8. CHETTIAR CAPITAL AND SOUTHEAST ASIAN CREDIT NETWORKS IN THE INTERWAR PERIOD

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This essay discusses the growth of the Chettiar moneylending caste of South India as regional suppliers of credit in Southeast Asia in the interwar period, and its changing relationships with local, Western and Chinese entrepreneurs.

The contribution of the Chettiars to the expansion of export production in Southeast Asia from the middle of the nineteenth century has been well recognised. For example, Michael Adas and Lim Teck Ghee demonstrate the importance of Chettiar credit in the movement of the indigenous population into export production.[1] Adas emphasises that although the expansion of the rice frontier in Burma before about 1880 was financed largely through indigenous sources of credit, afterwards the pace of agricultural expansion was determined principally by the flow of Chettiar capital into the delta. In Malaya, Singapore and Indo-China, Chettiar involvement in both urban and agrarian credit markets was comparably substantial in the late nineteenth and twentieth centuries.

However, their activities prior to 1910 were largely confined to short-term moneylending which facilitated the expansion of export economies under Western domination. Although Chettiar capital in this period was heavily focused on agriculture, the Chettiars did everything they could to avoid holding land. Neither is there evidence that the Chettiars attempted to diversify into other sectors, for example, industry or commodity trading.

The Chettiar credit network was also heavily dependent on British-Indian banks: indeed it could be said that the Chettiars, in thus acting as intermediaries for Western capital in the expansion of commodity production, were essentially complementary to the interests of Western financial and commercial interests.

In this period, the Chettiars did not have a markedly close relationship with Chinese capital. The latter acted essentially independently of both Western and Indian capital, its independence secured by its close involvement with the extremely lucrative revenue farms of Southeast Asia, its domination of the tin industry, local shipping, insurance and regional trade, notably that in rice. Western capital and commercial structures were not as yet deeply involved in actual production and internal distribution.

The early twentieth century saw major changes in the economies of Southeast Asia. Prominent here was the temporary eclipse of Chinese capital, caused principally by the end of revenue farming throughout the region by about 1910 and by the European advance into areas hitherto dominated by the Chinese, for example tin mining, smelting, coastal shipping and internal collection and distribution networks. The Chinese domination of the rice trade of Siam and Indo-China continued, but the Chinese now had to consolidate their position through amalgamation to confront increased European competition. The Chinese ceded their domination of the Malayan tin industry to the Europeans, who had access to metropolitan capital and advanced technology: but they recovered, in part, by expanding into the rubber industry in Malaya, Sumatra and Indo-China and into the pineapple industry in Malaya.

The Indian trading diaspora also expanded in the early twentieth century, continuing to finance rice production in Lower Burma and parts of Cochin China while preserving a limited stake in the Malayan rubber industry and continuing to dominate the regional textile trade of Southeast Asia in the face of increasing Japanese interest in this market. Two further changes in this period are also of major importance in this context: the closing of the agricultural frontier and, later, the onset of the 1930s depression. Both brought many of the underlying structural weaknesses of the Southeast Asian economies to the fore. Both increased the commercial and financial competition among European, Chinese, Japanese and Indian interests and redirected the region's trade towards extra-regional markets, notably in North America, Europe and Japan, which in turn required an increased access to diverse sources of capital and market information. The Southeast Asian economies were now increasingly penetrated by complex but parallel networks of European, Chinese, Indian and Japanese financial and trading interests. In the late nineteenth century, there had been, to a large degree, compartmentalisation in production, trade and finance, where European interests lay complementary with Asian. From the early twentieth century, increasingly there was competition between commercial and economic interests for goods and capital.

This essay considers the responses of the Chettiar moneylending caste to these major structural changes in the economies of Southeast Asia in the early twentieth century through the interwar decades. The next two sections examine how the Chettiars mobilised and invested their capital, and analyses their role in the Southeast Asian local credit networks. The following two sections consider the changing relationships of Chettiars with Chinese traders, entrepreneurs and industrialists, and with Western financial and commercial institutions respectively. The final section attempts to define the significance of Chettiar activities in the process of integration of South and Southeast Asia into the world economy during this period.

I

A brief note on the sources will demonstrate the problems which arise in providing estimates of Chettiar financial positions and descriptions of Chettiar capital flows into Southeast Asia. The three principal sources of information on Chettiar finances are the reports of the Provincial Banking Enquiry for Madras and Burma for 1929-30;[2] colonial office records such as the Settlement Reports, Currency and Finance Reports for Burma, the Proceedings of Legislative Councils in the Straits Settlements, the Straits Gazettes and Trade Directories; and the bank archives of both Lloyds and Standard Chartered.[3] Relevant Lloyds Bank records are essentially on Burma while Standard Chartered records cover the entire Southeast Asia region and also Hong Kong.

The Chettiar member of the 1929-30 Provinical Banking Enquiry Committee for Burma was able to provide detailed estimates of Chettiar capital in Burma. But because of the political sensitivities of the time, it is possible that the scale of Chettiar finances was under-reported. The Madras Provincial Banking Enquiry Report of 1930 was prepared by S. Pillai, the Assistant Commissioner for Income Tax for Madras. His figures were processed from the tax returns for areas where Chettiar businesses were concentrated. To the extent that Chettiar businessmen made full disclosures to the tax officers, Pillai's figures are accurate. But Pillai's task was complicated by the fact that Pudukottah, the state in which several influential Chettiar firms were located, was tax-exempt. In addition, his report omitted several Chettiar firms in Burma. Western banking records, on the other hand, are invaluable in providing information on major sources of Chettiar capital, their lending patterns and their relationship with other credit communities. Chettiar business archives exist but I have had no access to them. David Rudner has obtained the ledgers and accounts books of a Chettiar agency from Rangoon for 1912-15 and 1918-21.[4] He uses the material essentially to demonstrate the caste-dominated banking structure of Chettiar operations. Even if accessible, Chettiar records would present difficulties because of the very distinctive accounting methods used.

Given the nature of the sources therefore, it is clear that there are difficulties in estimating Chettiar capital commitments in Southeast Asia and often estimates provided by one source are contradicted by others.[5] However, when the Report of the Burma Provincial Banking Enquiry Committee and the Madras Provincial Banking Enquiry Report are used in conjunction with official and unofficial records and the European bank records, they provide a relatively clear picture of the Chettiar commercial and financial network in Southeast Asia between the wars.

A general indication of the scale and distribution of Chettiar activities in Southeast Asia on the eve of the Depression is provided by Table 1.

Table 1. Chettiar interests in Southeast Asia 1929-30: Landholdings and business establishments of Chettiars

Country	(1)	(2)	(3)	(4)	(5)
Burma	1 800	2 800 000	800	3 000	14.60
Malaya-Singapore	1 000	500 000	400	2 000	4.79
Indo-China	200	200 000	100	400	23.00
East Asia (Hong Kong)	150	15 000	50	200	
Total	3 150	3 515 000	1 350	5 600	

Key: (1) Number of firms, (2) Ricelands plantations (acres), (3) Other assets (Rs million), (4) Number of Chettiars, (5) Total population (millions).

Source: M. Nadarajan, 'The Natukkottai Chettiar Community and South East Asia' in X. S. Thaninayagam, ed., *Proceeding of the First International Conference Seminar of Tamil Studies*, Vol. 1, Kuala Lumpur, 1966), 117.

Clearly Burma, Malaya and Singapore were the main foci of Chettiar interests. This point is also made by Table 2 on Chettiar liquid capital in 1929, which refers to their working capital in South and Southeast Asia.

Table 2. Chettiar liquid capital 1929 (Rs. million)

Country	Own capital	Borrowed capital	Total capital
Madras Presidency			30
Burma	150	80	230
FMS/Straits Settlements			200
Netherlands India & Siam			
Saigon			50
Ceylon	100	50	150
Total	440	220	660

Source: A Savarinatha Pillai, 'Monograph on Natukottai Chetties Banking Business', Madras Provincial Banking Enquiry Report, Part III, written evidence (Madras, 1930), 1173-4.

The estimates of Chettiar working capital in Burma provided by the Madras Provincial Banking Enquiry Report in 1929 was Rs.230 million; yet the Report of the Burma Provincial Banking Enquiry Committee (*RBPBEC*) of 1929 estimated that the total Chettiar capital in Burma was Rs.790 million.[6] This difference between total capital and working capital would suggest that direct Chettiar investments in Burma were of the order of Rs.560 million, more than 70 per cent of their total investment. Although the Chettiars had substantial fixed investments in rice lands and rice mills, this proportion seems far too high, particularly in view of the fact that in Burma the major function of the Chettiars was to lend money. However, despite these persistent problems in establishing statistical accuracy, it is still possible to use these statistics as rough indicators and to verify their accuracy through comparative data from other official documents, in particular, the Settlement reports for Burma and Agricultural Reports for Malaya in the interwar years.

