly, it laid a demand for the implementation of the recommendations of the Furnivall Committee of 1943 based on demanding the payment of compensation to the landowners by either raising the loans or by payment of interest bearing bonds. (See Mahajani, n. 19, p. 178.)

121 The Hindu, 19 March, 27 April 1954.
As few Burmese landlords had landholdings in excess of 1,100 acres the sliding scale of compensation was considered to be discriminatory against Indian land owners.

The Indian side had recognised that Burma, with an economy greatly impoverished by war and civil-strife could not afford a heavy burden of charges on account of compensation. But for the sake of good neighbourliness, it was demanded that the rates of compensation should be related to the Chettiyar's own financial position which was by no means as comfortable as it was often considered. They had already suffered -- considerable losses owing to inability to obtain any income from their land since 1940s. Hence, the Chettiyars were not asking for full compensation but something which would be within the capacity of the Burmese Government to pay and which would be a little more than nominal compensation. Moreover, the Burmese Government had been most generously treated by the Indian Government under the debt settlement which by stroke of the pen had wiped out over fifty crore rupees of Burma's liabilities to this country. Hence the Indians had expected the Burma Government to reciprocate in the similar fashion by offering fair and equitable compensation to these Chettiyars whose interests had been affected under the discriminatory

122 The extra compensation the Chettiyars asked for involved a change in the proposed rate of compensation from 12 times the land revenue at the bottom of the scale and the same in the highest slab to 15 and 8 times respectively. This was expected to inflate the cost of the estimated compensation to about 9 crores of Kyats. But this was a sum which was in fact within the capacity of the Burmese Government to pay. (For details see "Land Nationalization in Burma", n. 110, p. 480.)
rate of compensation as provided in the Land Nationalisation (Amendment) Act of 1954.

The Indian landholders assessed the market value of their lands at about Rs. 70 crores. But under the Burma Land Nationalization (Amendment) Act, 1954, they expected to receive only about rupees one crore. In 1956 the Burmese Government followed a policy under which no payment was envisaged within the immediate future for holdings above 1,000 acres. In the year 1958, however the Government of Burma decided to pay Rs. 2,500 in cash to each landowner in partial compensation and to issue bonds for the rest of the amount. These bonds carried a compound interest of 3 per cent and were redeemable in a period of ten years, from the sixth to the 15th years of issue. The bonds could be redeemable immediately if the value was to be invested in any government undertaking. But the Chettiyars who owned large holdings far about 1,000 acres were not at all benefited by this policy of the Burmese Government. It was estimated that by the end of 1960-61 the Government of Burma had paid an amount of Rs. 174,32,083 to persons whose land had been nationalised, but the amount paid to Indian nationals out of this sum is not known because of non-availability of official statistics regarding

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123 The Hindu, 27 April 1954.
124 India, Parliamentary Debates (Lok Sabha), pt. 1, vol. 6, no. 9, 26 November 1954, cols. 556 ff.
125 Mahajani, n. 19, p. 179.
compensation paid to nationals and non-nationals separately.

As a matter of fact the Indian Government was not ignorant of the various legislations that came up to affect the status of Indians in Burma. Although deeply concerned, it maintained a posture of restraint in dealing with the problems of Indian immigrants with the Government of Burma. On 27 December 1948, G. Rajagopalachari, Governor-General of India in a message to the All Burma India Congress said:

Although the attitude of the Government of Burma had given rise to dissatisfaction among Indians holding property in Burma, we must recognise that the Government of Burma is facing a difficult situation in their country. They are committed to certain policies and they cannot weaken their position with the general public. 127

Similarly Prime Minister Nehru in a message to the All Burma India Congress said:

It must always be remembered that it is essential and in the interests of both countries to have close and most friendly relations with each other. Even if differences arise, these differences must be looked upon as family differences and every effort should be made to resolve them in a friendly manner. 128

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126 The details of the figures of compensation during the period 1956-61 are as follows:

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<td>62,33,904</td>
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<tr>
<td><strong>Total</strong></td>
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127 The Statesman, 30 December 1948.

128 Ibid.
The Indian Government, however, had no intention to make a political capital out of a minority problem. Besides this, the Indian Government also stood against the policy of dual nationality for overseas Indians and their unrestricted immigration to South-East Asia. Nevertheless the Indian Government was keen to negotiate a proper settlement of the problems of Indians not on the basis of what Indian minority wanted or needed in Burma, but in the broader context of Indo-Burmese friendship as well as in the broader context of its policy towards all overseas Indians. Accordingly, the Government of India had made several representations to the Government of Burma. In January 1949, it decided to send a delegation to Burma under the leadership of Pattabhi Sitaramaya, President of the Indian National Congress. Unfortunately, the mission was suspended due to the civil war crisis in the Union of Burma.

So a second delegation was sent in June 1950 to

129 The Indian Government's policy towards overseas Indians was based on two points: (1) The Indians settled in other countries must make a choice between Indian citizenship and that of the country of their domicile, preferably they should choose the latter. But in no case can they enjoy dual nationality; (2) Indians who are domiciled in another country and have opted for its citizenship should be treated as citizens and be given equal and equitable rights and share of the obligations of citizenship. For details see, J.L. Nehru, India's Foreign Policy: Selected Speeches, September 1946 - April 1961 (New Delhi: Ministry of Information and Broadcasting, 1961), pp. 123-31.

130 For the protection of Indian interests in Burma, Nehru had later stated in the Parliament that "The only step that we can take is to bring the matter courteously and politely to the notice of the Burma Government". (See India, Parliamentary Debates (Lok Sabha), Second series, vol. 15, no. 41, 8 April 1958, col. 8750.)

