WAR CABINET.

WHITE PAPER ON BURMA POLICY.

MEMORANDUM BY THE SECRETARY OF STATE FOR BURMA.

IN accordance with War Cabinet Conclusions 58 (45), Minute 5, I circulate in proof the White Paper containing the Statement on Burma Policy which I propose to issue. The opening note is purely factual.

L. S. A.

Burma Office,
9th May, 1945.
BURMA

Statement of Policy
by H.M. Government

Presented by the Secretary of State for Burma to Parliament
by Command of His Majesty
May 1945
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**PART II—Statement of Policy**

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PART I

DESCRIPTIVE AND HISTORICAL NOTE ON BURMA

GENERAL DESCRIPTION

1. Burma with nearly 17,000,000 inhabitants and an area of 262,000 square miles stands fourth in point of population among the territories of the Crown and eighth in point of size.

2. The indigenous inhabitants, who entered Burma from the North in successive waves, are all of the same racial type and all speak Mongolian languages. In the plains the earlier inhabitants, the Talaings, had, shortly before the first British-Burmese War, been finally overthrown by the Burmese who had settled in Central Burma in the Ninth Century and during the last century the Burmese have spread over Southern Burma where they have largely absorbed the existing population. The Burmese form much the largest element (about 66 per cent.) in the population of the country. They are Buddhists and Buddhism is the strongest influence on the life and culture of the average Burmese. Consequently the power which the Buddhist monks can exercise is very considerable. Owing to a system of monastic schools the literacy rate is high compared with other Asiatic countries. There is no caste system and women occupy a good position, engaging freely in social intercourse and playing an important part in the economy of the country.

3. In the Shan States and tribal tracts in the hills surrounding the central plain on the East, North and West, the inhabitants are not Burmese but belong to a large number of different tribes and peoples most of whom are backward economically compared with the Burmese and who among themselves cover a very wide range in social development. The main groups are the Shans, Karens, Kachins, Chins and Nagas. The Shans, like the Burmese, are Buddhist, but most of the hill peoples are animists and live their own lives in closely integrated communities on which the monetary economy of the outer world has so far impinged but little.

4. In addition to the indigenous peoples there are three important non-indigenous elements in the population; the Indians, who in peace-time numbered about 1,000,000, the Chinese of whom there were about 150,000 in 1931, and a smaller number of Europeans, Anglo-Indians and Anglo-Burmans. All these groups played a very important part in the economic life of the country.

ECONOMIC LIFE

5. Rice cultivation forms the backbone of Burma's economy, accounting for 12,000,000 acres, or 70 per cent of the country’s total cropped area. Burma was before the war the world’s largest exporter of rice, her total production being some 6,000,000 tons a year, of which half was exported (principally to India). Out of Burma’s total exports in 1939-40 valued at £40 million, rice accounted for £18 million.

6. The timber, notably teak, of Burma, is also of great value; some 200,000 tons of teak were normally exported yearly, and the value of all timber exported was about £2½ millions a year.

7. Of minerals, petroleum was the most important; the oil-fields produced in the decade ending 1939 over 250,000,000 gallons a year and although this production was less than ½ of one per cent. of total world production, the export of petroleum and petroleum products was valued on an average at £10 million a year. This supply went almost exclusively to India.
8. Apart from petroleum, mining and timber and rice milling Burma had no large-scale industry. The country is predominantly agricultural, two-thirds of the population being dependent on agriculture for their livelihood.

9. Burma's main lines of communication run north and south. She had little overland trade and the great bulk of her exports and imports passed through the port of Rangoon (though this situation may be changed owing to the opening up of overland routes as a result of the war). The principal imports were consumer goods such as cotton piece goods from India and, latterly, from Japan, and production materials such as milling machinery and railway stores. India, Burma's chief customer, was also her chief supplier followed by Britain and Japan. The value of the total imports was in 1939-40 £18,800,000, of which India supplied 56 per cent., the U.K 16 per cent. and Japan 7 per cent.

10. A striking feature of Burma's economic life was the small part taken by the Burmese themselves in industries other than agriculture. Indians had a great financial stake in the country, followed by the British; and Indians provided the bulk of the manual labour in industry. The financing of agriculture and the agriculturist was largely in Indian hands and as a result of this and the effect of the slump in 1930 a considerable proportion, amounting to at least one sixth, of land used for agriculture had passed into Indian ownership. In industry and the extraction of timber British capital and British firms predominated; in 1929 British interests were estimated to represent a capital of £42 millions. The Chinese were mainly small traders.