The Chettiar commercial network was built upon a complex structure of interdependent family firms involved in commodity trading and moneylending, both at home and overseas. It was a caste-based network in which individuals invested funds and supported special institutions, both financial and cultural, for accumulating and distributing reserves of capital. The business structure was based on flexible partnership in which members of the same family could be partners in several different firms; this created an interlocking community of moneylenders. Each partnership operated through a system of overseas agencies, the agents being the younger partners sent out to manage an agency on three-year terms. Each agent received an advance, a monthly salary and a share in the agency's profits. Central control was exercised through a requirement that the agent submit full accounts each week or month to the partners in India. The community's cohesiveness, reinforced by temple and caste discipline ensured an essentially coordinated functioning of the overseas agencies.[7]

In addition to the capital accumulated from within the community, from the mid-nineteenth century Chettiars had access to short-term credit from Western banks, and to deposits from Marwari, Gujerati and Chinese firms in Southeast Asia which were attracted by the high interest rates offered.[8] The Chettiars were always careful to set rates at an attractive level to draw in funds. Deposits from both Chettiar and non-Chettiar sources provided much of the resources that secured Chettiar lending. Chettiar lending and deposit facilities tended to stabilise and fix interest rates throughout the economy. At the beginning of each month the interest rate for loans between Chettiar firms was set by the community. Rates for loans to outsiders (Chinese, Burmese, Indo-Chinese or Malay), while determined by individual arrangement, were at the same time clearly influenced by the interfirm rate. In this way Chettiar loans policy influenced the interest rate for the economy as a whole. The banks lent to the Chettiars at one to two percentage points above the bank rate, which in turn influenced the Chettiar interfirm rate. The capital assets of the Chettiar firms in Malaya in this period are impossible to tabulate precisely, but came mainly from the Madras headquarters, profits from local operations, loans from Indian banks (Indian Overseas Bank, Oriental Bank of Malaya) and European banks (Chartered Bank of India, Australia and China and the Mercantile Bank). It is striking to note the volume of loans lent by large Chettiar firms to smaller Chettiar firms in the peninsula. Interfirm borrowing remained a major source of Chettiar funds here, far more important than in Burma.

Another important source of Chettiar funds was the profits from the remittance trade between the major overseas Indian communities in Southeast Asia and the subcontinent. In Penang, Singapore, Rangoon and Saigon, Chettiar *hundial* shops were a common feature.[9] The hundial was, in essence, a promissory note and perhaps the most common way by which remittances were transmitted. The Chettiars' profits from this trade came as much through arbitrage (this was a period of notable exchange fluctuations) as from the discounting of hundials.

It would be useful to estimate the proportions of total Chettiar capital raised internally to that derived from non-Chettiar depositors and from Western banks in India and Southeast Asia. This is only possible in the case of Burma. The detailed breakdown of the capital sources of Chettiar operations was provided by the *RBPBEC* of 1929 and was estimated at Rs.750 million. More than two thirds (Rs.535 million) was the capital belonging to proprietors and their partners. These were Rs.115 million as deposits from Chettiars, and Rs.100 million as loans from European banks and non-Chettiars. (This last figure could be an underestimate, because Western banks often extended separate overdraft facilities which were particularly high during peak seasons). U Tun Wai, a Burmese banking specialist, provided further figures for 1935, collected from Chettiar firms in Burma. A comparison of his data with that provided by the *RBPBEC* (see Table 3) of 1929-30 affords crucial insights into the changes in the savings and investment patterns of Chettiars during these years and their changing relationships to other credit institutions, and a perspective on the changes in the structure of the credit market in Burma.[10]

An examination of Table 3 reveals that between 1929 and 1935 proprietorial capital declined slightly from Rs.550 million to Rs.450 million, while total deposits and bank loans increased sharple from Rs.102 million to Rs.304 million. These changes in the sources of Chettiar capital are highly significant, for they indicate that in the mid 1930s Chettiars were not only lending their own capital but were also attracting the capital

Table 3. Sources of Chettiar capital in Burma, 1929 and 1935 (Rs.million)

	1929	1935
Liabilities		
Proprietors capital	550	450
Deposits in Burma	57	-
Advances from banks in Burma	30	5
Advances from banks in Madras	13	4
Deposits in Madras	2	225
Miscellaneous including reserves, profits reinvested, etc.	138	-
Total	790	750
	(£60m)	(£57m)
Assets		
Cash in hand, hundis discounted and advances made	790	200
Land and houses	-	550
Total	790	750

Note: The reason for a small discrepancy in the total for 1935 is unclear.
Sources: *RBPBEC*, Vol. 1, 202, and Rangoon Natukottai Chettiar Association in U Tun Wai, *Burma's Currency, 45.*

of others. As long as they were just moneylenders lending their own capital, there was a clear limit to expansion. The increase in deposits meant that Chettiars were now acting as bankers, borrowing to lend.

The increase in deposits in Madras and Burma did not merely represent increased investments by other Chettiar families but also those of smaller investors, notably Chinese, Multanis, Gujeratis and Marwaris in Burma and a variety of groups in Madras, predominantly the Marwaris.[11] The latter were taking advantage of the high interest rates now offered by Chettiars (9 to 15 per cent per annum) in Burma in this period and the low risk. With a temporary decline in the Indo-Burmese trade in the years 1932-4, substantial surplus funds for investment emerged. The Chettiars' ability to attract small savings into the financial market, savings which the Western bankers had not been able to mobilise, drew them into a closer relationship with the local economy. This in turn did invite censure as the Chettiars put pressure on debtors during periods of economic crisis. However, after the Depression, large Chettiar firms in Burma were able to attract deposits from Chinese traders and Burmese businessmen, the former being drawn to the Chettiars by a serious run on the Rangoon branch of the Overseas Chinese Bank in 1932.[12] Thus the Chettiars filled a gap in the Chinese banking and credit network in Burma, a gap accentuated by the Depression and its subsequent impact.

The balance sheets for 1929 and 1935 also confirm the highly liquid nature of Chettiar assets prior to the Depression. By 1935 the Depression had produced a sharp worsening of the Chettiars liquidity position. By this time the proportion of Chettiar borrowing from banks in Burma and Madras had also fallen. The crisis of 1931-3 resulted in some defaults by Chettiars to Western banks. In turn peasant defaults to Chettiars increased the liquidity pressure on the latter. The records of Lloyds Bank Rangoon, a bank which had been heavily committed to Chettiars, show in June 1931 that Chettiars were indebted to Lloyds Bank for Rs.7.5 million and their debts to the Imperial Bank of India were for Rs.7 379 000. By 1935 the debts had been reduced to Rs.2.5 million and Rs.3 million respectively.[13]

On the lending side the Chettiars were moving into long-term loans in this period, suggesting a major transition towards the provision of non-agricultural credit. Hence, by the late 1930s the Chettiars, located between the Chinese business community and Western banks, had acquired sufficient knowledge and expertise of markets, finance and production. By this time Chettiars owned rice and saw mills in Burma, and rubber estates and urban real estate in Malaya and Singapore. Chettiar ownership of rice mills increased dramatically during 1917-30, due partly to foreclosures.[14] In the 1930s the Chettiars were also moving into the timber trade, exporting timber from Burma to Hyderabad, Mysore and Madras. The firm A. M. Chettiar of Moulmein was transferring investments from agriculture to this timber trade. In Malaya from 1925, the prominent firm of O. A. R. Arunachellam Chettiar moved into rubber production in the state of Johore and floated the company Ayer Manis Estate Ltd. Another Chettiar group, the PKN firm, prominent in Burma, Ceylon, Malaya and Indo-China acquired rubber estates in Johore. These firms also expanded into trading partnerships in Singapore and Penang. All this suggests that a major transformation of the Chettiars took place, from moneylenders to industrialists, estate owners and traders.

II

This section seeks to establish the degree of Chettiar dominance in the provision of seasonal credit, the extent of their contribution to long-term construction and agrarian development, and the nature of their relationship to indigenous moneylenders. The financing of agriculture was the major focus of Chettiar lending in Burma. In 1929 75 per cent of all Chettiar loans in Burma went to agriculturalists; only 20 per cent went to trade while 5 per cent financed industry (largely rice and saw mills).[15] By contrast, in Malaya in 1930 75 per cent of all Chettiar loans went to finance Chinese traders and Chinese estate and rubber smallholders, as opposed to 15 per cent to Malay peasants.[16] In Malaya, Chettiar credit was more diversely placed than in Burma. Short-term loans were made to Indian hawkers, traders and even civil servants,.while large Chettiar firms distributed long-term loans to Chinese rubber and oil-palm magnates, tin miners and traders.

This predominance of Chettiar credit in agrarian Burma is further demonstrated by the fact that in Burma in 1929 Chettiars provided nearly 60 per cent of the total value of all agricultural loans compared with 17 per cent provided by Burmese moneylenders, 9 per cent by Chinese shopkeepers, and 7 per cent by government agencies. The Chettiars also provided more than half of the long-term agricultural loans. This amounted to Rs.450-500 million by the late 1920s.[17] This high rate of long-term loans provided by Chettiars in comparison with other professional credit agencies is indicated by Table 4.

Table 4. Percentage of long-term loans provided by different professional credit agencies by districts in the late 1920s

District	Burmese	Chinese	Chettiars	Other Indian	Govt agencies /private banks
Tharrawaddy	-	-	99	-	-
Prome	49	-	22	4	25
Myaungmya	14	9	69	5	3
Maubin	26	17	44	-	13
Hanthawaddy	-	-	100	-	-
Pegu	18	27	36	9	10
Toungoo	16	16	33	32	3
Thaton	15	5	75	5	-

Note: Tharrawaddy and Prome were in the North region, Myaungmya and Maubin were in the Central Delta, Hanthawaddy and Pegu were East Central, Pegu was in the delta and Toungoo and Thatan in the East.
Source: *RBPBEC*, Vol. 3, 11-33.

Seasonal variations in credit demands were a dominant feature of the Burmese rice export trade. Credit demands were heaviest from January to March, when rice was harvested, milled and exported, and lowest in September and October. The seasonal fluctuations had a major impact on Chettiar activities, for seasonal credit accounted for 30 per cent of Chettiar loans. The distribution between short- and long-term loans is shown in Table 5.

