

# philippine studies

Ateneo de Manila University · Loyola Heights, Quezon City · 1108 Philippines

---

## **The Pressures on Burma's Foreign Policy: A Case Study**

Rodolfo Severino, Jr.

*Philippine Studies* vol. 16, no. 3 (1968): 460–486

Copyright © Ateneo de Manila University

---

Philippine Studies is published by the Ateneo de Manila University. Contents may not be copied or sent via email or other means to multiple sites and posted to a listserv without the copyright holder's written permission. Users may download and print articles for individual, noncommercial use only. However, unless prior permission has been obtained, you may not download an entire issue of a journal, or download multiple copies of articles.

Please contact the publisher for any further use of this work at [philstudies@admu.edu.ph](mailto:philstudies@admu.edu.ph).

<http://www.philippinestudies.net>  
Fri June 30 13:30:20 2008

# The Pressures on Burma's Foreign Policy: A Case Study

---

RODOLFO SEVERINO, JR.

**I**N discussing the foreign policies of the world's small underdeveloped nations, particularly in Asia and Africa, and in evaluating individual decisions of these states in the field of international affairs, there is often a tendency to attribute some pre-conceived strategy or design to these policies and decisions and to view them in world-wide terms or at least in terms of regional power policies. There is often a tendency to look, almost with awe, on the leaders of some of these countries as shrewed manipulators in the game of international politics. Thus, some non-aligned nations are often said to play off one big power against another, or even one side of the Cold War against the other, for their own Machiavellian purposes.

This tendency to view the foreign policy decisions of the small developing nations in the context of world politics is quite understandable. For much of the analysis of foreign affairs and international relations is undertaken in the advanced countries, which have widespread international, and even global, political and economic interests. Another factor which has contributed to this practice is the peculiar situation into which the small nations have been thrust by their membership in the United Nations, where they are often forced to take a stand and to speak out on world issues which do not directly, or even remotely, concern them. Finally, this tendency is encouraged by some of the leaders of the emerging countries them-

selves, especially the non-aligned nations, who—because of the intellectual influence on them of the thinking in the advanced nations or because of a personal need and desire to play a conspicuous role on the world stage, or for reasons of national prestige or for some other reason — often make foreign policy pronouncements that represent a world view or express world-wide concerns.

But when one examines closely an individual country's major decisions on national security and foreign policy from the point of view of that country, one is impressed by the pragmatic, almost haphazard manner in which these decisions are made. One sees that these decisions are often made on a case-to-case basis, as a response — often a necessary and urgent response—to pressures that have little to do with international politics in their larger framework but everything to do with the nation's own immediate political and economic problems.

Indeed, while the impression is sometimes made that the small non-aligned nations chart their own course in world affairs with great independence, it may be nearer the truth to say that the small ex-colonial nations are the prisoners of their own very fundamental problems, as well as being subject to the political and economic dominance of the big power in the area; that their freedom of action in international affairs is circumscribed not so much by their relationships with other nations with which they negotiate in sovereign equality as by urgent pressures from one or another of the big powers.

The ironic situation in which the leaderships of the developing nations find themselves is that, while they seem to have complete control of foreign policy, since their peoples are generally not aware of or interested in foreign policy questions, they are at the same time limited in their foreign policy choices by forces and events largely beyond their control.

As an illustration of this, a study of the major elements in the development of Burma's foreign policy, as it evolved under U Nu and as it has been carried out by the present Ne Win regime, should be particularly instructive, since the fundamental problems common to many of the new nations, specifically

in Southeast Asia, are present in Burma in a particularly acute way, and these are precisely the problems that vitally affect the foreign policy decisions of these nations. Such a look into Burma's foreign policy as it has been shaped by that country's fundamental political and economic problems might therefore provide an insight into how pressures arising from similar problems have also influenced the foreign policy decisions of the other countries of Southeast Asia.

These basic national problems which shape — indeed, almost determine — the foreign policies of the nations of Southeast Asia are mainly three: the problem of national unity, economic dependence on a few commodity exports and the need to reduce this dependence, and the looming presence of China.

#### THE PROBLEM OF NATIONAL UNITY

The rapid liquidation of Western colonialism and the demands of Asian nationalism following the Second World War led in Southeast Asia and elsewhere to the creation of nation-states which were states before they fully became nations. The leaders of the new states were thus confronted with the immediate and fundamental task of creating nations where there were none before, of integrating into a national society large groups of people whose loyalties were primarily not to the nation but to tribe or clan, ethnic or linguistic group, but who happened to live within the territories which the new national leaders had inherited or seized from the old colonial empires.

This problem is common in varying degrees to all the states of Southeast Asia. But, aside from Vietnam, which has its own life-and-death crisis of national unity and survival, Burma's problem with the unity of the nation seems to be the most serious among the countries of Southeast Asia. Since she acquired her independence, Burma's national integrity has almost continually been under strong pressure and in serious danger from armed insurrections both by various non-Burman groups and by not one but two Communist factions.

#### ECONOMIC DEPENDENCE

Another effect of Western colonialism on the countries of Southeast Asia has been the conversion of their economies from

subsistence economies to systems geared to the production of a few raw commodities for exportation to the industrial nations of the West or to the surrounding area. This has rendered each of the new nations excessively, and therefore precariously, dependent on the few commodities which it was decreed by the mother country to produce. This remains, in varying degrees, the pattern in Southeast Asia to this day. Thus, Malaysia depends on the exportation of tin and rubber for its economic life, the Philippines on copra and sugar, Thailand on rice, Cambodia on rice and rubber, Indonesia on rubber, petroleum and tin, and so on. Burma's dependence on its rice exports is particularly acute, rice constituting as it does 60 to 70 per cent of Burma's exports, the rest being other primary commodities.

