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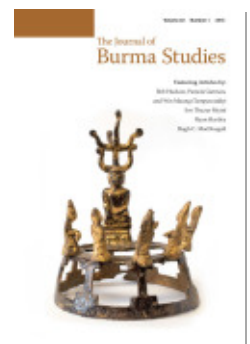
Japan's Early Twentieth Century Entry into Burma and British Perceptions (and Misperceptions) of the Friend that Became a Foe, 1903–1943: A Case Study in the Global Blindspot

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Japan's Early Twentieth Century Entry into Burma and British Perceptions (and Misperceptions) of the Friend that Became a Foe, 1903–1943: A Case Study in the Global Blindspot

Ryan Hartley

Introduction: The Lazy Lion of Albion

In 1912, Japanese shipping companies, by tonnage, had risen to a prominence second only to Britain's in their trade with Burma. The British did nothing. By 1925 the British legations in Burma and Siam began to receive confidential reports of illegal Japanese fishing in the southern regions of each country. The British did nothing. By 1934 these illegal fishers and shippers were venturing to the coastlines of the British Raj. The British still did nothing. By 1938 armadas of fishing ships, including steam-powered ships, were entering the waters of Burma's Mergui district. Still, the British did nothing. But these Japanese fishing vessels would later become sturdy Japanese warships. These harmless economic actors were the start of the transformation of Japan from an economic power into a military power in Burma. Why was this not foreseen by the lazy lion of Albion?

Considering Burma's militarily advantageous position (providing overland flights from Singapore through China) and its natural resources, Burma was badly prioritized and ill-prepared for the onslaught that Japan would bring (Dunlop 2009). British Burma at the turn of the 20th century until open hostilities in WWII witnessed a Japan that repeatedly and increasingly demonstrated (1) an openly hostile and expansionist regional agenda; (2) an increased distancing from previously warm direct Anglo-Japanese bilateral relations; and (3) an expanding economic presence in Burma that was in direct competition with British economic interests both there and at home. Why were British imperial authorities in Burma oblivious and complacent, doing so little? Why was Japan allowed free and easy access to Burma (and India) when Japan's economic interests were quickly beginning to challenge Britain's own economic interests in the looms and spindles of Lancashire and the north? Why were economic conventions being signed as late as 1934 and 1937 with regards to UK-Japan-India/Burma trade when simultaneously, new systems of imperial preference, the Rangoon riots, and increasing competition over the key imperial product of cotton were all occurring around the same time?

Drawing on qualitative and quantitative primary sources, I propose that this complacency on the part of the British was due to an inherent weakness of Britain's empire which was exacerbated starting at the end of the nineteenth century: the "global blindspot." Britain's view of itself as defender of a global free-trading liberal order meant that it was willing to ignore, forget, and forgive the mounting politico-economic and later politico-military challenges from Japan in Burma, for the purpose of protecting their view of the global politico-economic status quo (a worldview not shared by Japan). Burma became a global blindspot, and Japan exploited it skillfully. Britain allowed Japan to build up its capacity in Burma stage by stage, gradually developing from social, to economic, to international economic, to political, to military engagement with Burma, eventually pushing Britain out. Japan entered as a friend, and Britain left with Japan as a foe.

Assumptions: Empire and a Global Blindspot

A global blindspot is a politico-geographic concept coined herein to describe a feature or rather a weakness within a colonial empire. In more general theoretical terms, it can be used to describe a feature of empires whereby a particular point within that empire is ignored, overlooked, or underestimated. It represents an important vulnerability that can be exploited, as Japan did in the case of Burma. The notion represents a starting point from which to approach the sort of problem identified in the introduction above—why is it that despite frequent and overwhelming evidence of behaviors and activities that run counter to, and even threaten, the national interest of the imperial actor does that actor not take preventive action and allow those behaviors and activities to continue? As such and in more specific terms for the purposes of this analysis, Burma-Japan relations within the British Empire represents such a global blindspot. This weakness can be relational (in this case, the UK-Japan relationship) or spatial (in this case, Burma). It is conceptually framed here as an entity which emerges from the nature and structure of the British Empire, in addition to Britain's worldview of that empire. What led to the global blindspot within the British Empire?

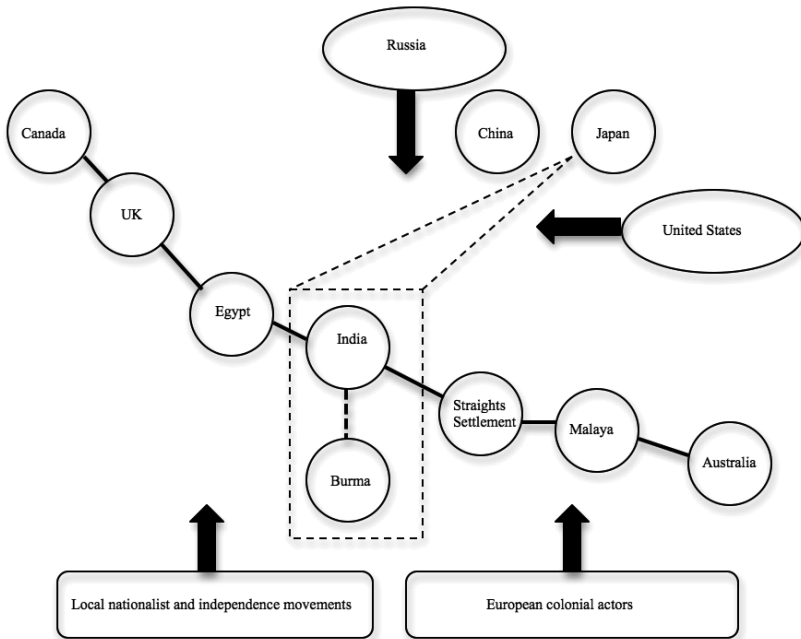
First, the economic structuralists whose contemplations on imperialism in general could be applied to any of the 19th century empires (Hobson 1902; Lenin 1916) were mistaken. Singularly economic understandings of the British Empire as the end result of impersonal economic or historical forces, and the reduction of multitudinous activities to an "ism," are overly simplistic as indeed Hobson himself later admitted (Kruger 1955). It is also important to discern how the British themselves regarded their empire. This was as a multi-dimensional but above all global entity, a global order, that the British were custodians of, and which was greater than the sum of a series of atomized bilateral parts. The national interest meant protecting the integrity of the system; the whole represented more than simple economic interest but also

included political, ideological, and moral motivations. These motivations were not solely the reserve of the Oxbridge elite but were also held by the emerging bourgeois professional classes (Stokes 1960). The Western imperialists felt responsible for their colonies and their subjects (Thornton 1973). The basis for the development of a global blindspot lies in this paternalistic global vision: it became easy to succumb to the arrogance latent within such a liberal universalism, and in the process, ignore important localized national and sub-national issues.

Second, this global entity was not a grand totalizing imperial project but rather a patchwork of nodal connections centered upon key market pinpoints and organized on laissez-faire free-market and small state principles (Roy 2016). These had developed gradually, informally, and unevenly over hundreds of years and not necessarily with a singular vision in mind (Gallagher & Robinson 1953). It is not grand economic determinism that is important, argued D. K. Fieldhouse, but instead how economic priorities within the empire interacted with local political realities on a case-by-case basis (Fieldhouse 1973). Seeley was right to quip in 1891 that “we seem to have conquered and peopled half the world in a fit of absence of mind” (Seeley 2005:8). The historically developed and organically gathered nature of the British Empire, coupled with the belief that this had been primarily achieved by Britain’s open-trade ideology, led to another component of the growth of a global blindspot: the belief that long-time developed historical ties—in addition to the locally developed buy-in from local elites—were enough to counter the modernizing, nationalist, and anti-imperial forces of the new world, compounded with an over-confidence in the importance given to economic activity rather than geo-political competition or military threats.

Third, that imperial network at the end of the 19th century existed within a world of (a) alternate networks, and (b) new challenger states (portrayed below in figure 1). Alternate networks refer to the other European colonial empires ready to play an alternative to the British Empire. New challenger

Figure 1. A Map of the 19th/20th Century Nodal Network of the British Empire and its Pressures



Source: author

states refer to the challenge to the stability of the network presented by the rising powers of Russia, the US, and Japan, with China being a key litmus test buffer ground for how these actors would interact. According to Ronald Hyam, this meant that pride and geo-politics would often take precedence over economic self-interest (1999). Prestige as a nationalist interest (because it engenders patriotism) meant the need to consider geo-politics rather than economic self-interest alone. Geo-politics meant the constant need to be aware of other colonial actors, principally France, but later the newcomer challengers. The existence of these new challenger states meant that the British by the late 19th century had to increasingly turn their gaze away from colonial expansion (which is necessarily centered on individualized territories and country case

studies) and begin to prioritize the consolidation and protection of the existing network (meaning a shift of attention upwards towards the geopolitics of how the network interacts in the world). The significance of rising inter-network competition that led to the shift towards consolidation, led to a number of common problems in the decline of empires, creating a global blindspot. The psychology of inevitable decline means that survival at all costs leads to desperation in foreign policy planning and the downplaying of actors who do not represent problems as significant or immediate as other actors do.

Applying the Notion of a Global Blindspot: Japan and Burma

Moving forward to application, Japan became an ally of Britain's precisely at the time of greatest potency for Britain's global blindspot, enabling Japan to play the "entryist" actor—the zenith of UK dominance coupled with multiple new entrants to the imperial game; the US and Japan being principal among them. With the UK becoming Japan's first and most important ally, it was seen as a win for both sides.

Britain gained a "battleship in East Asia." Japan helped ease the pressure from Britain of the challenger of Russia, and to a different degree the US. Despite some British political analysts in Burma warning that a problem would emerge from "Japan's aim at being the Germany of the Far East" (Chief Secretary's Office: Political Dept. 1920a: 23), this general policy approach to Japan remained in place for decades. Japan played the same role for the British Empire then as it currently does for the US empire—it acts as proxy for global hegemony in the affairs of East Asia and its environs.

Japan gained not only the protection and validation of the British and their empire, but crucially it was permitted access to the British network. It was not primarily UK-Japan trade that Japan wanted, but instead access to the resources controlled by that network, particularly in Southeast Asia. By

avowing the importance of free markets (within an imperial system) in addition to providing a naval bulwark against Russia, Japan was not treated as a threat and was maintained until the very last point of tolerance as an ally in the face of those threats. Meanwhile Japan used a “stay low” strategy to draw from the network the strength it needed to build up the capacity to one day overturn it. This use of global level protection to effect regional influence can be termed Japan's *yoraba taiju no kage* (serve the powerful for your own good) or “tree hiding strategy.”

