CABINET

THE POLITICAL SITUATION IN BURMA

Memorandum by the Secretary of State for Foreign Affairs

Since the events described in my memorandum (C.P.(H) 103) of 8th April, 1948, on the strike situation in Burma, the position has seriously deteriorated. The left-wing parties which united to attain independence are falling apart, and it is not impossible that the present comparatively moderate Government may fail to hold the country together.

2. A recent statement by Thakin Nu, the Prime Minister, that he intends to resign on 20th July and devote himself to the leadership of the Anti-Fascist People's Freedom League (A.F.P.F.L.), the coalition at present in power, is no surprise though it had been hoped that he might, in view of the Communist threat, stay in office until the elections in March, 1949. But he has accompanied it by a statement of policy completely at variance with the moderate line which he has hitherto pursued, and which his firm attitude to the Communists over the recent strikes made us hope represented his real sentiments. He proposes the development of relations with Soviet Russia and the countries of Eastern Europe, the nationalisation of "monopolising capitalist undertakings" (the question of compensation to be considered only after nationalisation), state monopoly of all foreign trade, the transfer to Burma of the Burma Currency Board (now in London), "the refusal of any foreign aid of a kind which will compromise the political, economic and the strategic independence of Burma" (which obviously calls in question the future of the British Service Mission), the "democratisation" of the Army, the administration and the Frontier Areas (which may imply an attack on British-trained civil servants), the abolition of private ownership of land, and the formation of a "league for the propagation of Marxist doctrine .... to read, discuss and propagate the writings of Marx, Engels, Lenin, Stalin, Mao Tse-tung, Tito, Dimitrov and other apostles of Marxism".

3. This quasi-Communist manifesto apparently represents a desperate attempt to save the coalition by putting forward a programme sufficiently drastic to appeal to the extreme left and particularly to the P.T.A. (the political heirs of Aung San's "private army", on whose semi-military support and influence with the Army the Government greatly relies). But it is reported that the P.T.A. have rejected the programme and are contemplating a direct understanding with the Communists. If that happens, the loyalty of the Army will be affected, and there may be almost complete confusion, for the Communists, who have few or no really capable leaders, would not be able to take over effective power.
It seems likely that at best a split in the P.Y.A. will result, the extremists joining the Communists and the others remaining loyal to the A.F.P.F.L. But in any case the Government will be seriously weakened. And, in the absence of a strong man to take charge, the natural tendency of the politically-minded Burmese to internecine fighting and intrigue will, I fear, continue unrestrained to the ultimate benefit of the Communists, who, if they can obtain from Moscow the training which they at present lack, ought to be able to set up a Communist state before long.

5. In the meantime, the British-owned Irrawaddy Flotilla Company and one-third of the British timber interests were expropriated on 1st June. Despite the Agreement and the Exchange of Notes of 17th October, 1947, which implied that developments affecting British interests should be subject to discussion between the Burmese Government and ourselves, no serious attempt was made to reach prior agreement on the conditions for compensation or for the take-over of these two concerns.

6. In view of these developments I have suggested to the Minister of Defence that we should consult our Ambassador on the wisdom of supplying arms to Burma until the position is clearer. This we have hitherto encouraged with a view to assisting the Burmese Government to stand up to the Communists. I am also considering whether we should not review our support of Burma in the international field. We have sponsored her membership of the United Nations and have supported her application for membership of various international bodies. We also represent her interest abroad in a number of countries where she has no representative of her own. She is now up for membership of the Far Eastern Commission; and we have hitherto canvassed the other members for her admission. I am now asking H.M. Ambassador in Washington to discuss with friendly Powers on the Commission the desirability of going slow in this matter.

E.B.

Foreign Office, S.W.1.
11th June, 1948.