MEMORANDUM BY THE SECRETARY OF STATE FOR INDIA.

I circulate for the consideration of my colleagues a draft of the statement to be made on behalf of the Government at the close of the Burma Round Table Conference.

S. H.

India Office,
8th January 1932.

Draft Statement of His Majesty’s Government’s Policy.

1. His Majesty’s Government are prepared, if and when they are satisfied that the desire of the people of Burma is that the government of their country should be separated from that of India, to take steps, subject to the approval of Parliament, to entrust responsibility for the government of Burma to a Legislature representative of the people of Burma and a Ministry responsible to it, with the conditions and qualifications which I am about to specify. This responsibility would extend not only to Provincial subjects—reserved as well as transferred—but also to subjects which have hitherto been the responsibility of the Government of India.

2. His Majesty’s Government consider that the Legislature should consist of two Houses. The Upper House should be composed partly of elected members and partly of members nominated by the Governor. In size it should be about one-third of the Lower House.

The Lower House should be composed of members directly elected, and provision should be made to ensure adequate representation of minority communities and special interests, e.g. commerce (European, Chinese and Indian as well as Burman). I will refer to this point again later.

His Majesty’s Government consider that at the outset a Lower House of 120–30 will constitute as large a Legislature as is at present practicable and compatible with efficiency. The two Houses will contain almost double the number of elected members in the present Legislature.

The powers of the two Houses should be equal in respect of all legislative measures, including Money Bills, but Supply should vest in the Lower House. Provision should be made for the resolution of differences of opinion between the two Houses by means of joint sessions.

3. The Ministry should consist of about six, but not more than eight, Ministers, who should be appointed by the Governor, should hold office during his pleasure, and should be collectively responsible to the Legislature. In appointing Ministers the Governor should normally seek the advice of the leader of the party commanding the largest following in the Lower House. The Governor should have the right to preside over meetings of the Ministry.

4. In existing conditions certain of the subjects hitherto classed as Central and excluded from the purview of any Provincial Legislature should be reserved for the personal administration of the Governor.

Apart from matters such as the bestowal of titles and the regulation of ceremonial and ecclesiastical administration—to which special considerations apply—the Governor should administer, in responsibility to Parliament, the subjects of Defence and External Affairs.

The administration of the Federated Shan States and of the other areas now described as “Backward Tracts,” but in future proposed to be known as “Excluded Areas,” should be vested in the Governor. The relations between the Shan States Federation and the rest of Burma will require consideration.

It is clear that the Governor should not be dependent upon the Legislature for the supply required for the administration of reserved subjects, and that he should be
empowered to take such steps in the last resort as may be necessary to ensure that
the necessary funds (including emergency supply) are forthcoming. He should also
be given power to secure the enactment of such legislative measures as may be
essential for the discharge of his responsibility for these subjects.

In the view of His Majesty’s Government it is not practicable to divide in any
manner the responsibility for any reserved subject between the Legislature and
Parliament. Nevertheless, they recognise that these subjects must be a matter of
increasing concern to the Legislature; and they consider that opportunity should be
provided at the Governor’s discretion for the Legislature to be informed of and to
discuss them.

5. As regards Finance, the separation of Burma from India would involve the
discharge of functions of which the Provincial Government and the Legislature have
necessarily had no opportunity to acquire experience. It is no exaggeration to say
that the success of the new Constitution no less than the general prosperity of the
country will depend on Burma’s ability to build up her credit in the money markets
of the world, and that it is therefore essential in the interests of Burma that confidence
should be established from the start in the soundness of her financial policy and in
the management of credit and currency questions.

In these circumstances His Majesty’s Government are of opinion that of the wide
field covered by the term Finance, that portion which comprises the direction of
monetary policy, including exchange, currency and coinage, should be reserved to the
administration of the Governor.

His Majesty’s Government consider that the Statute should contain provisions to
ensure that the Governor should be enabled to intervene to prevent the adoption of
measures which would, in his opinion, seriously prejudice the financial stability and
the credit of Burma, and that it should be laid down in the Statute that the requisite
funds for the regular payment of Burma’s public debt obligations and the service of
future loans (including adequate provision for redemption) should not be dependent
on the vote of the Legislature. The building up of credit depends mainly on the
due fulfilment of obligations and the pursuit of sound budgetary policy.

It would also be necessary to provide that, like the supply required for the reserved
departments, the salaries and pensions (including Family Pensions and Provident
Funds) of officers appointed under guarantees given by the Secretary of State should
not be dependent on the vote of the Legislature.

Subject to the foregoing limitations and provisions, the administration of financial
questions, including the power of taxation and raising revenue, fiscal policy and
expenditure on objects outside the sphere of the Governor’s personal responsibility,
would be entrusted to the Ministry responsible to the Legislature.

In view of the wider range of finance which would devolve on the Government of
Burma as the result of separation, His Majesty’s Government are of opinion that the
Statute should provide for the appointment by the Secretary of State of a Financial
Adviser to the Government. In respect of matters reserved to the personal
administration of the Governor, the Financial Adviser would be the Governor’s
Adviser. Outside this field, all proposals having an important financial significance
should be referred to him and provision should be made to ensure that any objections
that he may have to measures proposed should be made known to the Ministry and
the Governor.

6. The efficiency of the public service is essential to the success of responsible
government; and His Majesty’s Government are anxious to secure in Burma’s interests
that there is no diminution of the efficiency of the administrative machine. They
consider that provision should be made in the Statute for the establishment of a
Public Services Commission exercising like functions to those discharged by such
Commissions in India.