Table 5. Chettiar loans in Burma, 1929

Types of Loan	Proportion of market value of property accepted as security for loan (%)	Share of each type of loan in total lending (%)
Long-term loans on mortgage of immovable property, e.g. land, houses.	60-75	60
Seasonal loans on promissory notes	No security except possibly the growing crops	25-30
Loans on promissory notes with collateral security, deposits of title deeds etc.	50-75	10-15
Loans on deposits of gold or silver ornaments	70-90 of estimated melted value	

Source: *RBPBEC*, Vol. 3, 11-33 (crop loans), 80-92 (long-term loans).

In meeting the high seasonal demand for credit, Chettiars were dependent on the Western banks. Indeed, the Chettiars could meet the peak demands only by using facilities provided by the Western banks. Lloyds's records suggest that approximately half the bank's lending to Chettiars was in the form of short-term loans and overdraft facilities offered during the peak months. The security for these loans was commonly the counter-signature of the Bank of Chettinad. The point here is the importance of the complementary relationship between Chettiars and the Western banks in locating and distributing seasonal credit to agriculturalists and traders. While preserving their independent credit network, the Chettiars, with their greater local knowledge, greater involvement in small transactions and their increasing involvement in long-term lending, were progressively maturing into a formal multinational banking elite. Their links with Western banks was crucial in providing access to international sources of capital.

In this transitional development, the Great Depression of the early 1930s was a formative influence. The traumas of these years forced Chettiars in Burma, Malaya and Indo-China to retreat from agricultural credit and to move into long-term finance of industry and urban retail trade thereby locating themselves between the Chinese business enclaves and the Western banks and acquiring initially a stake in industrial finance in the region. To grasp these adjustments one has to survey the impact of the Depression on Chettiar activities in Southeast Asia.

With the onset of the Depression and the collapse in prices, many Burmese peasants were unable to maintain their debt payments. Chettiars were then compelled to foreclose and in this way took over the ownership of land, albeit reluctantly. In 1930 Chettiars had owned 6 per cent of the total land in the delta and 19 per cent of the area held by non-agriculturalists. By 1937 they controlled 25 per cent of cropped areas in Lower Burma and 50 per cent of that held by non-agriculturalists.[18] Table 6 illustrates this rapid process of land alienation.

The pattern of Chettiar lending raised serious controversy over both their interest rates and their reluctant metamorphosis into landowners in the 1930s. It is instructive to note, however, that Chettiar rates were lower than those of indigenous moneylenders (see Tables 7 and 8).

In Malaya in 1930 total Chettiar loans to the peasant agriculturalists were $125 million.[19] Of this three quarters financed Chinese smallholders while 25 per cent went to Malay peasants. Of the $5 million of debt secured on Malay Reservation land, the majority was owed to Chettiars, far less to Chinese shopkeepers and traders. In 1931 a bill was rushed through Parliament to limit the sales of land prompted by debt difficulties. This was the Malay Reservation Amendment of 1933 which sought to prevent Chettiars from gaining land through default in Malay Reservations. This fear of rapid alienation of land was particularly serious in that the expansion by Malay smallholders into rubber production in the 1920s was seen to imply a corresponding increase in indebtedness to Chettiar moneylenders. By 1930 33 per cent of the total planted rubber area in

Table 6. Agricultural land in thirteen rice growing districts in Lower Burma, 1930-38 (in thousands of acres)

Year	Total agri-cultural land	Area occupied by non-farmers	Area occupied by Chettiars	% of Chettiar land to non-farming land	% of Chettiar land to total land
1930	9 249	2 443	570	19	6
1931	9 305	3 212	806	25	9
1932	9 246	3 770	1 367	36	15
1933	9 266	4 139	1 882	43	19
1934	9 335	4 460	2 100	47	22
1935	9 408	4 687	2 293	49	24
1936	9 499	4 873	2 393	49	25
1937	9 650	4 929	2 446	50	25
1938	9 372	4 971	2 468	50	25

Source: *Report of the Land and Agricultural Committee* 1938, Part 2, 37-8.

Table 7. Annual interest rates on Chettiar loans, 1920s (%)

Land and other immovable properties	9-15
Gold and silver ornaments	12-15
Promissory notes with collateral security	12-15
Promissory notes without security	15-24

Source: *RBPBEC*, Vol. 3, 226-34.

Table 8. Annual interest rates on loans from all credit agencies in Burma, 1929-42 (%)

Exchange banks and leading scheduled banks	4-6
Cooperative societies	12
Burmese moneylenders	12-35
Dawsons Bank	9-21
Chettiars	9-24
Sabape, sekywe, sape and similar loans above	200

Source: U Tun Wai, *Burma's Currency*, 148. See also *RBPBEC*, Vol. 3, 226-34.

Malaya was Malay rubber smallholdings. The expansion in coconut production also produced indebtedness to Chettiar moneylenders who provided finance for the opening up of lands, while Chinese middlemen gave cash loans and marketed the coconut crop. Government loan funds only met a minute portion of peasant needs and hence Chettiars retained the monopoly for cash credit. Earlier, the 1919 Usurious Loans Enactment had been passed to alleviate a similar distress of peasants faced with high interest rates and unfair transactions. This increasing peasant distress from the late 1920s is evident with the fall in rubber revenue from $202 million in 1929 to $37 million in 1932.[20]

A significant proportion of Chettiar loans, particularly in Burma, went to indigenous moneylenders themselves. However, Adas indicates that this form of lending had declined owing to rivalry between the Chettiars and Burmese moneylenders in the interwar period.[21] The *RBPBEC* in 1929 observed that with the exception of Prome and Myaungmya districts, most Burmese moneylenders no longer borrowed from Chettiars.[22] This greatly restricted the capacity of indigenous moneylenders since Chettiars provided the main link with capital supplies from European banks and Indian banks. When Chettiar funds were no longer available to Burmese lenders, the latter came to resent Chettiar connections with banking firms active in the delta, just as indigenous shopkeepers resented ties between Indian merchants and Chinese traders and wholesalers in Rangoon. Yet in spite of signs of growing competition, the informal division of clientele between Chettiar and Burmese moneylenders was retained in most instances. Chettiars continued to lend primarily at low rates to landowners who could offer security, while Burmese lent at higher rates to persons with no security who had often been rejected by the Chettiars. The Report also indicated that indigenous moneylenders' operations had been hit. For example, the amount of money lent by indigenous moneylenders in the Didaye area of Pyapon was halved in the decade between 1918-28. Chettiar firms outnumbered the Burmese two to one in 1928.[23]

The contraction in credit was exacerbated by the Great Depression when the Chettiars pressed for repayment of loans on which previously they had merely collected interest. Furthermore Chettiar firms were reluctant to borrow from European banks and this reluctance led to severe reduction in the supply of capital which was available to the agriculturalists. In the 1930s *sabape* loans (which are advances payable in paddy at harvest) were more common than *ngwedo* (cash) loans which had been the standard prior to the slump. More importantly, these *sabape* loans were being made by Chinese shopkeepers. Nevertheless, the Chettiars were still a significant group in credit supply in Burma, as is shown by Table 9.

Table 9. Relative importance of credit supply facilities in Burma, 1938-42 (Rs.million)

Lending body	Total deposits	Total advances and bills discounted
Scheduled banks (average 1938-9, 1941-2)	122.8	47.6
Cooperative banks	1.7	0.3
Dawsons Bank (1937-41)	0.4	5.9
Burmese banks (1938-41)*	0.2	4.3
Government (1937-8, 1941-2)	-	3.9
Chettiars	70.0	100.0

*Figure for advances and bills includes gold and land mortgages.
Source: U Tun Wai, *Burma's Currency*, 128.

This Chettiar involvement in the agrarian development of Southeast Asia was abruptly interrupted in 1931 by the Depression. Chettiars now found themselves burdened with land and faced intense pressure on liquidity. Their response was to reduce their agrarian commitments and move into trade, manufacturing and limited industrial investments. In Indo-China their withdrawal from the countryside, produced a capital flow into Hong Kong's money markets.

This reduction in Chettiar rural credit had two major consequences. First, it froze credit opportunities for indigenous moneylenders, who now had to rely on government credit agencies or credit advances of Western trading firms, or Japanese trading houses and Chinese rural merchants and traders. Second, the diversification of Chettiar credit operations into increased trade finance and some limited industrial finance was a transitional phenomenon as far as Southeast Asia was concerned. In the final years of the decade, major Chettiar firms in Southeast Asia began to infiltrate into import-substitution industrialisation in South India principally in textiles and light engineering. The Chettiar industrial elite of South India included the Rajah Group and the A. M. M. Group who had wide financial interests in Burma, Indo-China, Singapore, Malaya and Hong Kong (for details see Appendix). However, their transformation into bankers and industrialists in South India was not accompanied by a collapse of their commercial empire in Southeast Asia, but only a conspicuous reduction in their involvement. Despite this contraction, Chettiar investments in Burma in 1941 still accounted for 36 per cent of total foreign investment in the country. To be precise, total Chettiar assets in Burma were estimated at $350 million while their assets in Malaya were a little above $270 million.[24]

But the recurring question here is why this metamorphosis of the Chettiar moneylenders into major banker-industrialists was achieved on the Indian subcontinent and not in Southeast Asia? Was their failure to achieve this transformation in Southeast Asia purely a product of the political environment, their expulsion from Burma by Burmese nationalism and Japanese occupation, their retreat from the Malay peninsula in the face of Chinese competition and Malay state capitalism? This is the received wisdom and only a detailed examination of the family archives of prominent Chettiar industrialists such as Annamalar Chettiar, Ramasamy Chettiar, and Muthiah Chettiar will provide precise answers to this major question.[25]

