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Strand Hotel  
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Dear Dick:

I wonder what kind of China policy a giant electronic computer used for war games would prescribe for Burma? The raw data on Burma could be fed to it. Age: 15 years, since the British gave Burma independence on January 4, 1948. Sex: hard to tell, since both men and women wear skirts and smoke cigars. Geography: a little smaller than Texas; tropical monsoon climate; 1,200 miles of seacoast on the Bay of Bengal; bounded on the west by India, East Pakistan and 8,000-foot mountains, on the north and east by 1,200 miles of Communist China and 7,000-15,000-foot mountains, and on the east and southeast by Laos, Thailand and 6,000-foot mountains. People: no accurate count, but perhaps 23 million made up of 13 million Burmans, 3 million Karens and Kayahs in the southeast, 1.5 million Shans in the east, 1 million Indians and Pakistanis scattered, 0.5 million Chins in northwest, 0.5 million Kachins in the north, 0.5 million Chinese scattered and 3 million reserved for designation when a good census is taken. 80-90 percent of the people are Buddhists. Government: military dictatorship by a Revolutionary Council since March 2, 1962 headed by General Ne Win, which aims to lead the country to a non-Communist, peculiarly Burmese, form of socialism which is gradually being formulated. Political conditions: no threat to Ne Win's rule; Communist parties weak; former Prime Minister U Nu, and other civilian politicians jailed; small insurgent bands conduct terrorist raids seeking greater autonomy for the large areas occupied by the Kachins, Shans and Karens. Economic conditions: Burma is one of the least densely populated lands in the Far East. Untapped agricultural and mineral riches, big surplus of rice for export, and small industrial production. Per capita income \$55 per year. International relations: friendly with everybody, receiving aid from the United States, Communist China, the Soviet Union, Japan, the Colombo Plan, the World Bank and the United Nations.

With that sort of data put into it, one would not be amazed if a late model computer should produce, in two-fifths of a second, a recommendation for the Burma policy toward Communist China: unprovocative, xenophobic neutralism. We know that these machines are not perfect, however, and it would be wise to inject a squirt of Burma's history into an American-made computer.

Burma's various peoples probably came from China about two thousand years ago (and the flow from that direction has not yet ceased) but, under the protection of the surrounding mountains which daunted the Mongols, Turks, Moghuls, and Manchus, a distinct group of peoples gradually evolved. Sometime around the 11th century Burmese kings began to pull the country together and they fought wars against Kubla Khan, Siam and three armies from China in the 13th, 17th and 18th centuries. The British beat out the French in their competition to add Burma to their empires. The British steadily added kingdoms of Burmese and neighboring peoples until the last was annexed on January 1, 1886. The country was administered as a province of India until 1937 when Burma was given some autonomy within the British Empire. An independence movement was already underway at that time.

Japanese aggression in China was hindered by the sending of arms over the Burma Road from Lashio to Kunming in China, but in 1942 the Japanese fought their way up the Isthmus of Kra, captured Rangoon, occupied Burma and cut off this supply route. The Japanese occupation was harassed by allied bombings and other operations, including the Burmese popular front guerrilla organization, the Anti-Fascist Peoples Freedom League (AFPFL), which continued after the defeat of the Japanese in 1945 to be one of the main political organizations in Burma. Political loyalties among Burmese shifted with the fortunes of war but fastened constantly on the desire for independence. Men like Aung San (Prime Minister in the pre-independence cabinet of 1947 which was assassinated en masse in July) and Ne Win fought for the Japanese against the British, then for the British, and promises of self-rule, against the Japanese, and finally against the Communists to cooperate with the British in handing over political power to the socialist AFPFL, which dominated the federal government which took over on Independence Day, January 4, 1948.

Four internal divisive problems plagued the war-damaged new nation, which was organized with a parliamentary, democratic central government surmounting Burma proper and separate states for the Shans, Karens, Kachins and Chins. A group of Communist parties, some legal and some underground, fought against the central government. If they had not fought also among themselves they might have established a Communist regime in the early years of independence, but they are not a major threat now even though their scattered roving bands of perhaps 2,000 men in total are still disruptive near Tavoy and in the Arakan Yoma region north

and south of Prome. A second problem was posed by the resistance of the minority states to direction from Rangoon and by their efforts to secede from the Union. In 1949-50 the Karens ousted central government forces from most of the Karen State on the eastern border and from a larger area in the Irrawaddy Delta. No rebel ethnic group is in control of any large area now, and the Burmese Government is trying to eliminate disaffection through conciliation and economic and social welfare programs. A third force inside Burma which the government had to bring under control was the army of Chinese Nationalists (KMT) which retreated into the Eastern Shan State from China's Yunnan province beginning in late 1949. Between 1949 and 1961, with steadily diminished success after 1953, the KMT occupied a part of the Shan states, recruited troops locally, collected taxes, raided into Communist China, and defied the Government of Burma. The General Assembly of the United Nations in 1953 resolved that they should be evacuated but less than half were evacuated with that prompting, and the remainder not until 1961. KMT activities in Burma caused bitter resentment against the United States and the Chinese regime on Formosa.

During the period 1948-55 the civil war against the Communists, ethnic rebels and KMT was at its height. Fortunately for the Burmese Government, there was only periodic cooperation among the three groups and apparently almost no aid to the Communists and ethnic rebels by Communist China, which was completely occupied with its own civil war, and then reconstruction, and the Korean War. After 1953, when the Chinese Communists could have done so, they refrained from giving Burma a hard time about the KMT. The fourth obstacle to internal peace has been the inability of the civilians in the governing AFPFL party to compose factional differences. This led to a "caretaker" government headed by General Ne Win, from October 1958 to April 1960. Again in March 1962 factional dissension was among the causes of the coup by the Revolutionary Council which has set aside the Constitution and exercises all governmental powers. The Council intends to stay, however, and has founded an elite Burma Socialist Program Party to lead the country to socialism of a new Burmese type.

Even with that dose of history, I remain skeptical of a computer-made China policy for Burma. I have taken the opportunity given by two weeks in Rangoon to sketch in the enclosed essay Burma's existing relations with Peking and Taipei and the trends which appear to be shaping the future. Long before reaching Burma I had been told that it would be difficult to get people to talk owing to the military government's repression of civil liberties since the March 1962 coup. This turned out to be substantially correct and was true especially of government civil servants, but I discovered that once people realized that I was not going to ask really controversial questions (such as, why doesn't Ne Win let U Nu out of jail) but was interested only in China policy, they were not reticent. There was general agreement

on policy toward Communist China by persons of differing backgrounds in and out of government. The area of inquiry which seemed most touchy and produced the least definite information was the issue of the treatment of the Chinese minority in Burma.