This *yoraba taiju no kage* strategy has been commonly adopted by East Asian states in their global relations with the West, but Japan was the first state to do so. It essentially refers to a behavior whereby Actor A's power position is established, built-up, and consolidated by allying with a given world order's systemic power, Actor B, to help and protect Actor A. In contemporary international relations theory this is understood as Defensive Realism, meaning a tendency towards significant military potential while maintaining the guise of an economics-based and restrained actor, simultaneously allowing other powerful states to provide for global goods (Lind 2004). China's Deng Xiaoping would later replicate the same policy in the 1990s with his 24 Character Strategy vis-à-vis the US, amongst which was the Chinese version of Japan's “serve the powerful for your own good” proverb: “hide your strength and bide your time,” or the “low profile” policy.

However, this behavior did not go unnoticed by the new entrants to the global scene and the UK's alliance with Japan interacted uncomfortably with the tensions already present and developing between the British Empire and the newly emerging systemic challengers. This placed a heavy strain on the UK with its other Western counterparts which the UK seems to have borne patiently and pragmatically.

The US and Japan had differing visions for the Pacific region, and had long held antipathies towards each other especially where China was concerned. In addition the US had identified the Anglo-Japanese alliance as an obstacle to its own ambitions (Lowe 1997). The US rejected attempts by

Britain to broaden the Anglo-Japanese alliance to include the US (Best 2006), and some British prophesied the tensions that would be generated by these new incoming actors. One E. Butterfield, Superintendent of the Northern Shan States in Burma, cynically summarized the situation like this:

In my judgment Bolsheviks, Japanese, and Germans worship Mammon, in that order of intensity, and are therefore bound sooner or later to be involved in fighting. The other first class Powers try to combine the worship of god with that of Mammon with more or less sincerity. There is little doubt on which side lies the chief bias of the Americans. They yield to none in the worship of money. They invented the phrase 'the almighty dollar'. Whilst other nations reckon god as the almighty, who gets between the American and the dollars may count on trouble. The Americans too are no longer nearly British. Their 120 millions contain 10 million undigested Germans, more undigestable Irish than Ireland; the riff raff of Russia and Poland as well as various Dago, Chinks, Niggers by the millions. Indians, Western, and Eastern, and nauseous mixtures with all the colour of the rainbow, most with votes, counting just as good as those of the descendants of the Pilgrim Fathers. The good Americans are therefore 'dead nuts against colour' (Chief Secretary's Office: Political Dept. 1920a:24–25).

Within the empire, factions opened up at the turn of the 1920s with the time for the renewal of the Anglo-Japanese Alliance at hand. Canadian, Australian, and UK factions emerged, with Canada desiring an end due to an ambition to move closer to the US, Australia desiring a continuation due to its interest in regional defense, and the UK in the middle desiring a fudged option (Lowe 1969). Despite this ill feeling towards Japan from the Western camp—but one which with the hindsight of history was the correct analysis of Japan's intentions—Britain could not accept a full break with Japan and fought against the Western (and white, an important consideration at the time) nations on Japan's behalf.

This is one half of the global blindspot: not realizing, despite reassurances, when both parties do not interpret a relationship in the same way and even the advice of one's allies is vainly ignored.

The other half of the global blindspot requires the geographical localization of a relationship into a space. For the purposes herein, this means Burma. Burma represented a nodal periphery within Britain's imperial network, that is, as a false appendage to India. Burma's real importance was not fully realized until too late and as a result, the country was under-prepared for the coming of WWII. Within East Asia, the British were more concerned about other European empires, in addition to Russia and the increasing issue of American interest in the region and the anti-Japan—meaning also anti-UK-Japan alliance—stance of the US. The tiny backwater of Burma meant little compared to these grand global concerns. As such, the UK's ally of Japan was ignored and under-estimated in its dealings within this peripheral imperial backwater, despite Burma's crucial geo-spatial proximity to China and major British assets in Malaya. Rather than storm the gates, it was better to slip in through the cellar.

The Stages of Japan's Exploitation of the Global Blindspot

In applying this theoretical feature to the qualitative and quantitative historical record in Burma, the analysis will assume a four-stage chronological approach that begins with the UK-Japan relationship in alliance and on friendly terms in Burma, and ends in war and conflict within Burma's territory.

In stage one, it is possible to witness the ignoble start of Japan's relations with Burma as emerging both from illegal fishing and pearl diving in Burma's southern district of Mergui, and from prostitutes and pimps in the capital of Yangon. This small social contingent laid the foundations for a larger social contingent later in the form of the professionals and a diplomatic presence. Even at this early stage, (a) Japanese

fishermen and ships began alerting local officials whom the British nevertheless ignore, and (b) Japan's first diplomat to Burma, a Consul General, began to push the limits of Britain's idea of accepted practice. Yet the global blindspot was intact, and Britain did nothing.

In stage two, Japan had established a working knowledge and economic base in Burma and was expanding rapidly. This was achieved through the acquiescence of Britain—Japan's newest and most important global ally—that allowed Japan access to the economic network of the British Empire, without which Japan would not have easily entered Burma. Japan quickly began shifting from sectorial success to sectorial success, eventually targeting Britain's own key economic interest in Burma, cotton textiles and shipping in particular. Japan rose to second in importance to Britain in pulling Burma into the emerging global trading order yet still, Britain did nothing.

In stage three and by 1921, the Anglo-Japan Alliance had ended and the legacy of WWI supposedly marked the 1920s as a period of imperial competition. Surely Britain would begin to turn a skeptical eye on Japan's relations with Burma now? Not at all. Japan's economic power in Burma continued to expand. Even when colonial guardianship over India and Burma was relinquished in the 1930s, Britain continued to play a significant backroom role in the country and continued to aid Japan in the maintenance of its presence in Burma. Warnings signals were everywhere, not only in the data that was presented therein that the British would have had access to, but also from repeated alerts and suspicions by local Burmese as to Japanese activities in the country, especially in the southern oceans. Still, the British did nothing.

Finally, in stage four, after social ties, political ties, and economic ties had been generated and consolidated, Japan began to convert its economic capacity in Burma (and neighboring Siam/Thailand) into military potential. Unheeded warnings from southern Burma about Japanese diplomatic and economic activity in the area, in addition to the activity of Japanese ships, would eventually reveal themselves to be the basis for Japan's invasion and expulsion of Britain from Burma.

Pearls, Prostitution, and Power . . . It takes a Pimp to Make a Politician: The Early Japanese Community in Burma, Wave One Japanese Immigration (1903–1921)

Joining the British Empire and signing the 1904 convention opened Japan's access to Burma. Britain's global blindspot was in full strength and the pattern for the development of Japan's "stay low" strategy in Burma would be first to develop a socio-economic base through immigration, second to develop a diplomatic presence justified by the previous socio-economic base, and third, to use the diplomatic presence to leverage wider and bigger economic opportunities. It all began with Japanese pearlery, pimps, and prostitutes.

Thanyarat Apiwong and Bamba Yoshihiro note how relations between Japan and Burma began with a diplomatic meeting between Burma's Kinwun Min Gyi, chief minister to King Mindon, and "a Japanese man" [original source description, likely a member of Japan's Iwakura Mission] in London in 1872 (Seekins 2007). John Sydenham Furnivall later observed that direct trade between Myanmar and Japan began in 1899 with seaborne trade in rice and sugar (Thanyarat and Bamba 2009).

However within Burma itself, the British recorded all aspects of the growing Japanese communities in the country. According to British surveys of the communities in Burma of the 1920s, two waves of immigration can be delineated: pre-(wave one) and post-(wave two) creation of Japan's consulate in Rangoon in 1920. (For the complete list of occupations and arrival dates, see appendix A).

In wave one, prior to the establishment of a permanent diplomatic presence to represent Japanese interests, the primary capital formers, the early demand creators, and the general awareness raisers beat a brave path. Divers and pearlery began establishing themselves in Mergui as early as 1903. They were no doubt lured by both the fishing and the strategic advantage of being the furthest away from Rangoon (and therefore the

British Empire) in addition to being able to survey Burma's southern coastline. Turning to the capital, colonial censuses found 1922 Rangoon to have Japanese prostitutes (52 out of 359, more than the combined family members of the entire community), brothel keepers (15 out of 359), small-scale shopkeepers (9 out of 359), and oddly, billiard room keepers (2 out of 359) from as early as 1906.

These findings from the primary records are confirmed in the secondary literature and in the early development of Japanese communities in much of Southeast Asia. As noted by Saya Shiraishi and Takashi Shiraishi in the quote heading this article (expanded here),

In contrast with the Chinese communities in colonial Southeast Asia where there were more men than women, among the Southeast Asian Japanese population, women outnumbered men, and, with the notable exception of the Davao Javanese, prostitution formed the social and economic foundation of many Japanese communities, especially in British Malaya and Dutch Indies, until the end of the 1910s. These prostitutes, mainly coming from southwestern Kyushu, were the pioneers of the Japanese communities. [. . .] In those days, Japanese men were thoroughly dependent on women, either directly exploiting prostitutes as pimps or brothel owners or catering to their daily needs. [. . .] Those who earned their livelihood by dealing with natives in the countryside [. . .] also found themselves on the margins of the prostitution-based Japanese community, often dependent on brothel owners and prostitutes for loans (Shiraishi and Shiraishi 1993: 8).

Wave Two Japanese Immigration and the Establishment of the Japanese Consulate (1920–1922)

These early capital formers may have represented the bottom of the social hierarchy, but they served an important politico-economic function: to create business demand and raise the

awareness of a Japanese community that justified the establishment of a consulate general to represent them. Thus it was that pimps and prostitutes facilitated wave two: the immigration of Japan's petty bourgeoisie. The reasoning of the second wave's more risk-averse, middle-class person is not difficult to grasp. Merchants, administrators, photographers, doctors, hotel keepers, nurses, bankers, dentists, planters, and engineers are unlikely to emigrate without the right social, economic, and political infrastructure in place to support them and their financial speculations. When the British conducted a survey in 1922, this wave of professional Japanese had only recently entered Burma.