III

A thorough investigation of intra-Asian credit ties is required to define the nature of the relationship between Chettiar creditors and Chinese merchant traders in Southeast Asia. Moreover, it may be instructive to relate these links to structural changes which occurred in Southeast Asia in the same period. A variety of sources have been examined and these have, to varying degrees, provided useful information. Official records convey little direct data on the intra-Asian credit network; nevertheless, government trade directories, gazettes, bankruptcy notices and so on do supply some indirect information on the intricacies of these relationships. The Oral History Records of the Singapore National Archives contain interviews with prominent trading groups in Singapore, and from these significant trends in the borrowing patterns of the Chinese commercial groups can be discerned. The records of British banks such as Lloyds and Standard Chartered, as well as those of Chinese banks in Southeast Asia, have also yielded relevant material. Interviews with Chettiar firms in Madras, Penang and Singapore have helped identify the particular Chinese families who borrowed from the Chettiars. It must be pointed out, however, that one major limitation of all these sources has been their sparse reference to Netherlands India and Indo-China, as a disproportionate amount of the information relates to Siam, Malaya, the Straits Settlements and Burma (though the Chartered Bank records for Hong Kong do mention Chettiar funding of Saigon rice millers). Furthermore, the Chettiars in Netherlands India did not use the facilities of British banks, but rather those of the Netherlands Trading Society and the Java Bank, while Chettiars in

Indo-China patronised the Banque de l'Indo-Chine. An examination of these bank archives would no doubt help disentangle the credit relations for Netherlands India and Indo-China.

Any analysis of the Chettiar link with Chinese merchants in Southeast Asia must be approached with two questions in mind. First, why did the Chinese seek Chettiar funds, particularly when the orthodox opinion has held that the Chinese were efficient pawnbrokers and bankers? Second, relatedly, why were certain segments of the Chinese trading sector denied the credit and finance facilities readily available within the Chinese ethnic community? Thus, it is imperative not merely to uncover the causes for the diversification of the capital resources of the Chinese commercial group, a process in which access to South Asian capitalist groups was both facilitated and greatly expanded. It is equally important to understand the increasing trend in the Chinese community of bifurcated trading and mercantile groups, wherein on the one hand Chinese partnerships and corporations included banking and insurance sections, while on the other smaller Chinese traders were excluded from these financial institutions and resorted to Chettiar capital to sustain their enterprises.

Precise figures are virtually impossible to secure given the confidential nature of financial relationships. However, the records cited above reveal impressionistic evidence suggesting an increasing dependence on Chettiar capital from the early twentieth century. The Chettiars were prepared to lend long often on light security. Thus they found themselves financing diverse enterprises throughout Southeast Asia: Chinese rice millers in Saigon; Chinese traders and rubber producers in South Siam; Chinese entrepreneurs in Burma; Chinese rubber smallholders and traders in Malaya and Sumatra, along with urban retailers throughout the region.

The substantial funding procured from Chettiars by Chinese traders, compared to the latters' loans from Western and Chinese banks, is suggested by bankruptcy notices of Chinese traders in the slump in the early 1920s. These bankruptcy notices provide full details of the loans, the creditors, the kind of securities and guarantees involved, in addition to general information relating to their business operations. For example, in the case of the bankruptcy in 1922 of a Singapore trader, Kiam Hoa Hong, the Chettiar loans alone amounted to $25 000. By comparison the total credit advanced by Western agency houses added up to $30 285, while Western and Chinese bank loans were meagre.[26]

The most famous case of Chettiar involvement with the Chinese was that of the Khaw family of Penang and South Siam. The Khaw corporation's ventures were highly diversified and their interests included shipping throughout Burma, China, the Straits Settlements, Siam, Netherlands India, tin mining in Siam, Malaya and Burma; opium farms in

Hong Kong, the Straits Settlements, Federated Malay States, Netherlands India and South Siam; rubber and cocunut plantations in Siam; rice milling in Kedah, Bangkok, Tenasserim; trading and retail business in Siam. The Chettiar links were focused principally in four areas: in Eastern Shipping; to some extent in tin mining, as the Khaws, though involved in tin extraction throughout the tin belt of Southeast Asia, received Chettiar financing only in Burma; in retail credit in South Siam, Java and Tenasserim; and in limited involvement in South Siam's rubber production.[27]

Table 10. List of creditors of Kiam Hoa Hong, Singapore trader, at bankruptcy, 1922 (Straits $)

Chettiar Moneylenders	25 000	Lazarus & Sons	900
Katz Bros	2 500	Adamson Gilfillan	800
W R Loxley	2 300	Indian Creditors	800
Nestle, Anglo Swiss	2 267	Guthrie	748
Boustead	1 700	Dansen	600
M Wolskej & Co	1 700	John Little	300
Borneo Sumatra	900	Huttenback	
		S & A Draft	230

Source: Guthrie Archives: Letter from Guthrie Ltd. Singapore to Guthrie London, 7 July 1923.

When Eastern Shipping was incorporated in 1907 with an initial capital outlay of $1.5 million, most of the directors and investors were drawn from the Khaw extended family (Khaw Joo Tok, Khaw Joo Chai; through marital links - Cheah Choo Yew; powerful Chinese affiliates included Lim Cheng Teik and Lim Eow Hoy). A significant exception was the inclusion of A. M. K. Raman Chetty from Penang. The precise amount of Chettiar capital involved in this enterprise has never been clear, but in 1918 it was estimated that A. M. K. Raman Chetty had investments amounting to $900 000 in Eastern Shipping.[28] This however, can be confirmed neither by internal company records nor by published financial statements of the Khaw group. The company had 40 vessels plying between Siam, Malaya, Straits Settlements, Burma and China in an endeavour to meet the demands of increased Chinese immigration and an expanding commodity trade. Chettiar financial assistance was indispensable here, not simply in fuelling the company's expansion but in countering encroachment by the British

India Steam Navigation Company which was seeking additional trading routes from Siam to Netherlands India between 1907-19. The Khaws, already faced with financial problems, injected Chettiar capital at crucial intervals to survive.[29] Such measures were ultimately to prove ineffectual, for the company went under in the early 1920s and was sold to the Straits Steamship Company for $2 million.

The profits from Eastern Shipping and the retail credit network financed by Chettiars were used to establish a syndicate called Eastern Shareholders. This syndicate invested on the Australian stock market and recycled those profits to float tin companies. The Tongkah Harbour Tin Dredging Company, for example, in 1919 had capital assets of $250 000.[30] The bulk of this was largely Australian capital and the Khaw family's own investments, although a proportion was recycled Chettiar capital. In tin mining the Khaw group had access to vast sums of Australian capital. By 1927 there were 90 Australian-Asian tin companies with assets of $25 million.[31] While the Khaws were able to tap Australian capital sources, they sought to maintain financial autonomy in these companies and attempted to strike a balance between combined Chettiar and Khaw Chinese financial resources and Australian inputs. For example, the Tongkah Harbour Tin Dredging Co. Ltd continued to receive Australian capital into the 1930s. But Khaw control here was firm; in 1931 the company made a net profit of £26 377. In 1938 it was refloated with a Malayan registration and assets valued at £442 000. Also, in the case of the two tin companies, Tin Songkla N L which received Australian capital investments of £270 000 in 1931 and Shan Tin Dredging Limited with £120 000, the Khaws and Eastern Shareholders maintained control through Chettiar loans. Sadly, after 1932 there is little evidence of this relationship.[32]

The Khaw family also redistributed Chettey loans to small Chinese traders, miners and rubber producers in South Siam who had little access to major financial institutions such as the Siam Commercial Bank or the Chartered Bank. These credit facilities of the Chettiars were of particular value during the immediate postwar slump of 1919-21. The Khaws also accumulated Chettiar loans from Penang and advanced them to Chinese ventures in the rubber industry in Siam. The Malayan entrepreneur Tan Kah Kee's expansion into Siam through his two companies, Nam Siam and Tai Tong received some long-term loans from the Penang Chettiars. So too did Chan Hock Sun when he moved into rubber and coconut production in Siam in the 1920s. The dependence by Tan Kah Kee and Chan Hock Sun on the Chettiars was determined by two factors: their major financial sources were fully committed in Malaya, Netherlands India and China; borrowing from Western banks in Siam was difficult as these institutions dealt only in exchange business. However, Tan Kah Kee received generous advances from Western banks in Malaya, a point which is discussed later in this paper. In Siam, Chettiar capital was essentially only a supplementary resource for the Chinese rubber smallholder and trader, in the form of credit which was arranged and distributed by large Chinese trading families, and thus filled the vacuum created by the lack of available Western loans.

More critical is the fact that Chettiars were the only source of long-term credit to the Chinese business class. This is especially the case in the rubber industry, which required long-term investments. It was estimated that in the last six months of 1930 Chettiars loaned $100 million to Chinese rubber smallholders in Malaya.[33] This pattern of Chinese rubber smallholder indebtedness to Chettiar moneylenders had already been observed in the rubber depression of 1920-23 in Malaya. In Sitiawan it was estimated that during this earlier recession, Chinese were losing land to the Chettiars at the rate of 500-700 acres a year.[34]

It is useful at this juncture to examine the causes of this dependence on Chettiar capital by the Chinese trader-merchant and commodity producer and to identify those factors which may have been responsible for this loss of financial autonomy in Chinese capital accumulation. It is essential to observe at the outset that the loss of revenue farming by 1910 had deprived the Chinese of a lucrative source of finance. Tan Thiau Siat, the Khaw, Beng brothers, Loke Yew and other Chinese traders had operated revenue farms in opium, spirit and gambling throughout Malaya, Siam, Sumatra and Burma which enabled them to accumulate vast profits. The Khaws' revenue alone from opium and gambling in South Siam was estimated at £1.5 million in 1899-1900, an amount which accounted for half of the revenue of the Siamese state for that year.[35] Furthermore, this Chinese control of revenue farming had been combined with interests in the rice trade, tin and shipping with the effect that each activity reinforced the interests of the others.