Cordially,

*George C. Denney, Jr.*

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## BURMA, JANUARY 1963 - TENDER NEUTRAL

### A. Summary of Burma's China Policy and Forecast

Former Prime Minister of Burma, U Nu, was fond of saying that Burma is "hemmed in like a tender gourd among the cactus" by Communist China, India and Thailand, all stronger powers than Burma.<sup>1</sup> This circumstance, coupled with the size and aggressive nature of Communist China, the distance from the United States and the youth, underdevelopment and incomplete unity of socialist Burma, is adequate to explain its policy of non-alignment and its efforts not to provoke China.

Take away its policy toward China and there is little left of Burma's foreign policy. It is a policy which begins with fear of China and ends with the hope that by keeping out of the cold war and retaining China's tolerance Burma can hold its fragile independence. A balancing act of remarkable precision on the line between East and West is the result. Burma has friendly diplomatic relations with both Communist China and the United States and even with both North and South Korea. It considers Taiwan to be part of Communist China. It accepts military aid and advice only from the United States. It accepts economic aid from both sides. Burma discourages its students from going either to the United States or to China. Its Prime Minister attended the reception for the Chinese ballet and its Deputy Prime Minister attended the reception for "Holiday on Ice." It has a non-aggression pact with China which includes its promise not to join SEATO.

Burma considers Communist China to be the greatest threat to its security, but since Chou En-lai and U Nu in 1954 jointly endorsed the "five principles of peaceful coexistence" pushed by China, Burma has punctiliously exchanged words of friendship with China on every appropriate occasion. It believes "peaceful coexistence" is only a temporary tactic of China, but takes comfort from the favorable Sino-Burmese boundary agreement made in 1960 and thinks that China's economic problems and other international preoccupations may permit Burma some peaceful years.

If it sees the danger so clearly why then does Burma not join SEATO and get the full protection of the West? There are at least three answers and, not surprisingly, since they come from the Burmese, the second and third appear to be contradictory. First, is the fear that alliance with the United States would provoke Communist China to hostile action, which at the least would sap Burma's ability to make economic progress and at the worst would lead to a divided country like Korea or Vietnam. Second is mistrust of the United States and its European allies

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<sup>1</sup>/Quoted on p. 337 of Hugh Tinker's The Union of Burma, second edition, Oxford University Press, 1959.

compounded of bitterness over 13 years of KMT depredations inside Burma, freshness of memory of being a British colony, doubt that Burma lies inside the scope of American interest and discomfort in association with non-Asian white capitalists. Third is a judgment that the United States has no designs on Burma, that its economic and military aid is obtainable in peacetime without close association (and even United States toleration of some Burmese impoliteness for China's benefit) and that in the event of armed aggression by China the United States will probably come to its rescue.

Burmese leaders hope to go quietly about the task of bringing order and better living conditions; taking help from any quarter and avoiding giving any provocation to the Chinese. If any trouble arises from Communist China the Burmese will yield in order to forestall greater trouble if it is possible to yield without sacrificing some important interest. They expect that China will grow stronger and harder to get along with. They hope that Burma will also grow stronger and better able to withstand the pressure. The best they dream of is an indefinite period of uneasy coexistence. Ne Win and his energetic colonels are determined to give this strategy a good try for the sake of their beloved nation.

Communist China would like to have Burma someday as a satellite or as a province of China but meanwhile it hopes to improve on the current situation by eliminating Western influence and substituting its own in Burma while rejuvenating China's economy and extending its sway abroad. It will try to keep Burma cowed with alternating tough actions and sweet words. A neutral Burma having no serious grievances against China can continue to be Peking's prize exhibit proving the truth of its line that there can be peaceful coexistence between countries having different economic and political systems if they earnestly follow the five principles of peaceful coexistence. Not unreasonably the Burmese believe their fate is largely out of their own hands. They see it rather determined by the contest between the United States and Communist China. They will keep up their balancing act, being a little more friendly to China because it is closer. If China grows weaker they will breathe a bit easier; if the United States withdraws its power from Southeast Asia, or if China is markedly successful in its domestic programs, Burma expects to be taken over by China, probably without resort to moving a large army across the border.

Burma's China policy has not changed substantially since the nation was born. After fifteen years many threats to its success have diminished. The boundary with China has been peacefully demarcated. Rebellious Communists and insurgent bands of minority peoples no longer seriously hinder economic activity although they disrupt communications and effectively block political unity. Relations both with China and the West are cordial and productive of valuable assistance for the country's growth.

Ne Win has every reason to feel that Burma's China policy has been vindicated. Unless he is overthrown there appears to be no reason to expect a change of attitude toward China. If he is ousted - and there is no prospect of this in January 1963 - his successor would probably be more radical in his socialism and less friendly to the West.

B. Relations with the Government of the Republic of China (GRC)

1. Political - The mountain fence between China and Burma was a barrier to communication between the two and for centuries tribes mostly unknown to both capitals roamed in a vast border wilderness. As late as the British occupation of Burma contacts were confined to modest trade except for the unsuccessful invasion attempts by the Chinese mentioned earlier. During their rule of Burma the British tried several times to fix a boundary with China but disagreement persisted, with China claiming a large area north of Myitkyina. As soon as World War II ended Nationalist China reasserted the old claims and in 1946 sent a force even south of Myitkyina but withdrew it under threat of British attack. Upon attaining independence in 1948 Burma recognized the Nationalist Government which returned the compliment by sponsoring in the Security Council in April 1948 Burma's admission to the United Nations. In the short period which remained of Nationalist control of the mainland there was no trouble with Burma over the unsettled boundary and relations were otherwise uneventful.

The Burmese Ambassador to the Nationalist Government was recalled to Rangoon in October 1949 and Burma recognized the Communist Government of China on December 18, 1949. Burma has since had no diplomatic relations with the Government of the Republic of China (GRC) on Taiwan. Bad feeling between the two governments has been constant and hostilities between their armed forces continued more or less steadily in Burma between 1949 and 1961. Communications on this subject were passed via the United States or Thailand between Burma and GRC except for some face-to-face meetings in Bangkok to arrange for evacuation of KMT forces from Burma.

Burma takes the position that there is only one China and that Chiang Kai-shek is merely a refugee insurgent in Taiwan, which is temporarily not under the control of the legal government of China in Peking. Taiwan is the unfinished business of the Chinese civil war, and the Communist Government has the right, since it controls the rest of China, to subdue Taiwan by force. The KMT have no right to use force against the mainland because they would be powerless to do so without the help of the United States and hence such force would be that of the United States, which would be intervening in a domestic struggle. This reasoning comes naturally to the Burmese who can make an analogy between their right to attack Chiang's troops in the Shan States of Burma and the Peking Government's right to eliminate the last opposition to

the central government of China. To the Burmese, the role of the United States had been similar and equally reprehensible in the two situations.