11. The fact that they participated only to a very limited extent in industry was a source of dissatisfaction to politically-minded Burmans and the problems of Indian immigration, and, to a lesser extent, of Chinese immigration, were attracting much popular attention immediately before the outbreak of hostilities in Burma. The economic position of the Indians in particular resulted in a certain amount of hostility to Indians which flared up in serious rioting in 1938.

SYSTEM OF GOVERNMENT

12. Before 1937 Burma was a province of the Indian Empire. A small Legislative Council was set up in 1897 and enlarged in 1909 and 1920 when it consisted of 30 members (of whom 28 were nominated and 2 were elected). In 1923 the Montagu-Chelmsford Reforms of 1919 were extended to Burma. Under these a Legislative Council was set up consisting of 103 members, of whom 79 were elected (for the most part by popular constituencies); and executive charge of certain subjects, notably education, public health, forests, agriculture and local self-government, was transferred to two political ministers responsible to the Legislature, the remaining subjects being either reserved for the Governor, aided by his two official Members of Council, or remaining with the central Government of India.

Separation

13. The growth of political awareness in Burma was accompanied by a demand for the separation of the country from India. The Burmese differ from Indians in race, religion and culture and economically the interests of the two countries were not the same, Burma deriving no benefit from the Indian protective tariffs on cloth, iron and steel, etc. Separation was recommended by the Indian Statutory Commission; and eventually, as part of the Constitutional reforms of 1935, Burma became a distinct political unit with a constitution embodied in the Government of Burma Act, 1935, which came into force in April, 1937.
The Act of 1935

14. The Act provided for the appointment of a Council of Ministers to aid and advise the Governor in all matters other than those which have to be decided " in his discretion ". The chief of these reserved matters are Defence, Foreign Affairs, the control of monetary policy, relations with the small protected Karenni States and the administration of certain areas (the " Scheduled Areas " enumerated in part I of the Second Schedule to the Act) in the mountainous tracts on the East, North and West of Burma proper which are inhabited by non-Burmese peoples. To assist him in the exercise of his discretionary functions the Governor may appoint not more than three counsellors.

15. The Governor has also " special responsibilities " for certain purposes and is required to act " in his individual judgment " when these are involved. These special responsibilities are principally for the prevention of any grave menace to peace or tranquillity, the safeguarding of financial stability and credit of the Government of Burma, the legitimate interests of the minorities, the rights and legitimate interests of members of the Services, the prevention of discrimination against imports from the U.K. and India and against British subjects belonging to the U.K. and Indians in certain matters laid down in Part V of the Act.

16. The Governor is required by his Instrument of Instructions to be guided by the advice of his Ministers in matters which are outside his discretionary functions and which do not involve any special responsibilities.

17. The Governor's Ministers are responsible to a Legislature which consists of a Senate of 36, half nominated by the Governor and half elected by the Lower House, and a House of Representatives of 132 members, elected on a fairly wide franchise, the electorate including approximately every taxpayer, male and female; so that roughly 20 per cent. of the population is enfranchised. Of the seats are general seats, the remaining 41 being reserved for minorities and special interests such as the Chambers of Commerce, Labour and the University.

18. Section 139 of the Act enables the Governor to assume full executive and legislative powers if a situation should arise in which government cannot be carried on in accordance with the provisions of the Act.

19. Under this Constitution, which was in operation from 1937 till the Japanese invasion, Burma already enjoyed a large measure of self-government and Burman Ministers carried responsibilities equivalent not only to those of the Ministries in the autonomous Provinces in India but also, broadly speaking, equivalent to those wider functions which the Ministers in a Federal Government of India would have discharged under Part II of the Government of India Act, 1935, if it had been possible to bring the Indian Federation into being.

Scheduled Areas

20. The Administration of the Scheduled Areas (reserved to the Governor's " discretion ") has been conducted on the principle of indirect rule, in the Shan States through their Chiefs, and in the tribal areas through indigenous forms of government which vary locally and have been maintained in a vigorous form. Most of the Shan States were joined together for certain common purposes in a " Federation " which had its own revenues and was self-supporting financially; the other scheduled areas were financed from the revenues of Burma as a whole.
WORKING OF THE CONSTITUTION OF 1937

21. The first and only elections held under the Act of 1935 took place in November, 1936. There were no well-organized parties based on distinctive political principles and the Burmese majority in the new legislature tended to fall into a number of smaller groupings. This lack of cohesion militated against the strength and stability of the executive government. But on the whole Burman Ministers, despite somewhat frequent changes of Cabinets and of individual Ministers, discharged their responsibilities with considerable success and without any such breakdown or interruption of constitutional continuity as has occurred in India.