Chinese financial autonomy was further enhanced by the Chinese credit network. In the nineteenth century barter persisted as the main form of financing the trade in tin, rice and tobacco. Chinese firms like Chong Moh & Company of the Straits Settlements would import Chinese cargoes and exchange them for rice, tin and coconuts through contracts and pre-arranged credit facilities. Similarly, Western firms dealing with Chong Moh would exchange Western manufactures for Southeast Asian goods through barter and pre-arranged credit terms. But this trading system was rendered obsolete in the early decades of the twentieth century when Western houses began to participate directly in the internal marketing networks, penetrating the enclaves of the Chinese production, collection and distribution networks.

This was accompanied by two other developments. The first was the challenge to Singapore's position as a focus of regional entrepot-exchange, around which Chinese credit and barter revolved, posed by the growth of outports such as Bangkok, Jakarta, and direct trade between these and international markets. This subversion of Singapore impelled the Chinese trader to apply to a more international financial network. Here the Chettiars fitted in neatly with financial centres ranging from Madras to Colombo, Calcutta, Rangoon, Penang, Singapore, Saigon and Hong Kong. The second development was the increasing involvement of Japanese traders in the region, necessitating either access to Japanese credit networks or survival through increased competitiveness. This dramatic burgeoning in the international commodity trade of the region in the interwar decades led to the rise of major oligopolistic Chinese trading firms who combined production, milling, shipping and trade with their own banking and insurance arms. The resulting network of Chinese firms, illustrated by the Big Five in the Siam rice industry and Big Five in the Malayan rubber industry, established themselves after the World War I.[36] They did not originate from tax farming. Rather, their capital foundations stemmed from international trade and extensive commercial networks operating throughout Southeast Asia, the Far East, USA and Europe. They established banks such as the Wang Lee Bank in Siam, the Overseas Chinese Bank, Chinese Commercial Bank, Lee Wah Bank in Malaya and branched into related manufacturing. These groups could operate with their own resources, and had access to Western bank funds, though they did occasionally rely on Chettiar funds. This development created a split in the Chinese commercial community which alienated the smaller Chinese traders who often had no access to Chinese banks because of dialect differences. Consequently, it was this sector that came to rely on Chettiars to maintain and expand their trade.

These major changes in the commercial environment of the interwar period forced the Chinese community to diversify and widen its access to sources of finance. Important in this respect was the establishment of Chinese banks in the region, a strong reliance on advances from the Japanese Sōgō Shōsha (general trading companies), increasing credit from Western and Indian merchant firms and a dependence on Western banks. The latter did not fully meet Chinese requirements, for the reason that Western banks were prepared to lend only short-term and had harsh security and guarantor requirements. Only very prominent Chinese could establish close ties with Western banks. Here generous credit was available to them, as seen in the case of Tan Kah Kee in Malaya who had £1.3-1.4 million advanced by European banks in 1933, while Beng Huat of Burma owed almost £2 million to Western banks in 1928.[37]

It now becomes necessary to ask why Chinese banks were not efficient in distributing credit to all Chinese trading and commercial groups.[38] The first consideration is that there were distinct dialect and kin divisions within the community which acted as barriers to capital access. Perhaps the clearest example here concerns the fact that the bank compradors, clearly the intermediary between the community and Western capital, were known to discriminate in favour of their own speech group and kin. Were the comprador of the Hongkong and Shanghai Bank in Singapore to be a Cantonese, it was less likely that a merchant who was Teochew could gain access to the Hongkong Bank. Chinese banks themselves were dominated by these dialect and kin divisions. For example, the Chinese Commercial Bank (established 1912), the Ho Hong Bank (1917), and the Overseas Chinese Bank (1919) were all Hokkien banks. Lee Wah Bank (1920) was a Cantonese bank. The Overseas Union was a Teochew bank. Here not only the directors and officers but also the customers and depositors were drawn from a similar dialect background.

Second, Chinese banks were essentially a subordinate outgrowth of other Chinese economic activities such as tin mining, rubber cultivation and tax farming. There was no clear separation between these and other activities and banking. Chinese banks were not in general autonomous institutions committed to a wide range of lending. For example, Lee Kong Chian, a rubber magnate was involved with Overseas Chinese Banking Corporation and the Chinese Commercial Bank. Loke Yew, a tin miner, had interests in Kwong Yik Bank. Eu Tong Seng, proprietor of Chinese medicine stores and rubber estates, was involved with the Lee Wah Bank. The rubber and real estate magnate Lee Choon Seng was involved in the Ho Hong Bank. This lack of separation between ownership, control and management troubled these early Chinese banks and only in the early 1930s with the appointment of professional executive managers did this problem ease.

Third, Chinese banks were more interested in the remittance business than in long-term (or even short-term) commercial credit. Chinese banks had close connections with Chinese remittance houses which were active before the Second World War. For instance, the Overseas Chinese Banking Corporation was the sole agent of the Postal Remittance and Savings Bank of China for family remittances. The Chinese banks hence acted merely as retailers of credit for sections of the community and not as broad based credit networks on a national or international scale. They had to maintain a highly liquid position because of the fluctuating fortunes of rubber and tin. In addition, they relied heavily on Western banks for foreign exchange transactions, while at the same time providing a useful service to Western banks by collecting deposits from the public through the Chinese banks.

Fourth, Chinese banks were commonly undercapitalised, over-extended and impaired by inexperienced management, which would explain the high failure rate between 1905-30. The Chettiars were more stable and solid. The Kwong Yik Bank ran into difficulties in 1913 as some of its directors had obtained substantial loans from the bank. The failure of the bank instigated the government to amend the bank ordinance in order to safeguard the interests of depositors by restricting advances from banks to their directors and officers. A few months before the Supreme Court order against the Singapore Kwong Yik, some of the shareholders established a new bank, the Kwong Yik (Selangor) Banking Corporation in Kuala Lumpur. Similarly in 1914, two years after the establishment of the Chinese Commercial Bank, there was a serious run on the bank, requiring government intervention.

Chinese banks faced difficulties in attracting deposits even from their own local Chinese community in the Malaya-Singapore region. In the late 1930s it was estimated that less than a quarter of total deposits (both demand and fixed deposits) accrued to local Chinese banks. Thus in spite of the advantages of dialect, family and kinship ties, they were not always successful in attracting local deposits. Only the temporary decline of Western financial houses assisted in bringing about a brief period of vast deposits being channelled to Chinese banks in 1939.[39]

Such financial constraints help to explain why Chinese banks were only a source of short-term loans for Chinese trading and mercantile groups except for immediate family and kin members of the bank. The Chinese financial network of the region, while attracting and circulating credit was predisposed to financing of the major oligopolistic Chinese rice and other commodity firms and not generally inclined to serve the community as a whole.

Fifth, Chinese banks were less involved in the business of discounting bills of exchange and promissory notes, relying as they did on Chettiar and on Western banks for these transactions.

Finally, Chinese banks were restrained in their credit operations by their highly liquid position. Even the seemingly conservative Overseas Chinese Banking Corporation maintained a liquidity ratio of 0.70 in comparison to that of the Hongkong Bank of 0.33-0.25 in the years 1933-8 (cash and liquid assets).[40] In such a liquid position, the only option was to charge high interest rates on loans to offset this disadvantage. Thus borrowing from Chettiars at lower interest was clearly attractive to the Chinese commercial community.

The Great Depression weakened the position of many of the Chinese banks and this led to the amalgamation of many smaller banks. The Ho Hong Bank, whose expertise in foreign exchange transactions covered the entire region from Shanghai, Hong Kong to Singapore, Penang, Saigon and Rangoon, suffered a loss of $2 million in 1931.[41] Despite its cautious accumulation of substantial reserves and a generous loan from Aw Boon Haw, the Tiger Balm King, it was only saved by amalgamation with the Chinese Commercial Bank and the Overseas Chinese Bank in 1933. Similarly, the Bank of Malaya in Ipoh which was established in 1920 went into liquidation in 1930 owing to the Great Depression. Twelve local Chinese banks were incorporated between 1920 and 1941. Hence, those Chinese who found it difficult to raise capital from Chinese or Western banks turned to the Chettiars. In short the Chettiars were an efficient source of capital.

The value of Chettiar capital to many Chinese is evident from the financing of the produce trade in rubber, rice, pepper and gambier. For example, the produce trade from Malayan smallholders, which by the 1920s accounted for one third of total Malayan rubber production, was undertaken by Chinese middlemen and Malay peasants with Chettiar credit. The Chinese exporters purchased the produce from syndicates of Chinese producers, Chinese peddlers and shopkeepers, whose promissory notes were endorsed by Chettiars. The Chettiars' acceptance business was crucial because Western banks were committed to the financing of the Western agency house produce trade while the Chinese were heavily involved in mining, plantations, the marketing of produce and imported goods and the establishment of their own banks. The Chettiars played a key role in all these spheres through the agency of their loan provisions.