Burma favors ousting the representative of the GRC from the United Nations and substituting that of the Peoples Republic. It would vote against a resolution inviting the representative of the Peoples Republic to take China's seat and permitting Formosa's representative to stay. It would argue that if Formosa is to be represented it must be admitted as a new nation (subject to the veto of the U.S.S.R. and Communist China) and that the representation precedent of the United Arab Republic split is not applicable to the China case since both Egypt and Syria existed as separate states, members of the United Nations, prior to the time they merged in the United Arab Republic. The Burmese are not impressed with the claim of the Formosans (as distinguished from Chiang's Chinese refugees) to self-determination; they are in the same position as the Yunnanese, and even if they were to overthrow Chiang they would not enhance their status. So much for the dogmatic Burmese position which they would feel obliged to take in the United Nations out of deference to their big neighbor to the north, but those Burmese with experience in foreign affairs privately state that if Chiang will acquiesce in the confinement of his jurisdiction to Formosa, some kind of one-China-one-Formosa deal may be the solution to the present impasse in the United Nations on the related issues of Chinese representation and enlargement of U.N. councils to add more Asians and Africans. It was remarked in this connection that at the 1961 Buddhist Congress in Phnom Penh Buddhist representatives from both Communist and Nationalist China were allowed to sit.

2. Kuomintang (KMT) Troops in Burma - This is a complicated story and one about which American officials are loathe to speak. Two quotations will serve to shorten the narrative and summarize the significance of the subject. The first from Tinker, p. 52, previously cited, describes KMT activities in Burma at the height of their power:

"During 1952 the KMT recruited and trained more troops, their numbers rising to 12,000 by the end of the year. Another attempt at a sortie into Yunnan in June was utterly defeated, and led to a change of temper among the KMT. From posing as a 'liberation army' on 'undemarcated territory' they now began to act as though they had acquired some legal right to occupy the borderland. They began to impose taxes on the local people and to impress them into service when required: in fact they reverted to the behavior of the 'War Lords' of China in the 1920's. An airstrip was built at Monghsat, with regular service to Formosa. Arms and supplies were flown in, and there were strong rumours of the presence of American instructors. Towards the middle of 1952 the KMT extended their territory west of the Salween; their forces



also penetrated into the Myitkyina and Bhamo Districts, and to the south a loose alliance was contracted with the Karen National Defence Organization."

A second from Barnett<sup>2/</sup> would be approved by the Burmese as fairly stating the importance of the whole question.

"One of the most important factors influencing the development of Sino-Burmese relations in earlier years was the question of the 10,000 or more Chinese Nationalist soldiers who fled to Burma after 1949. These troops, which refused to be disarmed added greatly to the already grave difficulties which beset the Burmese government in its efforts to pacify the country. Rangoon feared that Communist China might use the presence of the Nationalist troops in the Shan States as a pretext for direct intervention. The support that these troops were receiving from Taiwan made the government of Burma extremely hostile to the Chinese Nationalists, and its suspicions that the United States was also assisting them created serious tensions in Burmese-American relations, which led the government of Burma to ask the United States economic aid mission to leave the country [1953]. Peking did not intervene, however, and finally in 1953 Burma raised the issue in the United Nations, where a resolution was adopted condemning the presence of foreign troops on Burmese soil. The United States, Nationalist China, and Thailand then cooperated in evacuating some of these troops from Burma. This reduced the problem, but it did not eliminate it, and for several years Burmese attitudes toward Communist China and Taiwan, and toward the United States as well, were greatly influence by this protracted dispute."

There remains only to tell what is perhaps the end of the story. Burmese leaders were continually chagrined because, after calling the Nationalist troops degenerate opium smugglers and the like, they had to suffer ignominy when the Burmese Army failed to dislodge or disarm even the reduced number of KMT following the 1954 evacuation. Finally in 1960, with the help of Chinese Communist troops, almost all the organized KMT were driven out of Burma into Thailand and Laos. The Burmese will not admit any aid from the Communist Chinese. Tension continued after the expulsion and in early 1961 there was a wave of press criticism in Rangoon against the United States which provoked a riot at the American Embassy. The United States prevailed upon the GRC to try to end this irritation to the Burmese once and for all. The U.S. Military Air Transport Service conducted the evacuation. On

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<sup>2/</sup>A. Doak Barnett, Communist China and Asia, New York, 1960, p. 321.

March 31, 1961 a Burmese Army spokesman said that there remained on Burmese soil only about 400 KMT individuals and that they were no problem. On May 4, 1961 the GRC announced that about 4,400 "irregulars" had been evacuated from Burma via Thailand to Taiwan. The Burmese Government expressed no appreciation to the United States, feeling that the final action had been much too long delayed.

3. Economic and Cultural Relations with Formosa - There is little to be said. The Burmese want nothing to do with Formosa. The Chinese community in Burma generates some purchases of Chinest-type merchandise valued at about \$1 million per year. Neither government facilitates travel of its citizens to the other country, but there is some travel of Chinese back and forth. There is a KMT-oriented newspaper in Rangoon. In 1958 the government of Burma banned all Nationalist organizations. A girl skater from Taiwan in the "Holiday on Ice" troupe was allowed to come in in 1962 and there was no protest from the Chinese Communists, as happened earlier when two Nationalists were part of a soccer team. Political attitudes of Chinese in Burma are discussed below but it might be said here that, of the minority of Chinese who care about politics, many are anti-Communist but by no means are all of these pro-KMT.

#### C. Relations with Communist China

1. Political - On December 18, 1949, at a time when it was fighting desperately against domestic Communists who (without any help from China) had cut off road travel between the country's two largest cities, the government of Burma recognized the Communist government of China and was the first non-Communist nation to do so. In July 1950 Burma voted for the U.N. Security Council's condemnation of North Korea's aggression, but after China intervened in the Korean War, Burma and India were the only non-Communist countries to oppose a General Assembly resolution branding China as an aggressor. These early stands illustrated the characteristic apprehension with which Burma has looked at Communist China. The fledgling nation was lucky that its time of greatest weakness coincided with the Chinese regime's necessity to seal its victory and later with its preoccupation with the Korean conflict. Between 1950 and 1954 China regarded Burma as a former colony which had gone through a bourgeois revolution and needed a Communist revolution, but the disunited Burmese Communists threw away their opportunity. Burma was bending over backward to give no offense to China, so there was no friction. China merely put off Burma's attempts to solve the border problem.

1954 was a turning point. China embarked on a campaign to improve relations with its neighbors. Chou En-lai and U Nu exchanged visits in celebration of "peaceful coexistence". Trade and consular agreements were made, air and highway communications

were opened and China bought rice at a moment when Burma had trouble selling it. During 1954 Chou and Nu agreed to negotiate the boundary question and the status of Chinese nationals in Burma and Nu pledged his intention to try to relax tensions between the United States and China. The Bandung Conference of 1955 gave an extra push to the formal cordiality and exchanges of cultural missions began to occur frequently.