22. There was evidence of a genuine and earnest desire to work the constitution and to use it to improve the condition of the people. During the five years 1937-1942 a number of measures were passed, particularly a series of Agrarian Acts, and successive Ministries showed a keen interest in education, hospitals and other "nation building" services, while at the same time recognizing the necessity of building up a financial reserve and the limitations which this imposed on the rate of progress. The country's finances were conducted on sound lines and at the end of the five years of separation from India the general financial situation showed a marked improvement.

23. The constitution did not of course satisfy political opinion in Burma, all political parties being united in desiring further constitutional advance. But the demand for full self-government was, except in the case of the numerically small but politically important Thakin Party, usually pressed in a legitimate and constitutional manner. On several occasions during this period it was stated that full self-government and the attainment of Dominion status was the objective of Burma's constitutional progress. On 18th April, 1943, the Secretary of State stated that it was the aim of His Majesty's Government to assist Burma to attain complete self-government within the British Commonwealth as soon as circumstances permit.

BURMA AND THE WAR

24. On separation from India a few units were transferred to the Burmese Establishment for internal security purposes. It was recognised that defence against major aggression must be the responsibility of H.M.G., but on the outbreak of war in 1939 steps were taken to effect a considerable expansion of the local Burma Defence Force and to enlist Burmese. A Defence Council was also formed to deal with matters which affected both the reserved department of Defence and subjects for which Ministers were responsible. In 1941, in view of the threat of war with Japan, the Defence Council was reconstituted with extended responsibilities and on a wider basis, so as to include the Governor, three Ministers, the three Counsellors, the Governor's Financial Adviser and the three Service heads. The war in Europe was too remote to evoke much interest among the masses of the people, but, with the growing menace from Japan, the Governor, Sir R. Dorman-Smith, and his Ministers succeeded in arousing a greater consciousness of the gravity of the situation, and when the Japanese war broke out, the great majority of the leaders of public opinion were united behind the Government. There was, however, one small element which looked forward to the approach of the Japanese as the signal for the overthrow of the British and the liberation of Burma from foreign rule. A small number of youths belonging to the extremist element of the Thakin Party had gone to Japan and received military training there, and these entered Burma with the Japanese troops, calling themselves the
"Burma Independence Army." Inside Burma they were joined by others, some of them genuine nationalists misled by Japanese promises, but mostly criminally-minded elements attracted by opportunities for loot. The part played by this fifth column element was very much smaller than is sometimes supposed; in point of fact the number of Burmese actively co-operating with the enemy at the height of the Burmese campaign was about 4,000 out of a total population of seventeen millions. The great mass of the population displayed no hostility to the Allied cause, but on the contrary there are numerous instances of loyal and resolute service to the end. Naturally in the towns and villages of the plains the people could offer little active resistance to the invader. In the densely wooded hills, however, it was different; and throughout the whole of the two Burma campaigns, and the intervening period, those of the hill peoples with whom we were able to maintain contact have shown outstanding and spontaneous loyalty and have fought hard against the Japanese both as guerillas and as levies and members of the regular armed forces.

BURMA UNDER JAPANESE RULE

25. As the Japanese moved forward in Burma the "Burma Independence Army" following in their wake set up "Free Burma Administrations". These, however, acted in such a violent and high-handed way that the Japanese soon suppressed them, and governed the country under a military rule. As from the 1st August, 1942, there also existed under the latter a Burma Executive headed by Dr. Ba Maw (a former Premier who at the time of the Japanese invasion was interned after serving a sentence for sedition) to deal with such subjects as the Japanese Commander-in-Chief allowed. On the 1st August, 1943, the Japanese purported to grant the country independence. The main features of the constitution of this "Independent" State were the office of "Adipadi" or "Head of the State" (occupied by Ba Maw), a Cabinet and a Privy Council. The Adipadi appointed Ministers and Privy Councillors, the Chief Justice and other high officers, and was also the legislative authority.

26. Reports indicate that the Japanese conducted their propaganda with considerable skill and that in the early stages of their régime a number of the more politically-minded Burmese in the towns were deluded into thinking that they had indeed come as liberators. As time went on, however, it became increasingly clear that the grant of independence was illusory and that the Japanese remained the real masters, and even those who had at first welcomed them became thoroughly disillusioned. Among the mass of the people, and particularly the poorer classes, the lack of consumer goods, inflation, forced labour, corruption and lack of protection against bandits which characterised Ba Maw's régime has for long rendered it thoroughly unpopular.