IV

Received wisdom has it that Western banks lent primarily to expatriate Western firms and were isolated in the main ports, thus having little direct contact with indigenous capitalist groups. The orthodox school, moreover, maintains that the Western banks established links with the indigenous commercial groups only through bank compradors.[42] The Lloyds Bank Archives for Burma and those from the Standard Chartered reveal, however, a more intricate pattern of interaction. The picture that emerges is not one of disjuncture between Western bankers and indigenous interests, but of a close interrelation between the two sectors. Western banks injected funds into the domestic sector by providing loans to Chettiar and Chinese who then relent to indigenous consumers. The Western banks did finance both wholesale and retail creditors in the indigenous sector, but the credit extended by them seldom exceeded 25 per cent of the total formal credit market, except for the periods of seasonal fluctuation when credit demands were highly volatile.[43]

With respect to the Chettiars, European banks' lending was dictated by the *adathi*, a list prepared by the Imperial Bank of India. This list verified the credit worthiness of Chettiar firms and often specified the maximum amount for which they were eligible. However, this exclusive list was diluted as a result of the nature of Chettiar caste banking; the interfirm guarantees offered by the Chettiar banking elite to European banks implied, in reality, that access was wider, often embracing the smaller Chettiar firms. Lending to Chettiars admirably suited the Western banks until the 1930s Depression. It limited their risk in lending where they had imperfect knowledge of the market and of local customers, and in instances where there were considerable difficulties in realising security in cases of default. Lending to the large Chettiar firms with good credentials enabled the Western banks to take some advantage from the high interest rates prevailing in the rural credit market but at a reduced risk. Both the records of Lloyds Bank Rangoon and the Chartered Bank show that they made large loans to Chettiars; the various banking enquiries conducted in this period confirm this. In 1929 the Rangoon branch of Lloyds had made advances of Rs.8 million (£601 503) to Chettiar firms.[44] In June 1931, the Imperial Bank of India had lent £562 500 (Rs.7.5 million) to that sector, while Lloyds had advanced Rs.7 million (£526 315). In 1931 Chettiar investments in land mortgages and crops in Burma were estimated at Rs.540 million, of which Rs.21.5 million were borrowed from Western banks in Rangoon.[45]

The Depression of the 1930s strained this relationship. Western banks had admired and been reassured by the Chettiar tradition of careful accounting procedures, the conduct of business by correspondence, the careful storing of business receipts. All these practices had been seen as safeguards against defaults. But the Depression saw the collapse of 400 Chettiar firms in Burma, including the two most prominent. By July 1933 the outstanding exposures of this sector amounted to Rs.3.2 million (£240 601) for the Imperial Bank of India, Rs.2.7 million (£203 007) for Lloyds Bank, and Rs.1 million (£75 187) for Citibank.[46]

In February 1934 Lloyds of Rangoon had direct loans to Chettiars of £116 437; overdrafts accounted for a further £79 219. By September 1936 Chettiar firms were still indebted to Lloyds for Rs.1.7 million (£127 819). Their debt remained at that level in 1939, despite attempts by the Bank of Chettinad to form a syndicate to reduce it gradually. While the British banks persevered in their attempts to reclaim the principal involved, Citibank took the opportunity to sell Chettiar debts at discounts of 65-70 per cent.[47]

Chettiar borrowings from Western banks were overwhelmingly seasonal. Advances and overdraft facilities from these banks were secured for periods of peak credit demand when the Chettiars' own equity and interfirm borrowing were strained. The precise level of borrowing during the peak seasons is difficult to evaluate as conflicting accounts abound. According to the Madras Provincial Banking Enquiry of 1930, Chettiar borrowing at its seasonal peak amounted to two and a half times their own capital resources.[48] Yet other banking reports and alternative sources suggest that Chettiar firms were dependent on Western sources for only some 4 to 6 per cent of their working capital.[49]

These financial relationships were further complicated by the Chettiars' discounting business and dealings in trade promissory notes through Western banks. Approximately half the Chettiar firms' business in the interwar period was in this trade. These short-term guarantees were discounted at a rate of interest 2-3 per cent above the western banks' rate, which in this period was generally 5-6 per cent per annum. By rediscounting the bills and promissory notes of Chinese and Indian traders with European banks, Chettiars created a complex relationship between the Asian trading and financial network and Western financial institutions. The Chettiars participation in this nexus was very marked, and easily breached territorial barriers.[50] An example here is the Hongkong Bank in Colombo which approved trade finance for Chettiars operating in the Straits. Lending of this nature in fact increased from 50 per cent of total lending to indigenous customers in 1926 to 57 per cent in 1934.[51] Similar transfers of funds also occurred from Calcutta and Madras. In Calcutta there were many cases of Marwaris securing loans for Chettiars in the Malay peninsula.

This practice disguised divisions separating the wholesale-retail credit markets. The dominant impression here (although it remains simply an impression) is that up to the 1930s there was a capital drain from South India, Calcutta and Colombo to Southeast Asia. Admittedly these capital outflows are further confused by the Chettiars' involvement in the remittance trade. Remittance funds were transferred around, enabling the Chettiars to secure profit through exchange rate differentiation between Southeast Asia and the subcontinent.

Thus the mutual dependence of the Asian and European financial networks existed without a concomitant erosion of the autonomous character of these separate institutions. The alliance of the Chettiars with European financial and commercial interests in Southeast Asia not only enabled them to acquire international market information, technological skills and understanding appropriate to their industrial interests in South India but from the late 1930s also formed the basis of a partnership which continued in the subcontinent with their joint industrial projects.

V

The emphasis in this essay has been that there was no gulf between Western banks and Chettiar financial institutions, that in fact the latter provided effective channels whereby European capital could reach Asian borrowers. Chettiars were increasing their borrowing from Western banks, relending at a rate the market could bear. At the same time, the Chettiars retained their autonomy. They were not compradors to Western capital, in that they had access to capital of their own, maintained their own lending outlets and benefited from leakages from European credit circuits. Chettiars maintained both their independence and some complementarity between their operations and those of the Western banks. This challenges the received view that Asian capital was subordinate to an aggressive Western capitalism in the Southeast Asian economies.[52] The vast expansion in commodity production in Southeast Asia needed the commitment of the peasants with the assistance of parallel networks of Asian and Western capital. Chettiars interacted with these parallel grids, channelling capital into Southeast Asia from traditional Asian and Western sources.

Four major characteristics of Chettiar caste banking facilitated their mediation between the traditional and Western capital markets. First, the variety of deposits they accepted, including demand deposits (derived both from caste members and Chinese, Marwaris, Multani and Burmese investors) and fixed long-term deposits (derived solely from caste members), ensured a strong lending capacity within the Chettiar firms. Second, their use of hundis to transfer capital from one location to another and also to finance trade and exchange throughout the region, was crucial in negotiating exchange between the indigenous and Western capital markets while attracting little default. It was estimated that between 1910 and 1929, hundis failure (or bad debts) was only 2 per cent of the total volume of transactions in Southeast Asia in any one year except during the recession of 1920-22.[53] Third, the Chettiars compiled a list of reputable banking firms called the *adathi* list. This was a guarantee of the reliability of the firms included, and the Chettiar elite undertook to cover any failure or misdemeanour on the part of any firm included in the list. The firms included also had clearing facilities with each other. Fourth, the Chettiars adjusted their interest rates to reflect changing conditions in both traditional and Western markets. In turn the Western banks' rate had to take into account conditions in the local market, already heavily influenced by Chettiar lending conditions. This clearly revealed the impact of the Chettiars in determining both the volume and the cost of credit in the economy.

One may ask whether, in the context of interlocked factor markets where the pledging of crops, land, jewellery, and so on to credit as collateral was common practice, Chettiars adversely determined the material welfare of peasants, and were instrumental in the dispossession of sections of the peasantry. Specifically, with the severe collapse of commodity prices during the Great Depression of the early 1930s, it has been suggested by J. C. Scott and others that the demands of rural capitalists, principally Chettiar moneylenders, forced a dramatic deterioration in peasant welfare culminating in peasant rebellions.[54] Here one has to remember that the power of rural capitalists to enforce their demands against the peasants varied from district to district and between different socio-economic groups. In parts of Cochin China and Lower Burma small landlords were dispossessed of land and reduced to tenants through indebtedness to Chettiar moneylenders. But peasants' tenacity in resisting moneylenders' demands can be underestimated. On the eve of the Depression, the burden of agricultural debt in Lower Burma was considerably higher than in the Chao Phraya delta of Siam.[55] Chettiar moneylenders were heavily involved in the expansion of rice production in Lower Burma whilst in Siam the rice economy depended on indigenous moneylenders, family and friends. Consequently the Burma delta experienced a dramatic expansion in the export growth while in the Chao Phraya it was gradual and measured. One has to evaluate here which was the preferred choice of growth. Was Chettiar involvement an impediment to growth or were structural features of the Burmese economy and its dependence on the monoculture of rice partly to blame for the upheavals of the early 1930s?