The Statute must also contain provision for the protection of all rights guaranteed
to persons recruited by the Crown or the Secretary of State before the establishment
of the new Constitution, and to such persons as may be recruited by the Crown or
the Secretary of State under the new Constitution for service in Burma. The
Governor must have full control over officials serving in the field directly administered
by him; he should further have a special responsibility and the necessary powers to
enable him to protect the rights and interests of officers recruited by the Crown or
the Secretary of State and serving in the field administered by Ministers.

7. With regard to subjects in the administration of which the Governor ordinarily
would act on the advice of Ministers, His Majesty’s Government consider that
arrangements must be made whereby in the last resort the peace and tranquillity of any part of Burma may be secured, serious prejudice to the interests of any section of the population may be avoided and Imperial interests protected. For these purposes the Governor must be empowered to act in responsibility to Parliament and to implement his decisions, if necessary, by legislative enactment, administrative action, or appropriation of revenue.

Adequate powers must be vested in the Governor for the purpose of enabling the King's government to be carried on in the event of a breakdown of the Constitution.

8. His Majesty's Government regret that the Conference has not been able to reach agreement on the question of the representation of minority communities and special interests in the Legislature. They hope that agreement may still be achieved, for settlement by consent must be far more satisfactory than a decision imposed by any outside authority. Failing agreement His Majesty's Government would find it very difficult to enforce any scheme which did not recognise the claims of minorities and special interests to representation by separate electorates.

Apart from this question of representation the Constitution must contain provisions dealing with the difficult question of commercial discrimination. The precise arrangements to be made will require careful examination, but it is clear that the main principle to be followed must be that of equal rights and opportunities for British subjects ordinarily resident or carrying on trade or business in Burma; and the Governor should have power to secure that this principle is observed both in legislation and administration.

9. The Governor would necessarily continue to have discretion, on behalf of the Crown, to refuse his assent to legislative measures and to return Bills for reconsideration, and, subject to any instructions issued to him, the existing powers of reservation and disallowance would remain.

10. To sum up, His Majesty's Government's intention is that in the event of Burma electing to pursue her political development apart from India, responsibility should be devolved upon her Legislature for the administration not only of the subjects which will fall within the range of Provincial Governments in India, but also of subjects which will be administered in India by the Central Authority. But in order that the stability of the realm may be maintained and financial stability secured, the Governor must have the powers already set forth. It will be the endeavour of His Majesty's Government to ensure that these powers shall not be allowed to prejudice the advance of Burma to full self-government.

11. The Governor would obviously consider his relations with his Ministers and the Legislature before making use of these powers; he would stay his hand as long as possible and be slow to use his own powers in such a way as to enable his Ministers to cast upon him a responsibility which properly is theirs. If Ministers are to develop responsible government they on their side must refrain from sheltering behind the Governor's special powers, and leaving to him the odium of an unpopular decision for which they, if they are to discharge their responsibilities, ought to be answerable. These powers are intended to lie in reserve and to be kept in the background. Given goodwill in working the new Constitution the occasions on which they would be called into effect should be rare.

12. It is on these general lines that His Majesty's Government will be prepared to frame, for the approval of Parliament, a Constitution for a Burma separated from India. But the first step is to ascertain whether the people of Burma endorse the provisional decision that separation should take place. To enable them to take a decision on this matter they should be aware, not only of the general nature of the Constitution proposed, but also of the financial consequences of separation.

13. The experts' report on the financial problem has already been published. His Majesty's Government will take steps, in co-operation with the Government of India and Government of Burma, to press on the consideration of the question to a decision.

14. With this material before them the people of Burma will be in a position to decide whether or not they are in favour of separation from India. His Majesty's Government consider that the decision might best be taken after a general election at which the broad issue had been placed before the electorate. The life of the present Legislative Council has been extended for a year, but an election must be held before the end of the year.
That decision will determine whether on the one hand Burma should be independent of India with a Constitution on the lines set forth above or on the other hand should remain a Province of India with the prospects indicated in the proceedings of the two sessions of the Indian Round Table Conference—and in this connection it should be remembered that if an Indian Federation is established it cannot be on the basis that members can leave it as and when they choose.

15. It was made plain in the course of the first session of the Indian Conference that if it is shown that the desire of the people of Burma is that their Government should be separated from that of India, India will not oppose her choice. But there are many matters of joint concern to which regard must be had by both parties. The Consultative Committee of the Indian Conference which is to be set up may afford a channel through which Indian opinion could be expressed on such questions.

As was observed by the Burma Sub-Committee of the first Indian Conference, it is important that separation should cause a minimum disturbance of the close trade relations between Burma and India, and arrangements will have to be made in regard to these relations before separation takes place.

16. Another matter which requires close consideration before His Majesty's Government can announce any final opinion on it is that of the franchise, including the electoral arrangements to be established in Burma under the new Constitution. Adult suffrage at the age of 21 has been advocated by some for both sexes in view of the status enjoyed by women in Burma; others consider that the present basis of franchise, wider as it is than in India generally, is sufficiently wide for some years to come. His Majesty's Government are not satisfied that the practical administrative difficulties involved by any considerable extension of the franchise could in present conditions be overcome. The method of election for the elected portion of the Upper House, the arrangements to be made to increase the number of constituencies for the Lower House, and the ratio of women to men voters are all matters which require careful weighing before provision to deal with them can be included in a Constitution Bill. There is much to be done before a Constitution can be finally framed, and His Majesty's Government will lose no time in setting in hand the necessary work.

17. His Majesty's Government have thought it right and useful to set out as above in considerable detail the plans which they have in mind. It is, of course, possible that on further consideration and in working out and drafting the new Constitution modifications in detail of what has been indicated may prove necessary; but His Majesty's Government believe that the statement I have read presents a clear picture of the general constitutional scheme.

18. If this Conference had achieved nothing else it would yet have served a great purpose in establishing direct and personal contact between representatives of the British Parliament and leaders of public opinion in Burma.