In 1956 the Chinese indicated that they might be interested in settling the one big contentious item, the boundary and, typically, contrasted this by sending Chinese troops on incursions into the Wa State east of Lashio. Agreement in principle was reached when U Nu went to Peking in late 1956 on the basis of China's giving up its claim to the huge area north of Myitkyina which had been the traditional demand. Nothing came of this for several years, however, and it may not have been unrelated that China's border dispute with India was growing more serious. Another consideration causing China to delay may have been the moves made by the Ne Win caretaker regime during 1958-60 to strengthen its ties with the West.

In 1960, just before he was to hand the government back to civilians, there was a sudden breakthrough on the border issue when Peking responded favorably to General Ne Win's initiative. Ne Win went to Peking where he and Chou En-lai quickly reached agreement on a border settlement, a non-aggression treaty and the principle of larger Chinese economic aid. The non-aggression pact was completed on the spot on January 28, 1960 and contained Burma's pledge "not to take part in any military alliance directed against China." The boundary treaty was signed on October 1, 1960 giving Burma what it wanted, including the Namwon Assigned Tract, in return for the loss to China of a tri-village area in the Kachin State and a small area in the Wa State. The economic aid agreement followed on January 9, 1961 in which China agreed to make available technical assistance, equipment and materials for agreed projects up to the value of \$84,000,000 to be supplied within six years from October 1, 1961 and to be repaid by Burma within ten years in export goods or agreed third country currency without interest. Cordiality became better organized and 1960-61 saw a large increase in the number and scope of cultural delegations. In 1961 China purchased a record 355,000 tons of Burma's rice which, with other items, meant that China bought 17 percent of Burma's exports.

The year 1962 brought some important changes in Burma. On March 2 General Ne Win led a nearly bloodless coup and a military Revolutionary Council was set up to run the nation indefinitely. Ne Win has indicated that Burma will not change its policy toward China. There are little signs, however, that the honeymoon which began in 1960 with the border agreement may be drawing to a close. Burma has not been paid yet for all the 1961 rice, sales in 1962 to China were only 200,000 tons and the agreement for 1963 is for 100,000 tons. Several teams of Chinese aid project surveyors have come and gone but no construction has begun.

Cultural exchanges with China took a drop in 1962. During the same year, however, there was no warming toward the United States. Pursuant to Ne Win's personal decision, the Ford and Asia Foundations were summarily (by telephone) ordered out of the country and the Fulbright exchange of persons programs was told to suspend planning for future exchanges. The American Embassy is kept at arm's length by the Revolutionary Council and has experienced spells of petty harassment. As of January 1963 these Ne Win policies do not seem to presage any fundamental shift in attitude toward Communist China and the United States, only an increased wariness in both directions.

Burma's diplomatic mission in Peking has five civilians and two military men. Communist China's mission in Rangoon is much larger and ranks probably second to the United States (which is in a class by itself) along with the Soviet Union and the United Kingdom, which are about the same size. It has military, cultural and information attaches but no public library, such as the U.S. Information Service operates, and no military and economic aid missions, as the United States has. Chinese technicians in groups of 15-20 have been coming to survey proposed projects under the \$84 million credit. They operate out of the embassy, generally stick to business, do not bring their families, and go back to China after a month or two when the survey is done. When work begins on China's aid projects, no doubt larger numbers of aid personnel will have to be based permanently in Burma. China has a consulate in Mandalay run by a handful of officers who conduct the usual consulate functions and minister to the Chinese tradesmen in that area. Burma has a consulate in Kunming, but there are no Burmese in the vicinity and its busy period of work relating to the demarcation of the Sino-Burmese boundary is now over. The Chinese embassy tries to awe the Burmese. The embassy is grand and richly furnished, the social and cultural functions are lavish, and the guest lists neglect other diplomats and ostentatiously mix persons of every kind, rank and status in Burmese society in order to dramatize communism's claimed affinity with the masses.

The Chinese Communist diplomatic mission is given no special privilege. Its influence with the Burmese authorities, however, reflects the power of China and its extraordinary trouble potential for Burma. The Chinese embassy has been inclined to use bullying tactics from time to time, but perhaps less freely under the new military regime. For example, under the previous regime the U.S. Information Service had asked permission to use a large convocation hall at the University of Rangoon for some kind of cultural event. Burmese authorities were concerned lest approval be construed as support for a foreign government propaganda effort, and permission was denied. Immediately thereafter the Chinese embassy demanded the use of the hall for a similar event and permission was granted. In cases like this any American ambassador is in a dilemma. If he recognizes the Burmese necessity to go out of their way to avoid giving the Chinese cause for complaint, he might build

up a little good will. If he immediately protests such discrimination he places himself in a better bargaining position for the next occasion, but he tends to blur a distinction which most Burmese make (but cannot publicly admit): that Chinese Communist intentions are basically hostile while American intentions are relatively benign.

With the benefit of hindsight one is inclined to give greater weight to the Indian angles of the Sino-Burmese boundary settlement than one might have immediately after the Chou En-lai agreement of January 28, 1960. At that time more attention was paid to the personal rapport which seemed to have been built up between the two men and the uncertainties of Burmese policy after Ne Win would turn the government back to elected officials. Since the October 1962 hostilities on the Sino-Indian border one sees the twin pressures which Chou En-lai could apply with the Burma boundary settled. Here was evidence, he could say, for the world to see that China is always ready to make a reasonable, even generous, settlement of outstanding problems with those who approach problems in the true spirit of peaceful coexistence. Here also, to India and those familiar with boundary agreements, was a serving of notice by China that it was going to be tougher in dealing with India. Whereas India and China have not been able to agree that the "traditional and customary line" (that is, the MacMahon line) should be the point of departure for bargaining, that was the principle agreed on at the outset of the Sino-Burmese negotiations, although the world "MacMahon" was studiously avoided.