However, the Consulate had not only a significant sociological impact but a political one also. It is possible to note that the British Political Dept. of the Chief Secretary's Office realized that the British Empire's permitting in 1920 of the establishment of Japan's Consulate General represented a major turning point in the development of the Japan-Burma relationship (Chief Secretary's Office: Political Dept. 1920b). Japan already possessed a Consulate General in Calcutta, and a Vice Consul to Burma in the form of Mr. Toki Toshi Fuchi.¹ The British noted that Japan's levels of trade with Burma at this point justified the creation of a Vice-Consulate, although considerations of declining Japan-UK relations by 1920 seem absent. The global blindspot meant that as long as trade was occurring, Japan must be trustworthy. But things did not run smoothly at first.

British diplomatic officials were frequently irked by Japan not following the proper protocol. In terms of trade volumes the British deemed Japan's request as legitimate. However, Japan's failure to formally request permission from either the UK government or the Raj in India to open in Rangoon resulted in the political wing of the British colonial establishment refusing to grant Consular status until the formal

1 This is the British-recorded reading of his name, although this is likely incorrect as Japanese do not have double-barreled given names. His name was likely Tokitoshi Fuchi, or Toki "Toshi" Fuchi whereby "Toshi" is just a shortened nickname.

request has been made. Furthermore, the British were concerned about Japan's activities in China and China's politicking of its Consulate General in Rangoon, which they request moved to Mandalay (the British suspected this was for political purposes). As a result they imposed a punishment on the new Japan post, the same restriction that was placed on the Chinese Consulate General in Rangoon: a travel restriction, oriented mainly towards travel to Mandalay in the north where possible agitations could occur across the border with China.

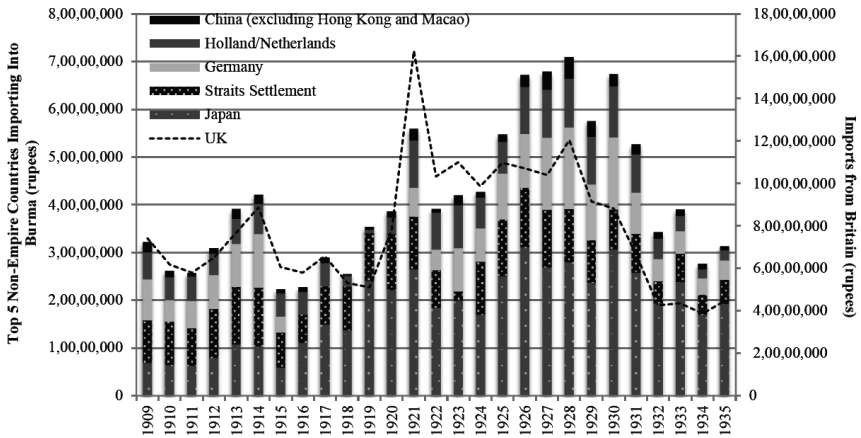
The Japanese quickly began to push the limits of these restrictions, but the global blind-spot blurred any perceived need to react by the British in Burma. When Mr. Fuchi set out to leave Rangoon on October 4, 1922 on a two-week tour to Mergui through Moulmein, Bassein, and Tavoy to consult local Japanese businesses, the British high command instructed its local officials to be polite but to remind him of his terms of engagement and to return to Rangoon. In addition it curtly and directly put the Japanese Consul General in his place:

I am to say that although in your letter you write of going "on tour", it is presumed that your visits to these places are of a private nature, and that you will be careful to explain to any of your own nationals who might approach you during your visit that you exercise consular functions only in Rangoon. [. . .] I am to ask that if in future you should desire to make visits to other parts of Burma you will be so good as to give sufficient notice (Chief Secretary's Office: Political Dept. (1922a:17–18).

Japan's Step-by-Step Consolidation of its Economic Position

The first trade between Japan and India, imports, were recorded by the British in 1871 (Statistical Abstract Relating to British India from 1867/8 to 1876/7, 1878:50), meaning that some Japanese, even if they not were in contact with the Burmese, likely would have had an understanding of them prior

Figure 2. Imports into Burma from Britain and the Top Five Non-British Empire Countries (1909–1935)



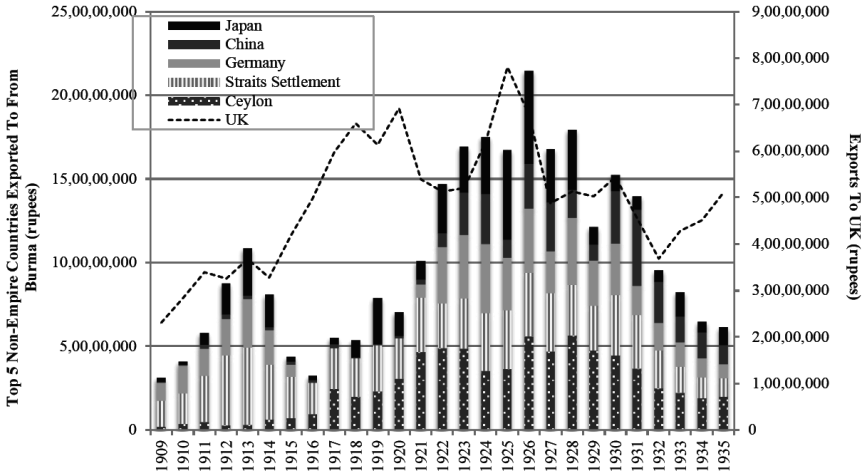
Notes: multiple, see footnote.²
 Data sources: Chief Collector of Customs, Burma (1913, 1917, 1921, 1927, 1931, 1935)

to this time. This initial contact must have been favorable for the Japan side, as their economic activity persisted into the twentieth century.

Japan quickly emerged as an economic juggernaut. Figure 2 reveals the rapid rise of Japanese imports into Burma, from 6.9 million rupees in 1909 to a peak of 31.1 million rupees by 1926.

2 Note (1) The British total imports and exports by sub-dividing ‘merchandise’ and ‘treasure.’ While the former is the vast majority, and questions about physical trade vs. capital trade raise differing theoretical considerations, the total figure will be used here. Note (2) The British kept records for ‘subordinate ports’ in Burma aside from Rangoon. However the vast majority went through Rangoon port, and in addition barely anything from subordinate ports was traded with Japan. Therefore figures here are for Rangoon port only. Note (3) In order to remain as authentic as possible, the number formatting used here is identical to that used by the British/Indian recorders of the time. This Indian numbering system—the lakh and crore system—uses different allocations of “oos” and “ooos,” for example the Western system’s “100,000” is represented as “1,00,000” in the Indian system. Despite the differences, the root number is the same, and so the reader should hopefully not find the numbers too difficult to read.

Figure 3. Exports From Burma To Britain & Top Five Non-British Empire Countries (1909–1935)

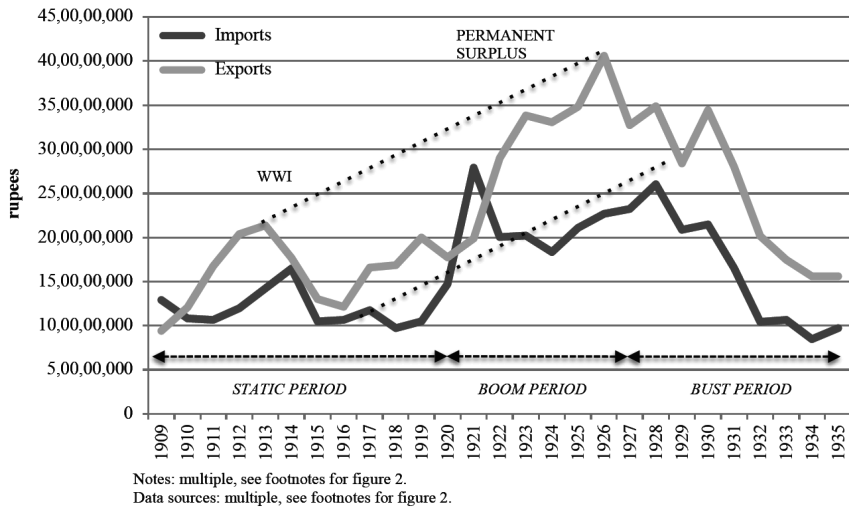


Notes: multiple, see footnotes for figure 2.
 Data sources: multiple, see footnotes for figure 2.

In 1909 Japanese imports represented 5% of Burma’s imports, but by 1935 this had become 20%. This was a remarkable rise given that in 1935 British imports accounted for 46% of total imports into Burma. By 1916 Japan had overtaken the Straights Settlements as the second largest importer into Burma and by 1935, in just a quarter of a century, Japan’s trade with Burma had risen to just under half that of the world superpower of the time.

For Burma’s exports (see figure 3), Japan quickly emerged as a crucial trading partner. Exports to Japan in 1909 were valued at 2.7 million rupees (3% of total exports), peaking at 56 million rupees in 1927 (14% of total exports) when Japan briefly replaced the Straights Settlements as Burma’s second largest export market. This declined to 11 million rupees (7% of total exports) by 1935. However in sum rather than annually, total exports for the 1909–1935 period reveal Japan to have become in just a few decades Burma’s second largest export market.

Figure 4. Burma's EXIM Position, 1909–1935



The effect of this was to introduce the tendencies towards boom-bust that are ever present in international capitalism but especially so at the early stages of a country's integration. This was doubly exacerbated by Burma's economic fate being handcuffed to the British Empire and its global concerns: crucially, WWI.

Burma integrated through increased trade, now driven increasingly by Japan. Three periods can be distinguished: (1) relative stasis, 1909–1921, (2) a boom period, 1920–1926/1928 and, (3) a bust period, 1926/1928–1935. These are illustrated in figure 4, as is the devastating impact of WWI. Burma at the turn of the century was beginning to see an export-led shift in its economy, however WWI cut those exports by half. The highs of 1913 would not be seen again until 1921. WWI caused nearly a decade of damage. Moreover, mapping the upper and lower boundaries of the peaks and troughs shows that potential gains were not recovered until the tail end of the boom period, by which time the bust period had set in. This boom-bust trend was due in large part to the UK but also significantly Japan.

The British would have known this. The data presented here is their own: the *Annual Statement of the Seaborne Trade and Navigation of Burma with Foreign Countries and Indian Ports* series. Yet still they promoted economic integration for Burma, and a major part of that agenda now involved Japan.