THE GOVERNMENT OF BURMA IN INDIA

27. On the evacuation of Burma by the British forces in May, 1942, the Governor of Burma was directed to proceed to India. Two of his Ministers, the Premier and Finance Minister, and his senior officials also went to India and a large number of government servants made their way there. Since it had been possible to evacuate some of its main elements, it was decided to keep the Government of Burma in being. By courtesy of the Viceroy they set up offices at Simla to deal with a number of administrative questions which required attention, such as the care of refugees, service questions, the administration for the time being of those frontier areas of Burma which remained under British control, and making plans and preparations for rehabilitation and reconstruction in Burma after its recovery.
28. Owing to the impossibility of summoning the Legislature the govern­
ment could not be carried on in accordance with the provisions of the Act and
accordingly on the 10th December, 1942, the Governor issued a Procla­
mination under Section 139 of the Act taking over full executive and legislative
powers. The two Ministers ceased to hold office with effect from that date
but in the capacity of Burmese Advisers to the Governor continued to
assist him as before.

Reconstruction planning

29. The Government of Burma while in India have undertaken a thorough
examination of the past working of the administration of Burma and the
formulation of plans for the future. These plans cover two purposes: first
the immediate task of restoration after the immense material damage suffered
during the long period for which Burma has been a scene of active operations
by land and air; and secondly, taking a longer view, the improvement of all
aspects of Burma’s administration and economic, social and cultural develop­
ment. A great deal of work has been devoted to both these aspects of re­
construction, but as regards the long-term planning, it has been fully
recognised that the adoption of the proposals made is contingent on two
factors, namely, the approval of the Burmese people and the rehabilitation
of Burma’s finances. It is hoped that the very thorough plans which have
been worked out will commend themselves to the people for whose benefit
they are intended, and that before long the means of implementing them
will be available.

The Services

30. By the time the Civil Government is restored in Burma the existing
establishment of the government services will be much depleted owing to re­
tirements, casualties among officers serving in the Forces and the suspension
of ordinary recruitment. Consequently the Government of Burma has had
to make arrangements to fill these gaps. Since 1924 Burmanization of Class I
of the Civil Services has made rapid progress. The Class II and subordinate
Civil Services are entirely non-European in composition. Recruitment is
being reopened for the three principal administrative services, the Burma
Civil Service Class I, the Burma Police Class I and the Burma Frontier
Service, and also for various professional and technical posts. In the case
of the latter posts it will be necessary to recruit a certain number of Euro­
peans on short engagements while Burmans are being trained to take their
places.

Period of military administration

31. On 1st January, 1944, the Supreme Allied Commander, South East
Asia, issued a proclamation assuming responsibility for all areas of Burma
which were, or might be, occupied by his troops. Under his authority thus
established the administration of the liberated areas of Burma is carried on
by a Civil Affairs Service belonging to the SEA Command and recruited from
officers of the Burma Services and others who know the country and the
people. The period of military administration will come to an end when
operational requirements make it possible for civil government to function.

In view of the progress made with the campaign in South East Asia and
the liberation of Burma from the enemy, H.M.G. have had under considera­
tion the policy to be adopted when civil government is restored and have
reached the following decisions.
PART II

STATEMENT OF POLICY

The considered policy of His Majesty’s Government of promoting full self-government in Burma has frequently been declared. It is and has consistently been our aim to assist her political development till she can sustain the responsibilities of complete self-government within the British Commonwealth and consequently attain a status equal to that of the Dominions and of this country.

2. Inevitably Burma’s progress towards full self-government has been interrupted and set back by the Japanese invasion and the long interval of enemy occupation and active warfare in her territories, during which she has suffered grave damage not only in the form of material destruction but in a shattering of the foundations of her economic and social life. It is, of course, upon these foundations that a political structure rests, and until the foundations are once again firm the political institutions which were in operation before the Japanese invasion cannot be restored.

For example, the removals and dispersal of the population and general upheaval of life during enemy occupation will necessitate a complete revision of the electoral rolls and possibly the determination of a new franchise before steps can be taken for a General Election; nor could an election be held throughout Burma until adequate restoration of communications has been achieved. There is a most formidable task to be faced in the re-establishment of stable conditions, the restoration of buildings, communications and public utilities and in the rehabilitation of agriculture and the other essential industries which are the life-blood of the country. Till this is done, conditions are lacking in which the requirements of a democratic system of government can be met; and these essential tasks will fall to the civil Government as soon as operational requirements permit the transfer of the administration to it from the military authorities; they will be beyond the financial resources of Burma in her present ravaged condition, and His Majesty’s Government will have to come to her aid, but they will require the energetic co-operation of all sections of the Burmese people, and the more completely this can be given the sooner will it be possible for Burma to resume her interrupted progress in constitutional development.