As an aid to isolating some of the factors which may govern the strategy and tactics of Communist China in dealing with Burma, and vice versa, it is of interest to ask why China has not made more of an effort to subvert the government of Burma, using methods which would not provoke a military response from the non-Communist powers. Surely the prize is tempting: an under-populated country with 40 million acres of arable land of which only 18 million acres are under cultivation. Access for infiltration is easy: the long, wild border is almost unguarded (in fact there is a Sino-Burmese understanding of convenience that it will not be taken amiss if troops of either party roam as much as 20 miles on the other's side of the line), the Kachin and Shan peoples live astride the boundary and it is hard to distinguish Chinese from either one. The existence of an active Burmese Communist Party, a large Chinese minority, and three large dissatisfied minority peoples occupying more or less exclusively their own territory would seem to offer a variety of opportunities for subversion. Probably the foremost reason for China's restraint toward Burma is that problems at home have been too serious. Because of domestic ills China has taken forceful action beyond its borders only when they have been threatened. Burma is well down on China's priority list probably coming after Taiwan, North Vietnam, Korea and Japan. Burma offers no threat to China, having a weak army, no foreign bases and no alliances directed against China. History must warn China that even indirect intervention by Communist powers in the affairs of their neighbors carries with it risk of Western intervention on the other side. Some benefits from Burma are available without

trouble: rice for purchase, a showcase for propagandizing peaceful coexistence and an escape valve for dissidents and population pressure. Conditions in Burma seem far from ripe for Communist revolution. The local Communists have not lacked indigenous arms, money and opportunity but their appeal has fallen flat. There is plenty of land and food in Burma and no rigid class stratification. The government has never ceased pushing for socialism. Foreign economic interests are being "Burmanized". One out of ten Burmese is a Buddhist monk and the influence of Buddhism, especially in rural areas, is deep, widespread and not in harmony with Communist ideas. These circumstances could account for a Chinese decision to let well enough alone in Burma.

Burmese leaders likewise have grounds for concluding that their consistent China policy over fifteen years has served them well. A compact statement of it was made in 1951 by U Kyaw Nyein,<sup>3/</sup> one of the few leading civilian politicians not in jail in January 1963:

"Small nations always mistrust bigger ones, especially those close by. For years past, every Burman has mistrusted China, whether under Mao or Chiang. They also mistrust India; for that matter they also mistrust Soviet Russia and even America. We don't consider China a menace, but we accept a possibility of China one day invading us. We are not alone in this concern. Our neighbors will also be perturbed as our fate may likely be theirs. We are entering into closer relations with India, Pakistan, Indonesia, and are trying to find a formula for peaceful coexistence in this part of our world. We don't want anything that will provoke China, but if she does invade, I am confident that the national spirit of our people will stand firm against her. We don't want Communist Russia or Communist China, but being a small nation, we must find ways and means of avoiding embroilment in power blocs."

Burmese leaders today would not quarrel much with this statement. The scale of relative trust is still applicable and explains why the Burmese military establishment uses American equipment and sends officers to school in the United States but has no comparable arrangement with Communist China. It explains also, when combined with the fear of provoking China, the Burmese bent, so annoying to Americans, to insult the United States if China is looking and to be prepared to "swim if China spits". The Revolutionary Council would add to Kyaw Nyein's formula their

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<sup>3/</sup>Quoted originally by Frank J. Trager, "Burma's Foreign Policy, 1948-56", The Journal of Asian Studies, vol. 16, November 1956, p. 93 and again at p. 532 of Barnett previously cited.

philosophy and program for Burma's own socialism. They expect to have ten to twenty years to work on it while China struggles to advance economically and, if relations go along with no greater tensions than now, the Burmese expect to make relatively greater progress and to be able to resist additional forms of pressure from China. They see China and the United States poised against each other but they expect that a conflagration will not occur. They think they can safely take aid from both sides if they confine it to material things (which don't meddle) rather than technicians. They are by no means optimistic about Burma's chances of remaining independent indefinitely because they think China will inevitably become more powerful, and they believe conditions are already better than under Chiang, but they see no alternative to inching inconspicuously along the high wire.

Burmese typically repress annoyance when asked why they do not have a China policy like that of Thailand, in military alliance with the United States. They are rather contemptuous of the Thai who, in the opinion of the Burmese, accepted Japanese rule rather than fight, have always been obsequious to one big power or another, and don't really mind being dependent upon the United States. The Burmese, in addition point out that Thailand has been independent longer, has long had internal order, has no common border with China, had no war damage, and is considerably more prosperous.

2. Economic and Cultural Relations with Communist China -  
Prior to 1955 Burma's trade with Communist China was insignificant. In 1960-1962, however, about ten percent of Burma's imports came from Communist China, the third biggest supplier, but any of the three principal items, textiles, yarns and food could have been purchased elsewhere. Indeed China has found it difficult to offer goods needed by Burma in return for its rice purchases, which had been running at from 2 to 4 percent of Burma's sales but which in 1961 jumped to 17 percent as a result of 355,000 tons purchased by China. The Burmese will be more aware of the need to balance trade with China, so as to avoid (in effect, since trade is on a government-to-government barter basis) extending credit to China while China finds products which Burma wants to buy. In September 1961 the Burmese credit balance stood at \$21 million. Accordingly, the 1962 rice agreement called for the delivery of only 200,000 tons. A recently concluded agreement covering the 1963 crop calls for the sale of 100,000 tons, and it is reported that Communist China requested 300,000 tons. Other products which have been supplied by Burma include oil cakes, lead, zinc concentrates, tin, wolfram, timber, rubber and raw cotton.

For the last several years there has been a seller's market in rice and this condition is expected to continue. Higher priority customers for Burma's rice than China are India, Pakistan, Indonesia, Ceylon and the Soviet Union (to which Burma is paying in rice for the "gift" of a hotel, hospital and technical institute). In spite of the fact that Burma could have sold all its rice elsewhere,

it sold rice to China on such terms in 1962 that China was able to resell it to Indonesia at a profit. This displeased the Burmese but the only action taken was the publication of a story about the deal in the Rangoon press. Six weeks later there followed a denial by the Chinese that a profit had been made in the resale of rice to Indonesia. These irritations notwithstanding, trade between China and Burma is expected to increase, but slowly.

Air service, using Ilyushin-18 aircraft, once a week each way has been established by the Communists between Peking and Rangoon via Kunming. Persons desiring to reach Peking inconspicuously have this route available.

Before 1956 Communist China furnished aid only to Communist neighbors, but after that it branched out. Burma received a \$4 million tied loan to expand its textile industry in 1958. In 1961 came the \$84 million credit for Chinese goods and services summarized above. Through 1961 Sino-Soviet bloc loans to Burma totaled \$96 million, but less than \$1 million of the \$84 million Chinese credit has been used for project survey expenses to the end of 1962. This Communist help may be compared at the end of 1962 with about \$100 million in United States aid funds spent for Burma and an additional \$40 million committed, about \$60 million in loans and grants from the World Bank and the United Nations and about \$100 million through Japanese reparations. Negotiations were completed in Tokyo in January 1963 for another \$170 million in reparations, \$40 million of which is to be in loans, which the Japanese Government will try to persuade Japanese private industry to make to Burmese private industry.

Under the \$84 million credit, agreement in principle has been reached that China will survey designs and build for Burma a dozen or so facilities. Press reports in 1962 announced that survey reports on a bicycle tire plant, an expansion of an existing steel mill (using scrap iron), a plywood factory, two sugar mills, a textile factory, some bridges, a hydroelectric project and some paper mills had been completed by Chinese experts and in November 1962 announced that the steel and paper project surveys had been approved by Burma. No construction had begun by the end of 1962. All the proposed facilities are to be operated by the Burmese Government through development corporations. The Burmese do not doubt that the Chinese will fulfill their credit commitment but some have wondered whether all the work will be completed in five years beginning September 1962 as the schedule calls for.