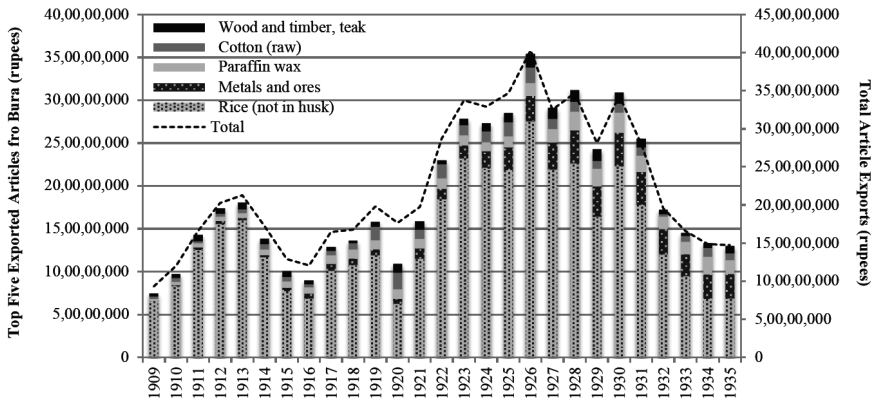
Colonial Priorities: Rice, Silk, Cotton, and Shipping (1909–1936)

What drove Japan's economic surge into Burma in the first three decades of the twentieth century? It was a step-by-step targeted attempt to move up the commodity value chain that would end with Japanese business actors directly rivaling their British counterparts.

Burma was unique within the empire for experiencing an economic boom at the outset of its colonial period, as opposed to slowly building up a free-trading base. This was due to the rapid rise in the price of rice in global markets as a result of the global supply chain disruption by the US civil war and the Indian revolt of 1857 (Schendel 1987). This left Burma, without any major need for agricultural reform due to rice being the natural local crop, sitting on a white gold boom. The boom continued into the twentieth century as illustrated below in figure 5, driving Burma's integration into global trade. The majority of this white gold went to the British Empire (India) and Japan. At its peak in 1926, Japan singularly consumed 15% of Burma's rice exports more than any other country (see below, figure 6). However while Britain may have been comfortable to slot Japan into its model of Burma as agricultural cash-cow, Japanese actors had other ideas.

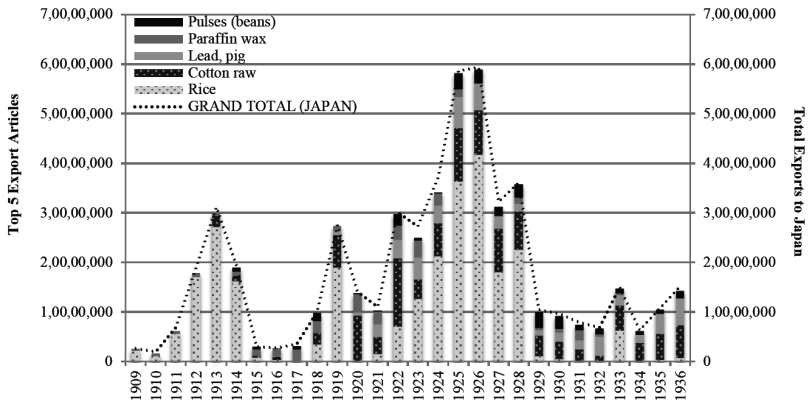
Imports, on the other hand, while half the value of exports, were strongly driven by Japanese textiles, particularly cotton piece goods (see figure 7). While Britain was using Burma as an agricultural cash cow for rice, a precursor of what Japan would later attempt successfully in the US automobile sector during the 1970–1980s, Japan quickly targeted key products of its day—cotton and manufactured cotton piece goods.

Figure 5. Top Five Exported Articles From Burma (1909–1935)



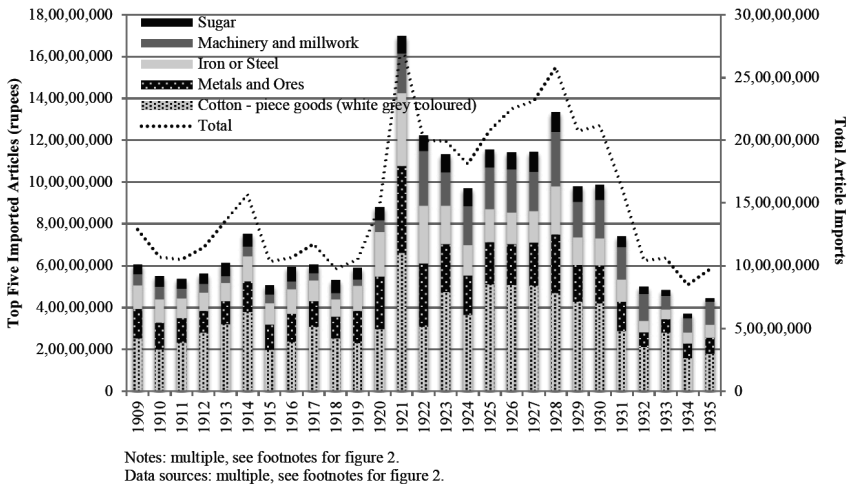
Notes: multiple, see footnotes for figure 2.
Data sources: multiple, see footnotes for figure 2.

Figure 6. Top Five Exported Articles from Burma to Japan (1909–1936)



Notes: multiple, see footnotes for figure 2.
Additional notes (not in figure 1): From the year 1919, "pulse" expanded to "pulse beans" and "pulse gram" and "pulse other sorts." "Rice not in the husk" is separated into "boiled rice," sub-divided into "cleaned rice," "broken cleaned rice," and "other sorts of rice."
Data sources: multiple, see footnotes for figure 2.

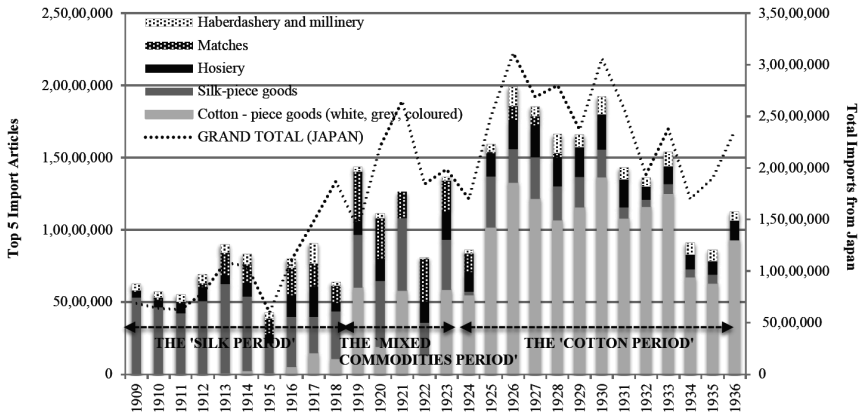
Figure 7. Top Five Imported Articles into Burma (1909–1935)



Not satisfied to be “just another Asian silk country,” figure 8 shows that a clear conversion in Japan’s textile exports to Burma takes place at the outset of the 20th century. Beginning with the domestically producible product of silk between 1909 and 1919, Japan takes two decades to begin to move towards the higher value (and European preferred) cotton textiles.

In 1909 77% of Japanese imports into Burma were silk piece goods, while cotton goods were zero. By 1923 this had reversed, with Japan’s imports into Burma representing 29% of cotton piece goods compared to 17% of silk piece goods. By 1937 (the last available date of statistics), cotton goods represented 39% of Japan’s imports into Burma compared to 3% for silk goods. It took five years until 1924 to switch, and then after 1924 the majority of Japan’s exports to Burma were cotton-piece goods, a remarkably fast development trajectory. Even within the sector of cotton-piece goods products, as shown in figure 8, Japanese interests targeted the highest value products within this highest value sector—color piece goods.

Figure 8. Top Five Japan Exports to Burma (1909–1936)

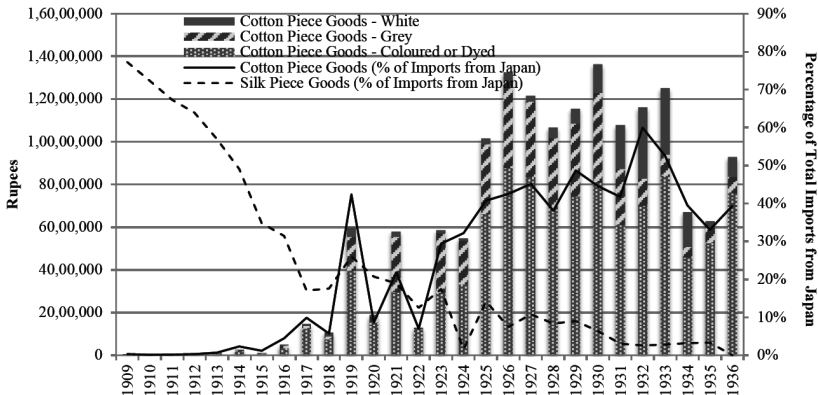


Notes: multiple, see footnotes for figure 2.

Additional notes (not in figure 1): Certain category names may be unfamiliar to us now. “Hosiery” refers to stockings, socks, underwear, drills and jeans, long cloth, sheeting, etc. “Haberdashery and millinery” refers to lace embroidery, towels, etc. “Piece goods” are finished textile products, usually pieces of clothing.

Data sources: multiple, see footnotes for figure 2.

Figure 9. Burma Imports from Japan - Cotton Piece Goods (1909–1936)

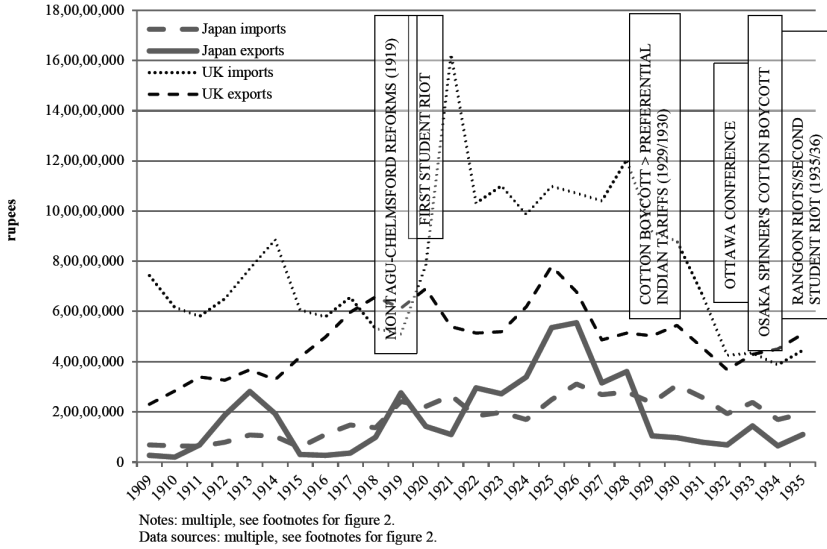


Notes: multiple, see footnotes for figure 2

Additional notes (not in figure 1): From this year 1919, there were category changes of piece goods. “Grey (unbleached)” became “bordered grey”, and “colored etc” was separated into the composites “printed goods”, “dyed goods”, and “woven colored goods”.