Furthermore, one has to distinguish between retail and wholesale credit networks in agrarian Southeast Asia, where Chettiars lent not only to indigenous peasants but also to indigenous moneylenders, Chinese traders, middlemen and shopkeepers. These separate and yet connected groups, their competitive rates of interest and their varying control of the peasant have to be disentangled before a dispassionate judgement of the Chettiar role in Southeast Asia can be made.[56]

The Chettiars were often accused of initiating a capital drain from South India in the initial phase of their Southeast Asian operations from 1890. They were also charged with causing a reverse flow from Southeast Asia to South Asia in the late 1930s, when they invested in South Indian industrial expansion.[57] If the Chettiars were central to this circulation of capital, then perhaps three propositions can be offered. First, the diaspora was merely an efficient network securing a rational allocation of economic resources dictated by market forces. This implies a productive use of Chettiar capital linking capital flows to structural changes in the economies of South and Southeast Asia. Second, it is a reflection of the existence of open economies, particularly in Southeast Asia where earlier Chettiar capital was advantageously placed to exploit the opportunities offered by the dramatic expansion in commodity production. Third, the Chettiars' decision to reduce their involvement in the 1930s was perhaps a product of developments both in Southeast Asia and South Asia. In these years Southeast Asia saw the emergence of Chinese corporate capitalists competing with the increase in Japanese trading activities and a powerful Western interest. South India was marked by the decline of European private investments in the 1930s, a relaxation of government restrictions on trade, the changing structure of Indo-British trade, increasing significance of Indo-African trading and capital networks and a vast range of opportunities for Indian capital and entrepreneurship in the import-substitution industrialisation of the 1930s. The Chettiars' response to these opportunities, documented in C. J. Baker's monograph, must be understood in this context. Their involvement in the finance of urban trade and agriculture since the 1890s, and in direct mercantile activities in the textile and grain trade in the 1920s, was followed by a dramatic shift towards industrialisation in the 1930s. The dominance of four major Chettiar groups in the textile industry, automobiles and light engineering industries of South India in the 1930s corresponded with the rise of Chettiar banking.[58] Hence this fund of capital raised in India and Southeast Asia circulated throughout the region in response to these changes. Precise estimates of these flows are not available; the only undisputed fact is that they responded to the market and to the openness of the economies.

The close interaction between Chettiars, Western banks and Chinese middlemen raises the spectre of domination of credit markets by outside suppliers, a category held by A. G. Frank and I. Wallerstein as partly responsible for the pervasiveness of dependent capitalism in the Third World.[59] The inter-regional dynamism of Chettiar financial networks in the intra-Asian trading and capital networks exposes the weakness of this theory which sees world capitalism as having sprung from a unilateral push by metropolitan capital which resulted in its total domination of the Third World economies.[60]

In many places, at many times, the Chettiars acted quite independently of Western banks, indeed frequently in opposition to their interests. During this period confidence among Chinese traders in the Chartered Bank and the Mercantile Bank in Singapore was often influenced by Chettiars' acceptance of the notes of these two banks and their own involvement in discounting with these banks. Fears by these banks that a run on them could be triggered by Chettiar lack of confidence was persistent in their correspondence with their headquarters.[61] This was a legacy of near disasters in Singapore's money markets in the late nineteenth and early twentieth centuries when Chinese traders unloaded Chartered Bank notes at the slighest hint of distress displayed by the Chettiars about these banks. The Chartered Bank of Penang too was constrained by its dependence on Chettiar connections for its access to the local rupee market.[62]

It is therefore apparent that the relationship between the Chettiars and Western financial agents was far from one of unqualified Western domination. Moreover, in their forging of close links with other Asian capitalist groups, they were by no means a sub-imperialist caucus. In effect, they helped to neutralise the dependence of such groups on Western interests, and coordinate the integration of South and Southeast Asia into the expanding world capitalist economy.

APPENDIX

The two most prominent Chettiar families of Southeast Asia who later emerged as leading industrialists in South India were the Rajah group and the A. M. M. group. The former had extensive moneylending operations in Burma, Indo-China and Malaya. It established the Bank of Chettinad in Rangoon in 1929 with Rs.30 million. The group had established the Burma Commercial Corporation Ltd, which was a rice and timber export company. This group also maintained some interest in the Indian Bank established in 1907, and by 1930 had assets of Rs.30 million.

The A. M. M. group, also called the Murugappa group, amassed fortunes in Burma, Indo-China, Malaya, and only made a late re-entry into South India with British and American capitalist groups. They maintained their import-export firms in Southeast Asia specialising in textiles, and also invested in rubber, coconut and tea estates. Their own bank is the Bank of Madura.

Along with its import-export trade, and the agricultural operations relating to rubber, tea, coconut and spices, the Murugappa group developed a large manufacturing sector in the postwar period.

Year	Company	Products
1949	Tube Investments and four British affiliates	Bicycles, cars, metallugical components
1954	Universal Products in collaboration with British and American Companies	Aluminium, carborundum, bauxite, electrocast, refraction
1960	T I Diamond	Cars etc.
1961	Murugappa Chemical Company	Paint, cement, chemical plants

This group is also involved in electronic data processing, the electronic industry in cooperation with Tata group, scientific and industrial research on pollution and heating liasing with the Tata Energy Research Institute of the Government of India, and management and consultancy services.[63]

NOTES

1. Michael Adas, *The Burma Delta, Economic Development and Social Change on an Asian Rice Frontier, 1852-1941* (Madison, 1974); Lim Teck Ghee, *Peasants and their Agricultural Economy in Colonial Malaya 1874-1941* (Kuala Lumpur, 1977).

2. *Report of the Burma Provincial Banking Enquiry Committee* (hereafter *RBPBEC*) 1929-30, 3 vols, 1930 (published by the Superintendent of Government Printing and Stationary, Rangoon); *The Madras Provincial Banking Enquiry Report*, 1929-30, Part I to III (Madras, 1930).

3. For details see Rajeswary Brown, *Capital and Entrepreneurship in South-East Asia since 1870* (London, forthcoming).

4. David Rudner, 'Caste and Commerce in Indian Society: A Case Study of Natukkotai Chettiars 1600-1930', Ph.D., University of Pennsylvania (1985).

5. *RBPBEC* 1929-30 and the *Madras Provincial Banking Enquiry Report* 1929-30 provide widely divergent estimates of total Chettiar capital, ranging from Rs.536 million to Rs.1300 million.

6. *RBPBEC* 1929-30, Vol. 1, 202. The same report identifies the lower figure of Rs.750 million in 216 and 225.

7. For a more detailed analysis of Chettiar social and economic organisation, see Carol Appadurai Breckenridge, 'The Sri Minaksi Sundareshvarar temple: Worship and Endowments in South India, 1833-1925', Ph.D. dissertation: University of Wisconsin (1976), and David Rudner, 'Caste and Commerce'.

8. Chettiar firms' capital was divided between principal's personal funds and all other funds. The latter comprised deposits from relatives, clans, temples, Chettiar banks, Burmese, Chinese, Marwaris and loans from European banks (available directly to 3-4 per cent of Chettiars but indirectly to the larger group through interfirm borrowing). David Rudner, 'Bankers' Trust and the Culture of Banking among the Nattukottai Chettiars of Colonial South India', *Modern Asian Studies*, 23, 3 (1989) 446.

9. Estimates of Indian remittances from Burma were worked out by J. J. Bennison in 1928, as being Rs.40 million. J. J. Bennison, *Report of Enquiry into the Standard and Cost of living of Working Classes in Rangoon* (Rangoon, 1928), 65.

10. U Tun Wai, *Burma's Currency and Credit* (Calcutta, 1953), 45.

11. The Marwaris who lent to Chettiars in Burma included Rai Bahadur Bansi Lal Abirchand and Nanigram Jamuna Das.

12. See Lloyds Bank Archives (hereafter LBA): Eastern Department Committee Files, 21 January 1933.

13. LBA: Eastern Committee Files, 11 November 1936.

14. W. H. C. Prideaux, Inspector of Factories, Burma, Testimony before the Indian Industrial Commission 1916-18 in *British Parliamentary Papers* 1919, Command Paper 238, Vol. 20, 569; *Annual Report on the Working of the Indian Factories Act 1937* (Rangoon, 938), 30.

15. Although indigenous moneylenders outnumbered Chettiars, they provided a smaller share of capital loaned to agriculturalists. U Thet Shwe shows a Burmese moneylender from Pyapon town had Rs.2 million in agricultural loans compared to Rs.5.5 million loaned by Chettiars in Pyapon (Adas, *Burma Delta*, 136-7). Cooperative Societies, Dawsons Bank, Chinese shopkeepers, and non-Chettiar moneylenders, merchants (Marwaris, Multanis etc) also extended credit to the Burmese peasant in Lower Burma between 1907-30. Dawsons Bank provided for cultivation expenses at low rates. The Chinese provided credit on food, implements etc. They, like the Marwaris, also speculated on grain purchases from their Burmese debtors in addition to collecting interest on cash loans (ibid., 138-41).

16. Paul Kratoska has shown that in comparison with the income of rice farmers, the amounts borrowed from Chettiars were large. In 1938 it was estimated that an average Krian (Perak) family had a total annual income of $120. But loans secured through land mortgage often to Chettiars could amount to $1000. (Kratoska, *The Chettiar and the Yeoman: British Cultural Categories and Rural Indebtedness in Malaya* (Singapore, Institute of South East Asian Studies, Occasional Paper 32 [1975], 11-12).

17. *RBPBEC*, Vol.3, 11-33, 80-92.

18. *Report of the Land and Agriculture Committee*, 1938, Part 2, 37-8.

19. Lim Teck Ghee, *Peasants*, 200.

20. Ibid.

21. Adas, *Burma Delta*, 164-5.

22. *RBPBEC*, Vol. 3, 22.

23. Ibid.

24. Allene Masters, 'The Chettiars of Burma: An Economic Appraisal of a Migrant Community', *Population Review*, Vol. 1, Jan. 1957, 41; N.R. Chakravarti, *The Indian Minority in Burma* (London, 1971), 93-4; J. Pavadarayan, *The Chettiars of Singapore: A Study of an Indian Minority Community in South East Asia*, unpublished Ph.D. thesis, University of Bielefeld (1986), 191.