3. Until these foundations are restored sufficiently to enable the first essential political process to be undertaken, that is for a General Election to be held, it is not possible to re-establish a Burmese Government as it existed in 1941. It is accordingly necessary, so long as the government of the country cannot be carried on in accordance with the provisions of the 1935 Act, that recourse should continue to be had to the provisions of Section 139, under which the administration is carried on by the Governor in direct responsibility to His Majesty’s Government. As the proclamation, issued in 1942, exhausts its validity in December next, it is proposed to make it permissible to prolong its validity for three years more, that is till 9th December, 1948. Parliament is asked to approve this extension for a period of three years only, in the hope that it will be possible by then, if not before, to establish conditions in which a General Election can be held and a Government established under the normal constitutional methods. If in the event this hope was not fulfilled, it might be necessary to ask Parliament to approve a further extension. So far, however, as can be judged now, three years should suffice. But though this initial period of controlled government is necessary, His Majesty’s Government are anxious that all the functions of government should not in fact be concentrated in the Governor, but that he should be provided
with definite means of obtaining Burmese assistance and advice in the dis-
charge of them and have power to associate with himself representatives of
Burmese opinion in executive capacities. It is proposed, therefore, to take
power to introduce by Orders in Council modifications to enable the autocratic
system of administration authorised by Section 139 as it now stands to be
liberalised. It is contemplated that early opportunity will be taken under
these proposed powers to establish an Executive Council which, though it
might at the outset be a small and mainly official body, could be expanded
as opportunity offers by the inclusion in it of non-official Burmese. Such a
Council would, pending the revival of normal constitutional methods, give
Burmans a share in the administrative task of restoring the economy of their
country, subject to the retention of the Governor's powers of supervision and
control. Such power to act by Order in Council might also be used at an
appropriate stage, if recommended by the Governor and his Executive Council,
to establish as an interim body a small Legislative Council. The composition
and powers of these bodies and the relations between them would be pre-
scribed by Orders in Council after submission to Parliament.

4. The immediate purpose of such new and experimental institutions,
brought in by Order in Council, would be to relax the more autocratic regime
which Section 139 prescribes, but they would themselves necessarily lapse
when the time comes for the operation of that Section to be terminated. It
is the intention of His Majesty's Government that when conditions are
sufficiently restored to make it possible to hold an election and terminate the
operation of Section 139, the normal provisions of the Act (unless amended
by the incorporation of temporary provisions which had been found to com-
mend themselves to Burmans) will re-enter into force. A General Election
could then be held, and a Legislature formed with the same degree of
authority over the same range of matters as it enjoyed before the Japanese
invasion.

5. Government in accordance with the provisions of the Act of 1935 having
thus been restored, as soon as the conditions in the country permit, a second
phase in constitutional development will begin, during which the ground will
be prepared for the attainment of full self-government. At the same time the
necessary measures for the restoration of Burma's economy beyond the point
which must be attained before even the first General Election can be held,
would continue and her financial position would progressively develop towards
a standard of self-sufficiency. Our ultimate objective during this phase will be
that representatives of the Burmese people, after reaching a sufficient measure
of agreement between the various parties and sections, should draw up a
Constitution of a type which they themselves consider most suitable for Burma,
taking into account not only the British but the other various types of consti-
tution in democratically governed countries. What the machinery for this
should be will be a matter for discussion and agreement with representative
Burmans. A simultaneous process would be discussion of the content of the
agreements to be made with His Majesty's Government on matters on which
the latter would have continuing obligations after the establishment of full
self-government in Burma.

6. When once the duly appointed representatives of the Burmese people
have agreed, in the light of preparatory study of the subject, on the type of
constitution most suitable for Burma, and it is clear that the proposed
constitution has a sufficient measure of support in Burma to justify endorse-
ment by Parliament, His Majesty's Government will enter into discussions with
representatives of Burma with a view to satisfactory agreements being made to
enable them to fulfil their continuing obligations and to safeguard any out-
standing financial advances made by His Majesty's Government, so that, when the necessary administrative organisation is in existence, and the other arrangements have been completed, full self-government within the British Commonwealth can thereupon be established in Burma proper. The administration of the Scheduled Areas, that is the Shan States and the tribal areas in the mountainous fringes of the country, inhabited by peoples differing in language, social customs and degree of political development from the Burmans inhabiting the central areas, would remain for the time being a responsibility of His Majesty's Government until such time as their inhabitants signify their desire for some suitable form of amalgamation of their territories with Burma proper.
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