Data sources: multiple, see footnotes for figure 2

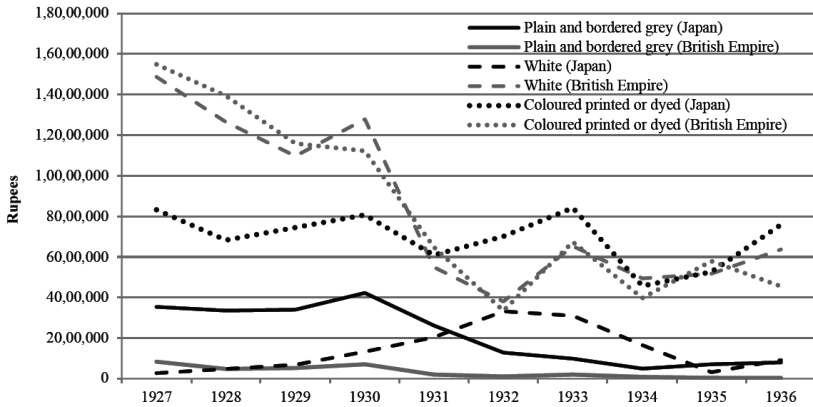
Figure 10. Britain and Japan’s Exports and Imports with Burma (1909–1935)



The economic decisions to target the value added commodities were active political choices in Japan. Debates in the country at the time revolved around whether to alter pig iron and steel tariffs to aid local industry, but it was concluded that a protectionist turn could provoke a counter-revision on cotton in India (Burma). The view in Tokyo was that textiles were the more important industry from which to gain foreign exchange (Staden 2007). The result in the case of Burma, as shown in figure 10, was that Japan’s EXIM trends quickly begin to mirror those of Britain.

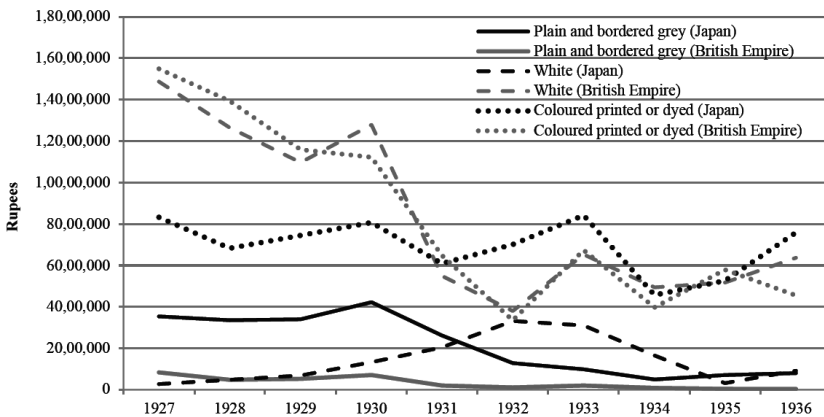
WWI was a disaster for British cotton but a boon for Japanese cotton, which immediately exploited the advantage in Burma (and India), a fact not lost on the inhabitants of both countries (Tomlinson 1979). As revealed below in figure 11, while British cotton manufactures imported into Burma were declining, Japan’s were broadly increasing. This was helped along by Japanese exporters’ doubly clever move to not only target piece goods but especially colored piece goods, the most profitable (see figure 12).

Figure 11. Total cotton manufactures (excluding raw, waste, and twist and yarn), UK and Japan, 1927–1937



Data sources: Annual Statement (1931 and 1936).

Figure 12. Cotton piece goods (grey, white, and coloured) imported into Burma, 1927–1936



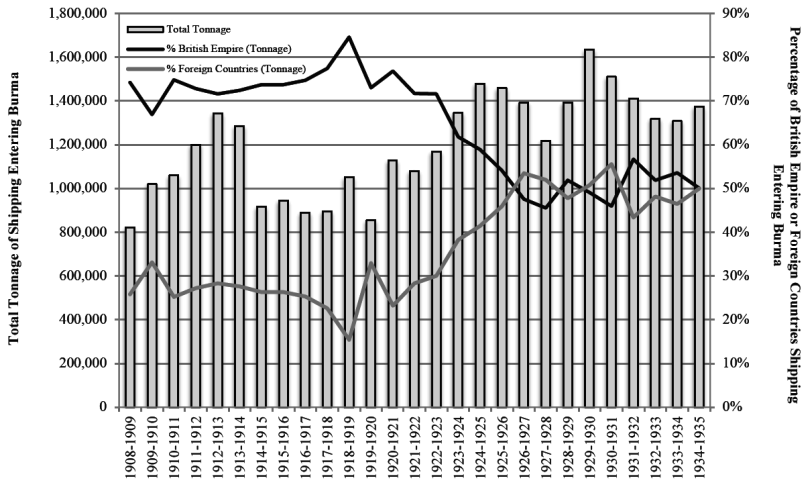
Data sources: Annual Statement (1931 and 1936).

Cotton manufactures comprised around 15% of total imports into Burma from the mid-1920s until the mid-1930s. Of that, Japan and the UK dominated, making up a combined 80% of imported cotton manufactures. This pushed the competitive trend into the 1930s, as Japan's consolidated position in cotton manufactures now stood in direct competition with Britain's own economic interests. Yet still they did little. The British may not have been very concerned by this situation on paper, as cotton piece goods represented a small proportion of Britain's overall exports to Burma (averaging 15–20%). But it is surprising that they were not more concerned given the importance of cotton to British manufacturers in Britain's "Cottonopolis" north. With one in five either directly or indirectly involved in cotton, it is strange that Britain's foreign planners prioritized protecting global free trade (and so Japan) rather than Britain's own northern national interest.

It is doubly strange given the damage it would be possible to exert on Japan if so desired. After all, by this time of direct UK-Japan competition, the Anglo-Japan Alliance had ended (1921). Furthermore, due to the maintained importance of UK-Japan political relations but the declining importance of direct UK-Japan economic relations in the 1920s, the importance of the British Empire's territories to Japan (rather than Britain herself), became exacerbated (Akita 2010). By threatening the access to these resources, Britain could have used Burma (and India) as key bargaining tools to control or slow down the developing Japanese Empire. But the British remained committed to their free-trade principles, ever open to Japan's engagement with Burma and to Japan's engagement with cotton. And open to Japan's engagement with that other key sector that moved the cotton back and forth—shipping.

Burma itself had no shipping infrastructure to speak of at the turn of the century; it was an entirely foreign enterprise. Up to the 1920s this meant British shipping, but after that time it would also mean foreign shipping, largely Japanese shipping (figure 13). In 1908 'British Empire'-originated shipping represented 74% of shipping to and from Burma compared

Figure 13. Total Shipping into Burma by Tonnage, 1908–1934 (cargos and in ballast; from and to foreign countries; within the province of Burma; entered)



Data sources: multiple, see footnotes for figure 2.
 Note: These totals include steam and sailing ships. However, the vast majority are steam ships. In addition to this classification system, the British distinguished between international shipping and “coastal shipping,” the latter referring to intra-Burma or intra-India (Burma-India) trade. These figures are fairly negligible and not directly relevant to our purposes here so are not included.

to 24% for the ‘Foreign Country’ category.³ Just under two decades later by 1926, Foreign Country shipping had overtaken shipping from the British Empire 54% vis-à-vis 48%. The principal driver of that reversal was Japan.

In 1908, shipping tonnage from Japan represented only 4% of Foreign Country shipping and 1% of total shipping into Burma. By 1918 this had risen to 55% of Foreign Country and 8% of total shipping into Burma. This quickly and severely cut into Britain’s shipping dominance. In 1908, there were 57 UK-originating ships that entered Burma, with a total tonnage of 197,222. This is compared to three ships from Japan totaling 8,020 tons. Fast-forward to a quarter century later: 54 ships entered Burma originating from the UK with a total

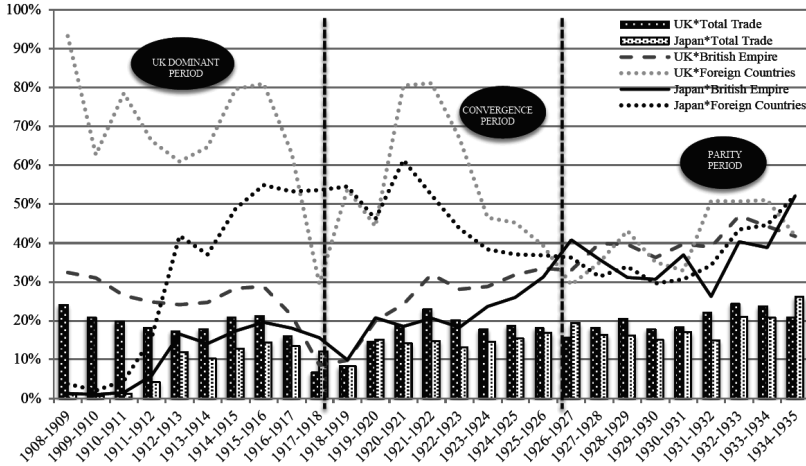
3 These are the categories used by Britain in their Statistical Abstract tables.

tonnage of 287,243 compared to 95 ships from Japan with a tonnage of 359,205. As early as 1912, Japanese shipping companies had developed to be second only to British companies operating between Burma and the world. The UK's 24% dominant share of total shipping in Burma in 1908 had converted to 26% Japan-dominated by 1934, roughly a quarter century later. In three quick stages, Japanese shipping had risen to compete and overtake the world's largest sea-power (see figure 14).