25. For the transformation of Chettiar capital in South India, see Shōji Itō, 'A Note on the Business Combine in India, with Special Reference to the Nattukkottai Chettiars', *Developing Economies*, Vol. IV-A (1966), 367-80.

26. See Guthrie Archives, Singapore branch: letter from Singapore to headquarters, 12 October 1923.

27. National Archives, Bangcock (hereafter NA): R7 SB 2.28/29, Memoirs of Prince Boriphat. See also Public Record Office, London: FO 422/68, no. 25, p.42 and The Singapore and Straits Directory for 1918 and 1929, Fraser and Neave, Singapore, 1918 and 1929.

28. NA r7 SB 2.28/29: Memoirs of Prince Boriphat and Phra Aramsakornkit, Records of Conversation with Chinese Traders in Phuket, January 1930. The traders interviewed were Tan Jin Hong, Jan Jin Huan, Tan Peck Huat, Tan Mah Siang, Tan Ching Ho.

29. 'When loans cannot be obtained by any other means, the merchants have to look to the Chettiar who took advantage of the borrowers. From the time Chettiars came to settle here, being persuaded by Khaw Sim Bee, more than 10 million baht must have been remitted to India. Even he himself used to borrow from Chettiars, especially during trade depressions. The Chettiar here were not the owners of capital, the real owners being the partners in India. The Chettiar here were only managers' (ibid). Evidently, the Chettiar acted as an 'agent of crisis capital' here. In Indo-China Chettiars expanded their activities during the bad harvests of 1905, 1906, 1907 and in the late 1920s. By 1931 they controlled a quarter of Cochin-China's rice lands: they repatriated profits of VN$1240 million each year. V. Thompson, *French Indochina* (New York, 1937), 221-5.

30. J. W. Cushman, 'The Khaw Group: Chinese Business in Early Twentieth Century Penang', *Journal of South East Asian Studies*, 17, 1 (1986), 72.

31. See 'Taxing Eastern Tin Investments', *Sydney Morning Heràld* (14 July 1928.

32. NA r7 SB 2.28/29: Records of Conversations with Chinese Traders in Phuket. It is evident that Western banks in Siam, particularly the Chartered Bank, were indifferent to the financing of traders in South Siam. So Siamese (Sino-Siamese) banks like the Siam Commercial were a major source of capital for the Chinese traders of Phuket in the interwar decades. This was often insufficient and another source of both crisis capital and long-term capital was provided by Chettiars from northern Malaya and Penang. The Chettiar network of Penang, Singapore and Malaya was allowed to operate in South Siam from the late nineteenth century by Khaw Sim Bee. While South Siam's Chinese tin miners took advantage of Australian and British capital in the region, in the case of rubber and coconut production they relied increasingly on Chettiar loans. While the infrastructure growth of the region was met by central Siamese

finances, commodity production relied on external Chettiar finances. Urban wholesale and retail trade too relied on Chettiar credit. For a more detailed study on the Khaw family, see J. W. Cushman, *Family and State: The Formation of a Sino-Thai Tin Mining Dynasty, 1797-1932* (Singapore, 1992).

33. *Malaya, Federal Council Proceedings* (19 January 1931), B16-23.

34. District Office Files, Sitiawan, Perak, 88/25. Annual Report, sub-district of Sitiawan, 1924.

35. N A r5 Kh 14.1 k/7. Report by Prince Damrong to King Chulalongkorn (17 February 1908). RS 126.

36. The rice industry capitalists of Siam included Wang Lee, Lam Sam, Bulakun, Iamsuri, Bulasuk. The 'big five' in the Malayan rubber industry were Heah Joo Seng, Tan Kah Kee, Lee Kong Chian, Eu Tong Seng and Lee Choon Seng.

37. The files of the Chartered Bank of India, Australia and China, Kuala Lumpur Branch 1933, contain details of Tan Kah Kee's commercial and financial situation. The files of Lloyds Bank, Rangoon, 1928-30, contain details on the Beng Huat fraud case.

38. For details on Chinese banking, see Tan Ee Long, 'The Chinese Banks incorporated in Singapore and the Federation of Malaya', in T. H. Silcock, ed., *Readings in Malayan Economics* (Singapore, 1961), 454-79.

39. The funds sent home by Chinese emigrants were given to remittance brokers usually in small amounts, and these sums were transfered through Singapore and Hong Kong. The extreme instability of the Chinese currency during the interwar years and the gross discrepancies between the official and black market rates added to the importance of arbitrage and onward remittances through Hong Kong. Remittances from South-East Asia were first converted into Hong Kong dollars and further converted into other currencies on the free market at opportune times to minimise exchange losses. Not infrequently, those in the remittance business would first use the money to purchase goods in Singapore and Hong Kong and pay off remittances later. By 1940 the flow of such funds from Malaya-Singapore into Hong Kong averaged US$100 million a year, of which 60 per cent would be used for investments and 40 per cent as remittances to China. Shōzō Fukuda, *Kakyō Keizai-ron (Treatise on Overseas Chinese Economy)*, (Ganshōdō, 1940), 88, 101.

40. Frank H. H. King, *The History of the Hongkong and Shanghai Banking Corporation: The Hongkong Bank between the Wars and the Bank Interned, 1919-45*, Vol. 3 (Cambridge 1988), 182.

41. The Ho Hong Bank started with an issued capital of Singapore $3.5 million, half paid up. This was increased several times to meet the requirements of its rapid growth, until by 1920 it had reached $4 million fully paid up. Reserve funds were built up and exceeded $2 million but with the depression and the invasion of Manchuria in September 1931 and with the abandonment of the gold standard by Britain, it suffered losses of $2 million. In addition to trade difficulties the Bank's liabilities in Hong Kong and Chinese dollars and the loss of its assets in China devastated the Bank. See Balance Sheets of Ho Hong Bank for the years 1917-31 in the *Straits Settlements Government Gazette* (Singapore Government Printers), for the corresponding years 1917-32.

42. King, *History*, Vol. 3, 517-8: Compton Mackenzie, *Realms of Silver* (London, 1954), 84-6.

43. LBA: letter from the manager, Lloyds Bank, Rangoon Branch, 22 January 1935.

44. LBA: Lloyds Bank Eastern Department, Memorandum, 'Monies advanced by the banks of Burma to Chetties for finance to the Burma rice cultivators and middlemen', 2 May 1934.

45. Ibid.

46. Ibid.

47. LBA: Lloyds Bank Eastern Department Committee, 3 August 1939.

48. *The Madras Provincial Banking Enquiry Report*, 1929-30, Part 1, 110.

49. LBA: Letter from manager, Lloyds Bank, Rangoon Branch, 24 January 1931.

50. Much of the information in this paragraph is based on LBA, Eastern Department Files, 21 January 1922 - 19 October 1939.

51. King, *History*, 516.

52. See G. C. Allen and A. G. Donnithorne, *Western Enterprise in Indonesia and Malaya: A Study in Economic Development*, (London, revised edition 1962), 205.

53. *RBPBEC*, Vol. 1, 150; U Tun Wai, *Burma's Currency*, 54-5; *Annual Report of Singapore Chettiar Chamber of Commerce*, Registrar of Societies (Singapore, 1947). See also V. Krishnan, *Indigenous Banking in South India* (Bombay, 1959), 41; 'In the case of 136 firms (Chettiar) doing business in Chettinad, to the extent of 11 crores of rupees, the bad debts come to only Rs.4.3 lakhs which works out to 1/2 per cent on the total volume of business'.

54. James C. Scott, *The Moral Economy of the Peasant: Rebellion and Subsistence in South East Asia*, (New Haven, 1976), 120-7, 149-56.

55. See Ian Brown, 'Rural Distress in South East Asia during the World Depression of the Early 1930s: A Preliminary Re-examination', *Journal of Asian Studies*, XLV, 5 (1986), 1012.

56. The categories of informal credit institutions in Southeast Asia ranged from the pawnshops to traders, crop buyers, landlords, shopkeepers, mutual loan associations, dialect and ethnic aid associations, moneylenders and nightwatchmen (who were often Punjabis). See P. J. Drake, *Money, Finance and Development* (Oxford, 1980), 122-54.

57. There are several indirect references to this trend. See Adas, *Burma Delta*, 114. Both Lloyd Bank and Hongkong Bank Archives contain reports on capital transfers from India to Southeast Asia and the reverse in the mid 1930s. See for example 'Status of Chettiar Moneylenders', Report from Lloyds Bank, Rangoon Branch, to London, 19 February 1937.

58. C. J. Baker, *An Indian Rural Economy 1880-1955: The Tamilnad Countryside* (New Delhi, 1984).

59. Immanuel Wallerstein, *The Capitalist World Economy* (Cambridge, 1979); Andre Gunder Frank, *Capitalism and Underdevelopment in Latin America* (New York, 1969); *Lumpen-Bourgeoisie: Lumpen-Development* (New York, 1972).

60. See J. A. C. Mackie, 'Changing Economic Roles and Ethnic Identities of the South East Asian Chinese: A Comparison of Indonesia and Thailand', in J. W. Cushman and Wang Gunguri, eds., *Changing Identities of the Southeast Asian Chinese since World War II* (Hong Kong, 1988), 249; and Chattip Nartsuipha, Suthy Prasartset and Montri Chenvidyakarn, eds., *The Political Economy of Siam 1910-1932* (Bangkok, 1981), 1-53.

61. Chartered Bank of India, Australia and China, Singapore branch, correspondence for the years 1917-32.

62. Chartered Bank of India, Australia and China, Penang branch, correspondence for the years 1922-29.

63. Murugappa Group Business Prospectus, 1982.