The Chinese Communist Bank of China and Bank of Communication operate in Burma both as normal banks financing China's trade and doing commercial business and also as adjuncts of the Chinese Embassy in making loans on favorable terms to Chinese businessmen believed to be pro-Communist. About a dozen Chinese business houses (trading companies, stores, a soap maker, and a bar and restaurant) in Rangoon have the reputation of being Communist



business fronts. The Burmese Government checks the fiscal integrity of the Bank of China as it does for all other banks but does not interfere with individual loans. The authorities are not much worried about these political loans in a socialist economy in which all key enterprises are run by the government. The total value of such loans during the past ten years is believed to be less than \$2 million.

One source of "earnings" by Communist China in Burma is the remittances of money and goods sent "home" by Chinese living in Burma or taken "home" on visits. I was unable to obtain any estimate of the value of such flow. Apparently the trend is downward owing to foreign exchange and travel restrictions imposed by the government, but I was told that "many, many" Chinese manage to remit through black market channels and through commercial dealings by way of Hong Kong.

The Burmese are not swept off their feet by the cultural and propaganda efforts of the Chinese Communists; they are entirely aware of their political motivation. The Ne Win government desires to keep the influence of both Chinese and Americans to a minimum and cultural offers are politely resisted. Cultural interchange with China has declined in the last year. During the period July 1, 1961 to June 30, 1962 the cultural traffic (trade and aid delegations not included) between Burma and Communist China was as follows: Burmese who went to China were 25 agricultural specialists, 20 volleyball players, 7 professors, Ne Win, U Nu, 16 parliamentarians, 2 writers, 10 labor leaders, 1 editor, and a delegation of workers; Chinese going to Burma were 15 agricultural specialists, 1 ping pong official, 7 ping pong players, a youth delegation and 387 members of a ballet troupe. There is little private travel between Burma and China.

Listening to Radio Peking is not forbidden and the programs come in five times daily, a half hour each in Burmese. The propaganda is rather heavy-handed. Since October 1962 editorials and news have concentrated on the Sino-Indian conflict. There is a fair listenership in Burma as the signal comes in strong and clear. Burmese may hear equally clearly in their own language Radio Moscow once a day for half an hour and the Voice of America twice daily for one hour each time. Only three or four Chinese Communist students, who will probably be interpreters when they return, are attending Rangoon University. About the same number of Burmese have been allowed to go to China on government scholarships. Some others from Burma, including children of Chinese living in Burma, may be there (having gone when China was thought to be leaping forward) and now can not get permission to reenter Burma. The Burmese Government now discourages the sending of children of Chinese to China for study.

When Rangoon University reopened on August 29, 1962, having been closed for two months by the government as a disciplinary

measure, 22 out of the 30 full professors on the faculty had received some of their training in the United States; none had received training in Communist China. Bilateral programs for sending Burmese students to the United States have been suspended by Ne Win but some are still going under Colombo Plan and other multilateral arrangements. The importation into Burma of written materials in the Burmese or Chinese language is prohibited but plenty of English language material, which is authorized, comes to Burma from Communist China, and Communist material in Burmese is printed in Burma. A cultural magazine in Burmese produced by the United States Information Service far outsells its Soviet and Chinese competition. Burma saw the establishment of a Burma-China Friendship Association in October 1951 and the counterpart in China was established in 1952. There are many such bi-national societies in Burma which publish congratulatory messages on national holidays and put on cultural events.

3. The Chinese Minority in Burma - Under this heading facts are elusive, figures are suspect and expressed attitudes must be weighed according to the predominant ethnic origin of the speaker. There is the usual problem of defining who is Chinese racially, culturally and legally. There is no agreement on the subjects of dual nationality or protection of Chinese between Burma and China, but China has not been pushing these issues. Immigration of Chinese, Indians and Pakistanis is not permitted. I did not study the Burmese nationality law but I gather that it is not designed or administered in such a way as to have Chinese become Burmese easily. Birth in Burma does not make a child a Burmese citizen unless he has a requisite amount of Burmese blood or unless one parent has acquired citizenship. A Chinese who has lived in Burma more than eight years, has adequate funds, can speak Burmese and is of good character is eligible to become a Burmese citizen. 550 Chinese were reported by a Burmese Government spokesman to be eligible in January 1963. The legal proceedings are very slow and citizenship is granted to a small number annually. Aliens must register annually and obtain a Foreigner's Registration Certificate for \$10 without which they can be deported. If they misbehave they can also be deported. In January 1963 there were 226,735 such certificate holders, the subtotal for Chinese not being available.

How many Chinese are there in Burma, counting citizens, holders of Foreigner Registration Certificates and illegal aliens? Estimates made to me ranged from 300,000 to 2 million, or from 1 to 10 percent of the population. There is likewise a wide variation in estimates of annual illegal immigration from Communist China, which is agreed to be substantial. There is no indication that immigration into Burma is being encouraged by Communist authorities. The political affiliation of the Chinese is also a subject for conjecture, but the bulk, no doubt, are non-political-minded. Some idea of the political orientation of the others can

be obtained by noting the estimate that two out of three of the schools run by Chinese in Burma are thought to be pro-Communist and the trend in such schools is in favor of the Communists.

Tinker, previously cited, at p. 188 states flatly, "There has never been a 'Chinese Problem' in Burma, and there is not one today." This is clearly so in the sense that they have never caused any trouble as a group. There is Chinese blood scattered all through the population, including Ne Win and his deputy, Aung Gyi. Nevertheless, the Burmese Government and those who regard themselves as Burmese and not Chinese consider that there is a potential problem. They are not following the Thai policy, however, of active assimilation of young people by severe restrictions on Chinese education. On the one hand, the Burmese say that assimilation is occurring anyhow because examinations for entrance to high school and higher learning are given in Burmese so that any Chinese child wishing to advance himself must learn Burmese. On the other hand, it is argued that since the Chinese minority is smaller than in Thailand it is better to keep it separate and in an alien status so that it can be more easily controlled in the event of trouble. It is also feared that the imposition of restrictions on Chinese schools would be a provocation to Peking. The Burmese worry because if Communism succeeds in China the minority in Burma may espouse Chinese nationalism, and if Communism fails to better living standards in China the tide of illegal immigration across Burma's long border will be hard to stop. One of the reasons for the establishment of the Frontier Areas Administration was the need to gain better control over border crossings.