The reaction from Britain, as with cotton, is muted, *laissez-faire*, and slow. Japanese fishing vessels had been spotted by locals and warnings given to the British for more than a decade and little was done. Only by 1937—the same year that the Burma Cotton Protocol was not to be renewed—did Britain begin stirring, and only because of the threat to India rather than Burma. Japanese fishers “nibbling at the coastlines” (in the British Defense Department's words) had begun to expand to the Indian coastline. Such events caused a minor diplomatic stirring between the British Raj and Tokyo (Defence Secretary's Office: Miscellaneous Dept. 1937). Joseph Bore raised the issue with Japanese delegation head Sawada Setsuzo in 1934 during Indo-Japanese trade negotiations. In March 1937, the Government in India wrote to the Japanese Consul General K. Yonezawa to complain and issue a veiled threat:

I am to point out that the British and Indian mercantile fleets already engaged in Indian coastal trade are more than adequate to meet all the demands of that trade, and that even the spasmodic intervention of Japanese shipping exposes British and Indian shipping interests to very severe losses. [. . .] This has aroused resentment which endangers the maintenance of friendly relations between India and Japan, but quite apart from this, it is very difficult for the Government of India to stand aside and see losses inflicted on British and Indian shipping interests in a branch of trade which has always been recognised as an exclusive privilege (Defence Secretary's Office: Miscellaneous Dept. 1937:15–16).

Figure 14. The UK-Japan Shipping Convergence: Proportions of UK and Japan Originated Shipping, by Tonnage, Repeated voyages, Entered, with Cargoes and in Ballast, all Ports in Burma, 1908–1934



Data sources: multiple, see footnotes for figure 2.

As late as the start of WWII in London, the British are still reluctant to act against Japanese shipping. The 1939 report, *British Shipping in the Orient*, tellingly noted in relation to Japan and Burma,

With one important exception, British shipping has a predominant share in the overseas trade of Burma. The exception is the trade between Burma and the Far East, amounting to some 200,000 tons of cargo a year. In recent years, Japanese ships have carried about 80 per cent of this trade. The reason for the Japanese predominance lies apparently in the support given by Japanese importers and exporters to Japanese shipowners (Imperial Shipping Committee 1939:17).

Frustration at the displayed reticence towards Japan's activities and the tardiness of the *British Shipping in the Orient* report appears to have boiled over even within London's

political establishment itself. On April 25, 1939, in a parliamentary exchange, Labour MP Benjamin Smith questioned the Conservative, Sir Ronald Cross, about the delay in the production in the report.

Mr. Benjamin Smith asked the President of the Board of Trade whether he has completed his consideration of the Report of the Imperial Shipping Committee on British Shipping in the Orient, dated 8th December, 1938; and whether he is now in a position to make a statement?

- Mr. Cross: *I fear I am not yet in a position to make a statement.*
- Mr. Smith: *Can the hon. Gentleman say when he will be prepared to make a statement, as the report has been with him for a year?*
- Mr. Cross: *The details of the scheme which are at present being considered are affected in many respects by the report of this Committee, and until these details have been formulated, I am afraid that it will not be possible to make a statement.*
- Mr. Smith: *Is it not the fact that the Japanese are making very definite inroads into British trade in those waters, and will the hon. Gentleman expedite the consideration of this report?*
- Mr. Cross: *We are fully conscious of that fact.*
- Miss Wilkinson: *But you never do anything.*
(Parliament [UK] 1939)

Slow production of reports by the bureaucracy, or foot-dragging, is a classic bureaucratic technique to avoid difficult decisions and so the question must be raised—why was Britain’s civil service attempting to shield Japanese shipping from the concerns and scrutiny of British politicians?

Imperial Competition (?): Imperial Preference

By the 1920s a large range of factors would presume the beginning of a greater realpolitik competitive approach from Britain towards Japan in Burma. Japan’s relations with Burma

after 1921 were operating outside the Anglo-Japan Alliance; Japan's economic interests had become consolidated and now rivaled Britain's own in Burma; the fallout from WWI had led to economic distress for Britain; and nationalism coupled with calls for independence were on the rise in Britain's colonies.

Ishii Osamu has assumed this competition-based line of reasoning and argued that a state of economic (and psychological) competition between the UK and Japan had developed, particularly over cotton piece goods from the 1930s, and that this competition was part of the broader trends mentioned above towards nationalism and Japan's feeling surrounded by the Anglo-Saxon powers (Ishii 2000). The data however does not bear this out.

As shown in the figures in the previous section, Japan's general trade with Burma in addition to its cotton piece goods trade, continued vigorously into the 1930s even while Britain's was declining. Britain instituted a number of global-level measures that demonstrated a degree of the nationalist turn thesis: Britain de-pegged sterling to gold in December 1931, and held the British Empire Economic Conference *a.k.a.*, the Ottawa Conference, in July 1932. This resulted in intra-empire tariffs going down and extra-empire tariffs going up: the institution of "Imperial Preference," meaning that it would appear as though Britain were building walls. However the de-pegging of sterling to gold prompted Japan to de-peg and re-peg to sterling, making Japan as dependent on Britain as in the past. In addition, countries like Burma were not sufficiently connected to the global economic system at the time to make a significant difference, so such large-scale regulatory events as Ottawa did not have any significant impact on imports and exports between Burma and Japan (see figure 10, above).

The typical characterization is that, driven by powerful domestic beneficiaries in Japan and Germany, inter-imperial competition and the rise of trade blocs placed pressures on the free-trade system that Britain buffered (Chase 2005). However Kagotani Naoto and Akita Shigeru make a more accurate analysis: in relation to Burma (and India) at least,

inter-imperial competition did not exist. Drawing on data from the Japan Cotton Spinners' Association's *Cotton Statistics' Yearbook* (1937), Kagotani and Akita point to the fact that in that key colonial commodity of cotton, not only had exports of cotton textiles to British India (Burma) from Japan actually increased from the 1920s, but this continued well into the 1930s and long after the Ottawa System was put into effect (Akita and Kagotani 2002; Kagotani 2007). This is further corroborated from the British side in the Statistical Abstracts data presented above. Japan had generally not been becoming isolated by increasing nationalistic turns or imperial preference, but remained inter-dependent both in fact and by design. Japan needed Burma.

Japan in the early stages of the twentieth century was essentially restricted by one of the same structural economic characteristics that guides Japan's foreign relations today—its lack of domestic resources. Japan needed Burma and India, and therefore it still needed Britain even without a formal alliance. This could therefore have been a major point of weakness that Britain could have exploited. Why did they not do so? Kagotani and Shigeru again give a convincing explanation that fits into the assumptions underpinning the global blindspot. Because the British viewed their empire as ultimately financial rather than material, that is, that production, manufacturing, and trade were conceptualized as subsumed beneath and serving the financial interests of the city of London, any degree of antagonisms could be tolerated as long as the financial taps dotted around the nodal network of the empire were not turned off. From this principle, three economic policies underpinned Britain's relations with India (Burma) that would have precluded until the very last resort any serious isolation of Japan by Britain. These are summarized below in figure 15. The data and the nature of the British Empire demonstrates that inter-imperial competition was not occurring in relation to Burma during the inter-war period. Britain kept the door open to Japan, even when Burma became independent.

Figure 15. Britain's Three Economic Imperatives For India (Burma)

Economic Goal	Economic Instrument	Consequence
1. Balance budgets.	(A) Tariffs and import duties—used for balancing budgets (rather than for political goals such as isolation).	(I) Japanese imports, ie., post-Ottawa extra-empire imports, were preferable because they were dutiable at higher levels.
2. Maintain export surpluses for the purpose of paying debts in Europe.	(B) Market access—preferential access and preferential tariff arrangements in order to create markets and demand.	(II) The Ottawa System opened the UK market but it was too small. Not only was Japan an additional market, it was a superior market due to Japan Japan's rapid post-depression recovery.
3. Control currency fluctuation.	(C) Exchange rate controls—fixed (and fixed high) exchange rates to maintain the value of the Indian (and Burmese) rupee.	(III) Supply side, Japanese goods became very cheap especially when combined with Japan Japan's pegging to sterling. Demand side, the purchasing power of India's was reduced, creating a strong demand for cheap goods that were not supplied locally, hence, enhancing Japan's economic position (and tangentially political position) due to the impact on stoking political nationalism in India and Burma.

Source: author, summarized from Kagotani (2007).

Burma's Independence and Direct Japan-Burma Relations

With India's (and therefore Burma's) shift from diarchy (with the 1918 Montagu-Chelmsford Report and the 1919 Government of India Act) to representative government (with the 1928 Indian Statutory Commission, *a.k.a.* the Simon Commission), and with gaining dominion status and the separation of Burma from India (with the 1935 Government of India

Act), there was a chance that Burma could become a tug-of-war competition between the UK and Japan. However relations remained amicable. The three crucial agreements below, signed with Britain's blessing, directly connected Japan to Burma diplomatically for the first time.

- The 1934 *Convention Between His Majesty In Respect Of India And The Emperor Of Japan Regarding Commercial Relations Between India And Japan*
- The 1937 *Protocol Regarding Commercial Relations Between India And Japan*
- The 1937 *Convention Between His Majesty In Respect Of India And The Emperor Of Japan Regarding Trade And Commerce Between Burma And Japan*

A comparison of the 1934 and 1937 conventions and protocols reveals no desire by Britain to create problems for Japan by, for example, restricting quotas on the premier product of colored cotton piece goods. Britain appears to have remained flexible to Japanese requests (see appendix B). When in October 1938 the Japanese request that the distinction between first and second half years trading periods be removed, the British accede (because Britain was still pulling many strings even with independence) with this telling statement:

In view of the relative smallness of total Burmese imports we do not anticipate embarrassment if the Government of Burma accedes to Japanese request provided of course it is not made known to Japan that the Government of India has been consulted (Defence Secretary's Office: Miscellaneous Dept. 1938:159).

It was not Burma that was a concern for Britain, it was China. Japan's launching of a full-scale invasion of China in 1937 led the British and the Government of Burma to become unwilling to enter into trade talks due to, in the words of a local official, "the recent disturbed state of international trade." John Christian noted that this disruption—caused by Japan—led

Figure 16. The Differing Positions of the UK/Government of Burma and Japan with Regards to post-1937 Burma Protocol Arrangements

	UK/Government of Burma	Japan
<i>Perception of current agreements</i>	Burma-Japan Protocol & Indo-Burma are inter-related	Burma-Japan Protocol & Indo-Japan Protocol are inter-related
<i>Goals</i>	Status quo informally maintained—negotiations postponed, current protocol continued on yearly basis	Change – re-negotiation of new instrument rather than renewal
<i>Enforcement measures</i>	Import prohibited (a command was sent in March 1940 that banned further Japanese imports, but was in error, and later rescinded)	Voluntary controls

Source: author.

to a drop of 40% in imports into Burma from Japan (Christian 2001), a large proportion of which would have been cotton piece goods. It is important to note that this was not due to a local Burma or UK-Japan bilateral issue. Still by October 1938, the Japanese ambassador was transmitting official cotton EXIM statistics to the British in the British Embassy. In August 1939 the Japanese ambassador to Burma began pushing for clarification on the future trading arrangements with Burma after the 1937 Protocol expired, a summary of the differing positions towards which is presented below in figure 16.