131 Thein, n. 49, p. 164.
conduct talks with the Burmese Government for the implementation of the memoranda submitted to the former by the Chettiyar Association of Burma. But the Government of Burma refused to give any promise regarding the implementation of the recommendations as envisaged in the proposal of the memoranda submitted by Chettiyars. The only assurance given by the Burmese Government, subsequently was that the Act of Nationalization/enforced would not discriminate against any race or religion.

In December 1953 another Indian delegation went to Rangoon to discuss Land Nationalization Act, particularly the clause dealing with the rate and mode of compensation to the landowners. The delegation was well received by the Burmese Government. Discussions were held in an atmosphere of cordiality and the Burmese authorities promised to consider the views of the Government of India very carefully.

The Government of India which made several representations with the Government of Burma for the settlement of the problem of Indians in Burma, however, did not strongly condemn the latter's policy of nationalisation. Even in the debates of

132 It was further explained by the Burmese Government that the Act would not be enforced throughout the country without eliciting the defects as projected by experiments through its implementation in specified areas as stipulated by the Government of Burma. Subsequently the Government of Burma decided on a five-year plan of nationalisation by stages. Accordingly small areas were selected every year for nationalisation. (See Modern Review, vol. 90, no. 3, September 1951, pp. 187-8.)

Parliament, the Indian Government at times made persistent declarations in favour of the Burmese Government's policy of nationalisation. While advocating the legitimacy of the Burma Nationalization (Amendment) Act of 1954, the Deputy Minister of External Affairs, A.K. Chanda said that "it is a general law and there is no discrimination against Indian landlords as such". The annual Report of the Indian Ministry of External Affairs, 1956-57, gave a better picture of the Government of India's position of restraint on conditions of Indians as affected by the nationalisation policy of the Government of Burma. It stated as follows:

Certain measures taken by the Government of Burma in the sphere of trade and economy have adversely affected Indian interests in that country. Indian nationals living in Burma have experienced difficulties in making remittances to their dependents in India. A large number of cases involving the claims of Indian ex-employees of the Burma Government for pension, gratuity, arrears of pay, leave salary, etc., still remain to be settled. While the Government of Burma is responsive to our requests in matters concerning Indian nationals, its own economic difficulties have not permitted a great deal of cooperation in this regard in the past. This, however, was not allowed to interfere with the cordial relations existing between the two countries.

Three years later concern for the Burmese Government's legislative enactments was expressed by the Deputy Minister for External Affairs Mrs Lakshmi Menon in the debates of Lok Sabha. "Since there is no discrimination at all, there is no

134 India, Parliamentary Debates (Lok Sabha), n. 124, col. 557.

point in our taking up this matter with the Government of Burma, she said. Regarding problems concerning inordinate delay about citizenship rights, she reiterated in the following words:

> There is also the other side of the question. Large numbers of citizens who are qualified for permanent citizenship in Burma by virtue of their continuous residence in that country do not avail themselves of the opportunities to qualify for citizenship. The fault is not all on the side of the Burmese. Partly, it is also due to our own people who do not take advantage of facts.

Similarly on the issue of Burmese Government's restrictions on Indian citizenship rights and immigration (which involved an imposition of an exorbitant fee of Rs. 100 for getting the stay permits and of Rs. 50 for the renewal of the registration certificate) Nehru expressed his government's helplessness in this matter. Although he agreed that the figure of Rs. 50 seemed rather a big figure, he pointed out that "it is very difficult for us in an internal matter to protest when there is no discrimination, when it applies to all aliens or foreigners."

When asked in the Lok Sabha as to why in view of the friendly relations existing between the two countries, the Indians could not get Burmese citizenship in quick time, Nehru said, "I do not think there is a question of lack of friendliness in that". Rather "If I may say so", he said, "it is a

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137 Ibid., col. 4751.

138 Ibid., col. 4752.
lack of efficiency on both sides, that is, including the side who present these applications, who do not pursue them."

In fact Nehru who himself had taken several steps in his own country to bring land reforms with the abolition of long prevalent Zamindari system of exploitation, also urged Indians in Burma to remember that they were here as guests. "It was their duty" he said "not only to uphold the dignity and fair name of their motherland, but also to promote the welfare of the country they lived in and fraternise, cooperate and love the people of the land."

The Burmese Government on its part did not try to create any feeling of animosity among the Indians in Burma. Its steps of nationalization and Burmanization were in no respect racially biased and discriminatory against them. To dispel the misgivings of the Indians, U Nu made persistent pleas to his country people not to deny the Indians their legitimate rights. As the Burmese Government had no ulterior motive to offend the Indian government through their legislative measures, U Nu did his best to handle the Indian problems peacefully and with dignity without attempting any official attack of condemnation on the economic role of Indians in Burma. He rather requested Indians who chose to remain in Burma to "identify themselves with the Burmese with whom they will be one politically, and try and understand the Burmese point of

139 Ibid., cols. 4750-1.
140 The Hindu, 23 June 1950.
view". He nevertheless regretted that they would not be entitled to the privileges accruing specially to Burma citizens. But he assured them that they will be protected "to the best of their power and endeavour to assist them in their lawful avocations".

Most important of all it was also the close and informal friendship between Nehru and U Nu which went a long way in harmonious settlement of the problems concerning compensation, immigration and citizenship etc, without damaging the relations between the two Governments at the official level.

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143 Ibid.