The minority Chinese are engaged in commerce or in the professions. They are not as important economically as the Indians and much less important economically than the Chinese minority in Thailand. There is a disagreement among scholars and observers as to whether the Chinese do or do not wish to be absorbed into Burmese society. It is observed that few Chinese girls marry Burmese men but that some Chinese men marry Burmese girls. Under Burmese law a child of a Burmese mother and a father holding a valid Foreigner Registration Certificate is Burmese. It can also be observed that the Chinese in Rangoon tend to live in "Chinatown". They belong to Chinese associations and other institutions, and work and trade in something of a cooperative, self-contained economic sector. The generalizations commonly made about Chinese personal attitudes toward individual Burmese and vice versa appear to have too many exceptions to be worth repeating. Generalizations are likewise better not made with respect to Chinese population trends in the border regions where the ethnic facts are obscure. For hundreds of years hundreds of Chinese from Yunnan came across the mountains into Burma in the dry season to work in the jade, silver and other mineral mines and returned to China in April in advance of the rains. Some stayed in Burma, however, and this pattern may persist to some extent today.

4. The Sino-Indian Conflict - This dispute between its two largest neighbors is obviously a matter of very great importance to Burma. The border in question joins the Sino-Burmese border. If the fighting were resumed on a larger scale the possibility of a flanking attack by China through Burma would arise. The Burmese Government had long been worried about hostilities resulting from the Sino-Indian impasse but it did not expect the powerful Chinese military thrust in October 1962. Who started the fight? The Burmese equivocate, saying that fighting was inevitable after Nehru gave the public order to "clear the border" but not admitting that this was sufficient provocation for China's massive action. The government decided to avoid taking sides in the conflict but to deplore it. The word was passed to the Chinese and Indian communities in Rangoon to keep quiet. Rumors of preparations by the Chinese to use northern Burma as a bypass resulted in the well-publicized sending of a high-level team of Burmese officials to the area. They found no such preparations but the mission served the dual purpose of satisfying India that Burma was not harboring flanking attackers and of letting China know that Burma would not willingly cooperate in such a move.

Burma regards the conflict as a boundary dispute and not as an attempted invasion of India by China. It believes China has no intention of trying to conquer India. Burma's negative response to Nehru's letter asking support angered the Indians. Burma favors India's proposal that the boundary question be laid before the International Court of Justice. The Government of Burma was reluctant even to get involved in mediation efforts but did participate with the Colombo peacemakers. It insisted that the group take no stand on the merits of the boundary claims, espouse no position rejected by either party, and refrain from labeling any move as aggression. The resulting formula to get negotiations started was intended to be accepted by both sides without divergence and the next move was expected to come from the parties.

The Burmese might think China was wrong to give such a heavy blow even if India "asked for it" but they are inclined to think China made up for that wrong to some extent by turning back when they easily could have hurt India even more severely. The Burmese think that China came out of the exchange ahead, demonstrating surprising power and logistical skill and acting as a generous victor. The Indians appear to the Burmese as having been unexpectedly weak, noisily ineffective and unwisely provocative. After the ceasefire the Indians continued to say that they were still neutral as between Communist and anti-Communist powers and some Burmese thought that it was unneutral of them, after the fighting had stopped, to arm themselves with American weapons.

The bias toward China in the foregoing sketch of the Burmese attitude was not due entirely to the Burmese judgment that China could hurt them more than India but also due to a greater dislike

of Indians as persons. Indians have been the detested moneylenders of Burma while the Chinese have been shopkeepers, dentists and raisers of poultry. The Indians have seemed to the Burmese to be much too intolerant about religions other than their own. Neither the Chinese nor the Burmese have been as caste and class conscious as the Indians. The Burmese Revolutionary Council may also be inclined to think -- and their thought is ironical because it applies to themselves -- that India's military weakness was a result of taking the easy capitalist way of borrowing capital for economic development rather than the more spartan socialist way of generating it out of domestic production. Balancing to some extent these Burmese ideas from which China might take some comfort is the abandonment of any notion among Burmese leaders that Communist China might be sincere about desiring peaceful coexistence permanently.

5. Insurgency - Here is a topic of disconcerting complexity and obscurity and a long history. It is difficult to be sure even of what are the current facts because American and other foreign officials are not permitted to travel on their own in large areas of Burma and are given the reason that their "security cannot be assured." Information must be pieced together from a variety of sources: government news handouts, occasional military guided tours, missionary reports, commercial gossip, etc. Following is a status report for January 1963 which should be relied upon with caution.

Going from north to south, separate reports are required on ethnic rebels - the Kachins, Shans, and Karens - and still another is needed for the Communists because cooperation between neighboring rebel groups has not amounted to much (among other reasons, their languages differ). The Kachins, Shans and Karens desire autonomy in their bailiwicks in the north, east (middle) and south (east of Rangoon), respectively, and the two Communist groups seek to take over the government of the whole country. No group has anything like the power it had in the civil war period 1948-1955, and they have been backed into relatively inaccessible terrain, but no group can be counted out yet. The border rebels rely in part on the opium trade to finance purchases of guns through private channels from Thailand. The ethnic rebels have in common an ancient racial hatred for the Burmese who have been their would-be overlords since Burmese kings first consolidated their power in the eleventh century. They feel cheated of promised economic help and more self-rule, neither of which has been forthcoming since they were brought into the union. The Burmese believe that the Kachins, Shans and Karens (and other outlying peoples no longer in rebellion, for that matter) are scarcely people and must be subordinate to the Burmese. Burmese petty officials customarily treat the minority people like dirt. The Burmese reply, "How can we help you if you keep on fighting us?" A final generalization: there is little evidence that the Chinese Communists have ever

given, or attempted to give, much help to any rebel group, including the Communist groups.

Kachin rebel forces (called the Kachin Independence Army, KIA) number perhaps 1,000. They are strongest in pockets east of Myitkyina and northeast of Lashio. They control no territory to the exclusion of the Burmese Army. They are anti-Chinese, as well as anti-Burmese, having relatives, many being Christians like many Kachins, who have been persecuted by the Chinese in Yunnan. Radio broadcasts in Kachin tribal dialects from Communist China tell the Kachins in Burma how well treated their brothers are in China and what a great life they are having under the Communists.

The Shan peoples, occupying a huge area in eastern Burma and spilling over into China, Laos and Thailand, have perhaps gained in cohesion and separatist fervor since 1960. The truth is hard to pin down, but the Shans apparently feel that U Nu promised them that the Burmese Army would withdraw. Ne Win apparently feared that U Nu had gone, or might go, even further toward autonomy for the Shans, and this reason was given prominence when his March 2, 1962 coup took place. At any rate the army is trying to round up small clusters of bandits totalling maybe 3,000-5,000 altogether who swoop down on villages, rob government offices and depots, and harass road travel. No territory is occupied for long but as illustration of the extent of such brigandage, the Army must convoy trucks from time to time for a hundred miles or so on the road between Taunggyi and Kengtung. KMT stragglers may give the Shan fighters a hand once in a while. Communist China maintains an autonomous Shan region on its side of the border, apparently because Shans are troublesome there too and probably, secondarily, for future political moves toward Burma. Shan rebels flee over into Thailand when they need to, the border being virtually unpoliced, and the Burmese Government hopes that the amity with the Government of Thailand may produce a "hot pursuit" agreement. The supposedly pro-West sympathies of Shan rebel leaders is said to enable Chinese propaganda to say to the Burmese that their problems with the Shans are really caused by the West, but it is not likely that many Burmese are taken in by this ploy.