The strategy may have been one of playing for time, and the UK together with the Government of Burma consistently preferred being non-committal. The 1937 Burma Protocol was to last until March 1940, and it would not be replaced. However this was a last-minute game of brinkmanship to say the least, given the proximity to WWII and Japan's pre-existing series of territorial seizures. It was mistaken to regard China as the buffer-state red line, the crossing of which would stir Britain to action. Burma (and neighboring Siam/Thailand) should have been the buffer state.

From Economic Power to Military Power: Burma, Siam, and the Mysterious Southern Boats

In this fourth and final part of the analysis, it is possible to witness the culmination of the previous three phases of (1) entry, (2) consolidation, and (3) the capacity > parity development of Japanese interests in Burma. At this point, a transformation takes place, as economic power becomes leveraged into military power, and we learn that previous economic activities were in fact only operating as covers for military objectives.

Burma's neighboring Siam, particularly in the southern region, should really have been the place where Burma's threatened status was better—and earlier—conceived. And the key dimension was the persistent issue of Japanese shipping, or rather, illegal fishing.

Remembering that a large Japanese pearling and diving community had already been established in Burma's Mergui from the beginning of the twentieth century, the British there began to receive reports in 1925 that illicit Japanese boat launches were occurring further south than Mergui and were entering Thailand's Phuket area (forbidden at this time as Japanese were only permitted in Bangkok and its environs) (see map below, figure 17).

On September 21, 1925, H. Fitzmaurice in the British legation of Bangkok notes,

I am informed from a confidential Chinese source here, that the Japanese are making special efforts to interest themselves in the Puket (sic) coast. My informant suggests the ultimate motive is political, though ostensible pretext is supplied by the fisheries. The Japanese are said to have obtained fishing rights along a considerable part of the coast, which my informant believed to be in the Changwat of Takuapa and, further, to be now negotiating for pearling rights off the island of Puket (sic). If a Japanese fishing fleet is established on that coast it would be of interest to both Burma and the Straits, and of course

Figure 17. Early 20th Century Locations of UK/Japan Interest in Burma and Siam



Source: author

the rights of fishers might lead Japan subsequently to try and expand her influence there (Chief Secretary's Office: Political Dept. 1926c:23).

These concerns were similarly echoed by H. O. Scott on October 25, 1925 in the British Legation located in Takua Pak

(now Takua Thung District, close to Phang Nga Ba Bay and Phuket).

As you probably know, the Japanese are doing a lot of fishing in the Straits Settlements waters: also they are pearling around Mergui (mostly as paid divers, I believe). They will possibly soon be busy fishing on the Siamese coast. This fishing may be perfectly genuine enterprise and probably is; but it is obvious that in time of war it might be of great advantage for Japan to have people with a detailed knowledge of the coast such as fishing experience would give them (Chief Secretary's Office: Political Dept. 1926c:27–28).

Nothing seems to have been done, and an increasingly alarmed Mergui Deputy Commissioner, Mr. E. Ahmed, who had been noting these occurrences for British, exclaimed on November 24, 1926,

It will seem that the rumours of strange launches plying in these waters unknown to the authorities is true and I beg that this may be verified and necessary action taken to stop such strange vessels plying about without the sanction of the authorities as this illegal cruising about of launches and steamers belonging to foreign powers, which if not for the purposes of collecting shell and other sea produce must be for some other purpose which does not bode any good to the British Government (Chief Secretary's Office: Political Dept. 1926c:10–11).

By the mid-1930s, illicit fishing had increased dramatically. By 1934, the British Legation in Bangkok had built up a catalogue of incidents of Japanese fishermen arrested for illegally fishing in Siamese waters. Siam's Ministry of the Interior substantially increased the penalties for such offences due to their exponential increase (Chief Secretary's Office 1934).

From 1934 the British Legation in Bangkok began to increasingly note Japan's political activities in Siam and spread these observations around the British Raj and the Government

of Burma. Of the royalist pro-Western faction, Prince Varn-vaitya—advisor to the Premier, to the Ministry of Foreign Affairs in Siam, and later Chairman of the Thai Delegation at Tokyo—in conversation in November, 1934 with Sgd. J. Crosby informed him that while Japan's star had risen in Siam's eyes, this did not constitute a third pole because France's geo-political position had gone far down in their opinion. The Siamese view was that the power structure of their international world remained bipolar, but that the poles were now Britain and Japan. Crosby noted,

The moral is that, from the political standpoint and apart from the question of our being undersold commercially and in other ways, the growth of Japanese influence in Siam is being achieved at the cost of the French more than ourselves (Chief Secretary's Office 1934:21).

Furthermore:

[W]e must, I fear, resign ourselves to seeing Japan strengthen her position in this country considerably at our expense and at that of the French. [. . .] It is unavoidable that Siam should not feel obliged for that reason to take Japan into account as one of the pivotal points around which her foreign policy must turn. There used to be two such points, Britain and France; henceforth there are going to be three of them; the double constellation is becoming, has in fact already become, a triple one (Chief Secretary's Office 1934:6-7).

The reason Britain was not properly alarmed by this can only be put down to the under-estimation of Japan that the global blindspot inculcated. Given the centrifugal force that imperial competition between states took in the drive towards empire in the 18th and 19th centuries, especially the force generated between Britain and France, Thailand replacing France with Japan would likely have been regarded as a victory for Britain as Japan would not have been perceived to represent the same level of competition. This was a major error.

Concerns were increasingly but slowly becoming felt in Burma by 1938. This was when the new but imperially controlled House of Representatives government of Burma created the *Burma Coastal Traffic Control Bill* (1938) in order to try to control these illegal incursions in Burma. Yet serious counter measures were not taken. The number of Japanese fishing boats had expanded to twenty in addition to the crew going on-shore to barter life goods and dry their nets; they were not however fishing within the three-mile limit (if they are more than three miles from shore, they are in international waters) (Defence Secretary's Office: Political Dept. 1938). By 1939, these twenty fishing boats were being pulled by a larger steamer that acted as a base for the smaller ships, fishing within territorial limits, and without the correct fishing licenses (Defence Secretary's Office: Miscellaneous Dept. 1939). British missives at this time became much more urgent. Talk is made of making diplomatic overtures to Tokyo, of establishing an armed patrol ship, and of the need for armed seizures and inspections of Japanese vessels; indeed a Japanese vessel is detained at one point—the "Ebisu Maru:"

Apart from the fact that the Japanese are carrying out presumably illegal fishing, it is possible that they may be visiting the Tenasserim Coast for a more sinister purpose. I would strongly recommend that a patrol be sent out from Rangoon or Moulmein in a sea going launch. In fact government needs one or more fast sea going launches, which can carry a gun, for patrol purposes along the Tenasserim and Arakan Coasts. [. . .] Reports of all sorts have been received although hitherto unconfirmed that they [*ie. the Japanese*] are smuggling of firearms into Burma (Defence Secretary's Office: Miscellaneous Dept. 1939:21–22).

On December 8, 1941, Thailand shifted from neutrality, and then on January 25, 1942, it sided with Japan. Burma's fate was sealed. As the story nears its conclusion, those mysterious southern boats in Burma's and Thailand's southern regions would now be weaponized in the small southern Thai town of Songkhla.

Japan Opens a Consulate in Thailand's Southern Songkhla: Precursor to Invasion (1941) (916)

The economic attraction for the Japanese in Thailand's south was rubber and tin, and by 1941 the British were concerned that the Japanese might displace the Chinese owners of the key sites of their production (Defence Secretary's Office: Political Dept. 1941). A Mr. Josiah Luke George on July 28, 1941, writes to the British Consul General in Bangkok with his telling, almost premonition-esque, private observations of Japanese business activities in Southern Thailand:

To me it is astonishing to see the first Japanese owned tin mine in Thailand located in Ban Nasarn to have looked almost like a military area than anything else. Offices and living quarters are built on the model of a miniature soldier's barracks all in one big block. The strength of the Japanese staff to that capacity far exceeds the limitation. Each of them dresses in khaki and to all appearances put on the bearing of a uniformed regiment (Defence Secretary's Office: Political Dept. 1941: 20).

True to established form, Japan's economic power would precede its military power. On April 1, 1941, Katsuno Toshio opened a Consulate in Songkhla, meaning that only the UK and Japan possessed diplomatic representation in Thailand's south. The British react to the Consulate General along a generally negative spectrum from bemusement at best (due to the fact that there were at most only thirty Japanese in Songkhla, and local tin and rubber interests were largely buying rather than estate owning) to outright suspicion at worst. A member of the British Legation in Bangkok observed,

[T]he purpose of the Japanese government in establishing a Consulate at Songkhla is based largely on commercial and economic considerations and that the step now taken is not taken without justification on those grounds. Mr. Katsuno will doubtless spy upon us and will scheme against us to the best of his ability; that will be all in a

day's work for him (Defence Secretary's Office: Political Dept. 1941: 41).

This was a huge miscalculation and under-estimation. Little did the British realize—or perhaps they did but did not act—that Japan's reason for opening a consulate in Songkhla was the exact same reason that Britain had established a diplomatic presence in Songkhla: geo-strategy and political geography. For the small southern Thailand town was useful not only for tin. If you wanted to attack Malaya from the less defended north or attack Burma from its less defended south, Songkhla was the precise point to do it from.

In December 1941 Songkhla became Japan's main landing point for its invasion of Southeast Asia. This small southern Thai town allowed the access that would facilitate the Japanese sweep west into Burma's Victoria Point, north into Burma's Tavoy and Mergui, and south into the Malay Peninsula and Singapore. Those turn of the century Japanese pearl divers and illicit fishermen in Burma and Thailand's south had been more significant than Britain realized.

Indeed it is now possible to know with hindsight what was really occurring in the Japanese consulate in Songkhla. William Swan compiled an excellent piece on the topic, utilizing interviews with those original Japanese staff, the Thai support staff, and primary qualitative sources including the unpublished memoirs of Katsuno Toshio himself (Swan 1989). The reasons for Katsuno's placement in Songkhla, with the ultimate objective of invading British Malaya, were threefold.

1. Anti-Japanese sentiment was not as fierce as in other parts of the region; in fact they were quite amicable which surprised Katsuno.
2. Intelligence work *was* being done by Katsuno and his team, but less on the British and more on surveying the local area. This revealed that there was only one good road going from southeastern-most Thailand into Malaya, and that road passed through Songkhla (and Hat Yai). This was why the Japanese military wanted Songkhla.

3. Japan's Southern Army Headquarters were based in Saigon and Katsuno was tasked to coordinate the Japanese military's first strike from the naval landing at Songkhla in the early hours of December 8, 1941.

Interestingly there are two corroborations from Swan's secondary source that compliment the contemporaneous primary British diplomatic sources quoted herein. In relation to the southern boat launches, the increasing alarm that advisors to the British expressed in the 1920s but which was heeded only later in the 1930s once India became entangled, is now corroborated here as indeed having been a military threat and not simply fishing boats. To take one example about the long-time resident doctor, a Mr. Seto,

Seto took the helm himself, steering the boat onto the lake and among the islands that lay about five kilometers off the harbour of Songkhla. The three of them stayed out the entire day, but they did not fish. The fishing lines on the poles the two men used were marked off for measuring the depth of the lake, and they spent the day moving among the islands checking the water depth (Swan 1989: 97).

On another occasion, the diplomatic staff themselves actually did the 'fishing,' including Katsuno:

Accompanied by Mr. Goto (Maj. Ozone), Katsuno boarded the Akibasan Maru and had the captain take them out into the vicinity of Cat and Mouse Islands, two small islands that lay a short distance off the coast of Songkhla. With the help of crew members, Katsuno and Ozone took measurements of the water depth and checked their readings with those shown on an oceanographic chart they had (Swan 1989:104).

The ground had been laid for Japan's upcoming invasion.

Conclusion

This analysis focused on Japan's relations with Burma in the opening decades of the twentieth century leading up to WWII. The identified problem was why the British Empire did not accurately perceive the developing threat that Japan would become. The thesis was that due to the nature of the British view of their empire, a global blindspot emerged in Britain's under-estimation of Japan's true intention and localized Japan's relations with Burma.

Through a four-stage historical overview drawing on primary qualitative and quantitative records of the period, four stages of Japan's engagement with Burma have been discerned that highlight how much the British knew and how much the British ignored.

From the turn of the twentieth century until around 1922, the Japanese presence steadily grew from a population of pearl divers, prostitutes, and pimps into one with political representation that quickly sought to push on the limits of British rules in Burma. Japan quickly identified key sites of economic and political interest, especially in Burma's south and especially in cross-border linkages with southern Siam. These early flags would mark the landing points for Japan's military invasion.

In a second period leading up to the 1920s, Japan rose to become second only to the British Empire in its economic significance to Burma. Not only was it Japan along with Britain that introduced capitalism to Burma in addition to introducing the boom-bust cycle that damaged Burma's early development, it was Japan that rose to directly economically challenge Britain's own key interests in cotton, cotton manufactures, and shipping. And yet, Britain did nothing.

During a third phase after 1921 when Anglo-Japanese ties were severed, Japan-Burma relations entered a period the historiography often characterizes as marked by inter-war competition. However both the primary qualitative and the primary quantitative sources do little to support this. Despite global level changes at the Ottawa Conference

and the instigation of supposed imperial preference, little of this affected Japan-Burma relations. Britain was very happy during the 1920s and 1930s for Japan to boost its economic ties with Burma, even after Burma's independence. Indeed, the British in Burma were creating trade conventions between Burma and Japan as close to WWII as 1937, and there were even talks of renewing the said convention in 1940.

In a fourth and final phase that we now know had been developing since the 1920s but became significantly noticeable by around 1934, Japan began to convert its economic power into military power in a move that has been referred to in this article as the "southern boats problem." The degree of ambivalence demonstrated by the British in the primary record to this problem is quite remarkable. Frequently warned about illegal and increasingly large ships entering southern Burma and southern Thailand, Britain did nothing. These "innocent" shippers were the thin end of what would become a gun-lined wedge.

In summative conclusion, the British severely underestimated Japan in Burma, and did not fully appreciate that Japan represented a political economy that was not the liberal one that Britain thought. Britain's global blindspot prevented it from seeing Japan clearly, in addition to blinding it to the fact that free markets and liberal institutions were not value-neutral—economic power could become military power very easily because the *modus operandi* of the time was competition. Japan was staying low, building up capacity, and getting ready to overturn the power that had been a friend, and that would now become a foe. Britain for its part, watched a slow moving train heading towards it crash. Lessons reside here for those operating an empire about letting imperial pre-sumptions under-estimate East Asian emerging powers.

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Appendix A. Occupations of Japanese Permanent Residents in Rangoon, 1922 (Total residents: 359).

Occupation (wave 1 or 2)	Quantity (Ratio of the Community)	Earliest Arrival
Prostitute (W1)	52 (14%)	1907
Merchant (W2)	52 (14%)	1906**
Family*	51 (14%)	1909
Assistant (W2)	29 (8%)	1913**
Brothel Keeper (W1)	15 (4%)	1910
Shopkeeper (W1)	9 (3%)	1890
Clerk (W1)	9 (3%)	1909
Photographer (W2)	9 (3%)	1920
Manager (W1)	9 (3%)	1904
Doctor (W2)	8 (2%)	1916**
Hotel Keeper (W2)	8 (2%)	1912***
Cook (W2)	8 (2%)	1916
Nurse (W2)	8 (2%)	1919
No occupation (registered as	7 (2%)	1913
Diver/Pearler (W1)	6 (2%)	1921****
Banker (W2)	6 (2%)	1921
Dentist (W2)	5 (1%)	1917
Dhoby (meaning a laundry person) (W1)	5 (1%)	1913
Servant (W1)	5 (1%)	1906
Proprietor (W1)	5 (1%)	1913
Seaman/Sailor (W2)	5 (1%)	1921
Hair Dresser (W1)	4 (1%)	1913
Diplomatic official (W2)	4 (1%)	1921

Occupation (wave 1 or 2)	Quantity (Ratio of the Community)	Earliest Arrival
Pinmen (possibly meaning a hat smith, tailor, haberdashery) (W1)	3 (1%)	1909
Planter (plantation worker, likely owner) (W2)	3 (1%)	1921
Engineer (W2)	3 (1%)	1921
Carpenter (W2)	3 (1%)	1918
Cake shop seller (W1)	3 (1%)	1910
Cloth seller (W2)	3 (1%)	1917
Billiard Room Keeper (W1)	2 (1%)	1910
Tailor (W1)	2 (1%)	1910
Ayah (aka. Amah, meaning a female housekeeper) (W1)	2 (1%)	1910
Medical Hall (meaning either a doctor or nurse) (W1)	2 (1%)	1913
Manufacturer (W2)	2 (1%)	1921
Student (W2)	1 (0%)	1921
Teashop keeper (W1)	1 (0%)	1917
Jui-jitsu professor (W2)	1 (0%)	1920
House-keeper (W2)	1 (0%)	1921
Artificial flower maker (W2)	1 (0%)	1921
Singer of History (W2)	1 (0%)	1921
Compounder (meaning a form of miller usually involved in the production of alcohol) (W2)	1 (0%)	1919
Publisher (W2)	1 (0%)	1921

* This refers to wives and children.

** (however mostly in 1920-1921)

*** (however mostly in 1920-1921)

**** (although in Mergui from 1903)

Although other single digit dependents include one sister, one mother, and three children born in Burma

Source: compiled from Chief Secretary's Office: Political Dept. (1922b:6-11).

Note 1: The occupation names are the original titles taken by the British in 1922. Sometimes these are not in contemporary usage, and so where appropriate a description has been added. In addition, some of the differences between certain occupations is unclear. For example: the difference between "servant" and "assistant." Where encountered, the original classification terms used by the British were assumed.

Note 2: W1 and W2 refers to "Wave 1" and "Wave 2." Wave 1 occupations represent the primary capital formers. For example: prostitutes, brothel keepers, laundry people, etc. Wave 2 represents the petty bourgeoisie occupations (For example: doctors, dentists, administrators, merchants, etc) that can depend on the mini market already developed. In Burma's case this developed significantly around the 1919-1921 period and the establishment of the Consulate General.

**Appendix B. A Comparison of the Economic Arrangements
Between British Colonial India (Inc. Burma) and Japan,
1934 & 1937 (279)**

	1934 India-Japan Convention + Protocol	1937 India-Japan Protocol	1937 Burma-Japan Convention + Protocol
Customs duties (ad velorem) on cotton piece goods			
<i>Plain greys</i>	50% or 5¼ anna per pound	50% or 5¼ anna per pound	50% or 5¼ anna per pound
<i>Others</i>	50%	50%	50%
Exchange rates (rupees: yen)	0.732	NA	0.732
Schedules			
<i>Cotton year</i>	Jan-Jan	Jan-Jan	Oct-Oct
<i>Cotton piece goods year</i>	Apr-Apr	Apr-Apr	Apr-Apr
Quotas/allotments			
<i>total (year): raw cotton exports to piece goods imports ratio (bales of cotton : yards of piece goods)</i>	1,000,000 : 325,000,000	1,000,000 : 283,000,000	70,000 (or 65% of total) : 42,000,000
<i>total (per half of cotton piece goods year)</i>	200,000,000	179,000,000	21,000,000
<i>deviation conditions</i>			
- surplus (India - if more than one million bales exports; Burma - if more than 65% of total)	per 10,000 bales = plus 1,500,000 yards	per 10,000 bales = plus 1,500,000 yards	excess added to following year, but 65% maximum
- deficits (India - if more than one million bales exports; Burma - if more than 65% of total)	per 10,000 bales = minus 2,000,000 yards	per 10,000 bales = minus 2,000,000 yards	per 1,000 bales = 300,000 yards
- maximum deviation amount of piece goods import in one year	20,000,000	25,000,000	2,625,000
<i>colour</i>			
- white	8%	10%	10%
- plain greys	45%	40%	15%
- bordered greys	13%	13%	
- coloured (1934 - printed, dyed, or woven goods; 1937 - printed only)	34%	20%	45%
- coloured (dyed or woven goods)		17%	30%
- waste (fent fabrics)			
- total (yards of maximum four yard length pieces)	NA	8,950,000	1,050,000
- customs duties on fents	NA	35%	35%

Source: author