The Karen National Defence Organization (KNDO) may have 6,000 in its terrorist forces scattered throughout the Karen State, which is located directly east of Rangoon along the Thailand border. The KNDO actually controls some territory southeast of Maulmein and in the vicinity of Pa-an in which taxes are collected and rudimentary governmental functions are carried on, interrupted periodically by the forces of the Burmese Government. KNDO fortunes may be on the downgrade, however. Whereas just prior to the Ne Win coup of 1962 they were able to blow up the tracks on the Mandalay-Rangoon railroad occasionally and interdict road traffic, especially at night, this has not happened lately and KNDO bands are surrendering to the Army at the rate of 50 insurgents per month.

There are some Communist sections in the KNDO but it is doubted that these are supported from Communist China, a difficult liaison because the Karens do not border on China. Communist rebels cooperated with the KNDO in 1949-1950 when the two forces overlapped and controlled nearly all of the Irrawaddy River Valley between Rangoon and Mandalay, but they have been separated since.

The so-called Red Flag (Trotskyite) Communist rebel group is reduced to about 500 and operates near Pakokku, southwest of Mandalay. The so-called White Flag Communist rebel group has perhaps 1500 men and operates near Henzada, halfway between Rangoon and Prome. Esoteric ideological and personality differences have long kept the two groups separated. On December 30, 1962 the Rangoon Nation reported that Goshal had defeated Than Tun as the leader of the White Flag Communist group and that his views of tactics are akin to those of the Chinese Communists. If this is so, the Nation speculated on January 20, 1963, a merger of the Red and White Flag groups might be possible. It is not thought that the Chinese Communist Party is aiding either group substantially (although contacts must exist), perhaps because it is also confused as to who is who.

The Revolutionary Council appears to be giving first priority to the liquidation of the two Communist rebel forces and is pressing them hard. Beyond the use of force to liquidate insurgent units, the policy of the government is to bring economic help to the minority peoples and in this way to win their pacification, if not confidence. There are plans for spinning mills in Mandalay and Taunggyi, for model farms and orchards, and for other forms of aid. A few beginnings have been made, but at least three problems have appeared which indicate that appeasement of the minority peoples will take a generation anyhow: (1) owing to the extreme racial hostility, the more contact between Burmese and rebels, the more friction; (2) some of the productive enterprises sponsored by the government have been interpreted by some of those affected as competition, and indeed that has been true in some badly-planned facilities; and (3) considering all the calls upon the energy and resources of the central government for works and attention in Burma proper it would be amazing if projects out in the frontier areas received a high priority. This rather pessimistic appraisal of some of the disuniting strains in Burma suggests two additional reasons, beyond those mentioned under "Political Relations" above, why the Chinese Communists may have decided not to try to inject themselves into the mix. They may have concluded that one thing on which the Burmese and their hostile colleagues might find common cause would be the meddling of the feared foreigner Chinese. They may also have estimated that the Burmese Government will have its hands full dealing with insurgency for some years to come and that there is no need to intervene yet. On the other hand, one should always bear in mind that the lack of evidence of Chinese support for insurgents in Burma does not exclude the possibility that they have been cleverly hiding it.

#### D. Burmese Socialism

Are there elements in Burmese thinking which make for unusual resistance or susceptibility to the blandishments or threats of the Chinese Communist Party? How deep and widespread is Burmese nationalism? To what extent is Burma's neutralism a facet of its xenophobia and does Burma differ markedly in this respect from Cambodia or Laos or India? How significant are the frustrations of being placed between two of the world's largest nations? Is Buddhism in Burma a deterrent to Communism or merely a foe of change? To what extent do the Burmese have a prejudice against whites? What are the differences between Burmese socialism and Communism? How important is the anti-intellectual strain among members of the Revolutionary Council? What weight should be assigned to Ne Win's personal domination?

A thorough study of Burma's China policy would have to go into these questions more than was possible in the preparation of this report. To illustrate why these questions are important one may refer to the ousting of the Ford and Asia Foundations, a British foundation and the suspension of new grants under the Fulbright exchange program which General Ne Win personally ordered in April 1962. The activities of all these institutions were mainly educational, dealing with people and ideas rather than materials and production. The following reasons and motives can be isolated to account for Ne Win's action, many of which are speculative:

1. Traditional Burmese mistrust of foreigners.
2. If American and British private educational foundations were to be allowed to operate in Burma, Ne Win could hardly say no to the Chinese Communists and Russians if they made similar requests.
3. Ne Win wanted to get the Asia Foundation out of Burma because he thought that the U.S. Central Intelligence Agency was operating through it. He felt that he could not stop with a single foundation, however, because for one thing, he did not wish to admit by singling out the Asia Foundation that the CIA had been able to operate successfully in Burma.
4. It is safer for Burma to accept aid from foreign countries in the form of tangible things which can be measured and checked on easily and which can be completed at a definite time.
5. Ne Win's experience told him that where the American private foundations were operating there also would be found trouble. For example, the Ford Foundation had a school project way back in the hills in one of the rebel areas.
6. Educational grants to individuals are clearly political at bottom. Bringing a Burmese to the United States to be educated obviously is based upon the idea that the grantee will be influenced in favor of the United States and its policies.
7. Allegations as late as 1961 of United States involvement with the KMT troops in the eastern Shan State.



8. Disillusionment after over-estimating the speed and importance of changes which could be brought about by educational assistance. Replacement of foreigners by newly-trained Burmese was not happening fast enough.

9. A feeling that Burmese ways were just as good as Western ways.

10. Misunderstanding of the content and purpose of certain foundation projects.

11. Irritation with the lack of discipline and naivete of Burmese university students.

12. Frustration over having to depend on foreign countries.

13. A military coup and revolution require some rough actions, and it is better to clear out all unnecessary foreigners.

14. Burma already has enough British and American-educated intellectuals who hold ideas often inapplicable to Asia.

It might be that Burma would have stopped aid from private foundations even if China and the United States were not at loggerheads. The gulf between the two big powers, however, and Burma's vulnerable position contiguous to China, evidently aggravate the hostility of a new socialist nation toward its old master, Britain, and toward capitalist America, the opponent of Communist China.