This dependence on primary commodity exports has rendered the economies of the developing nations of Southeast Asia highly vulnerable not only to the vagaries of nature — to typhoon and pestilence, to drought and flood — but to uncertain markets and fluctuating prices that rise and fall according to the demands and policies of buyer-countries, particularly of Europe, North America and Japan. The national policies, including the foreign policies, of the countries of Southeast Asia, therefore, have a two-fold economic goal: to obtain better and more stable prices for the products on which they depend, and to diminish this dependence on a few commodities by industrializing and otherwise diversifying their economies, while at the same time seeking to provide the welfare benefits that their peoples have come to expect.

#### THE PRESENCE OF CHINA

A third factor which weighs heavily on the policy-makers of Southeast Asia is the great continent of China immediately to the north, with its teeming millions, its growing military power, its political aggressiveness, with a Communist regime to which the Communist insurgents of Southeast Asia look for inspiration, encouragement and support, and with millions of its nationals scattered throughout Southeast Asia. Again, except for the special case of Vietnam, the presence of China has loomed largest for Burma, with its 1,500-mile border with

China and with two Communist factions in unceasing rebellion during the last twenty years.

The nations of Southeast Asia have, of course, reacted to the reality of China in different ways, depending on geographic, historical and other factors. Some have adopted a policy of accommodation with China. Others have sought security in the presence of the United States and, to a lesser extent, of Britain as a counter-force to Chinese power. In either case, it is the reality of China that is the ultimate consideration in foreign national security policy.

These three factors — the struggle for national unity, an undue dependence on one or two export commodities and the urgency of reducing this dependence by industrial development, and the reality of China — have exerted so much pressure on Southeast Asia's leaders that they have all but dictated the major foreign policy decisions that these leaders have had to make.

This is not to say that the course of the foreign policies of the countries of Southeast Asia has not been subject to such influences as the leaders' view of the world and the nation's place in it, the personal philosophies and predilections and prejudices of individual statesmen, internal squabbles among parties and politicians, the opinions of intellectuals and the press, border disputes with immediate neighbors, and so on. Certainly, individual decisions of policy-makers are influenced by these leaders' personal judgment as to the relative importance in a given case of each of the three vital factors which I have mentioned. Nevertheless, it is quite apparent that these three vital considerations have severely limited the freedom of action of the leaders of Southeast Asia in foreign affairs and have largely determined the major decisions which have shaped their foreign policies.

This has been especially clear in the case of Burma.

#### THE POLICY OF NON-ALIGNMENT

The evolution of Burma's policy of neutrality of non-alignment is a good illustration of how the three basic problems —

the life-and-death struggle for national unity, the need to sell rice abroad and the need for external assistance to promote economic development, and the presence of China — have directly induced the major shifts in Burma's foreign policy.

Although Burma's leaders have since independence expressly and repeatedly defined the cornerstones of their foreign policy to be non-alignment with any power bloc, friendly relations with all nations, and "the refusal by Burma of any foreign aid which would be detrimental to the political, economic and strategic freedom of Burma,"<sup>1</sup> in actual practice the Burmese were not in the early years of independence the strict adherents to the policy of non-alignment that they later came to be, if by non-alignment we mean the avoidance of military agreements, defense treaties and the like.

In fact, even before Burma attained its independence, it had concluded with Britain the Bo Let Ya-Freeman Defense Agreement, signed in Rangoon on August 29, 1947, and later appended to the Treaty of Independence between the Provisional Government of Burma and the United Kingdom. The Defense Agreement provided for the evacuation of British troops out of Burma, the provision of a British Naval, Military and Air Force Mission to Burma, the maintenance of Mingaladon Airfield, the transfer of some British vessels to the Burmese Government, and the sale by Britain of war material to Burma.

While the military mission provided for in the agreement would only be a training mission and the agreement itself is by no means a military alliance, the Bo Let Ya-Freeman Agreement did stress that it had been concluded "without prejudice to any Military alliance which may be made in the future between the Government of Burma and the United Kingdom Government."

---

<sup>1</sup> Thakin Nu, "The Nature of the Leftist Unity," speech delivered at a mass rally in Rangoon, June 13, 1948; in *Towards Peace and Democracy* (Rangoon: Ministry of Information, 1949), p. 133.

## THE SEARCH FOR ALLIES

Indeed, on June 14, 1949, Prime Minister Thakin Nu told the Burmese Parliament:

Regarding the Union Government's foreign policy, I have made it clear on several occasions. I wish to reiterate one particular point. It is no other than our earnest desire to cooperate as closely as possible with countries of common interest, in economic, political, defence matters, with a view to the achievement of common ends.

Although our independence is over a year old, we have up till now no economic or defence treaty on which we can fall back in time of need. It is obvious that we cannot go on in this fashion indefinitely. It is now time that we should enter into mutually beneficial treaties or arrangements, defence and economic, with countries of common interest. The Union Government is at present considering this question in all its aspects.<sup>2</sup>

Earlier, two weeks before independence, Thakin Nu stressed the need for strong allies:

To prevent the destruction of our liberties (through external conquest), we need good allies. In a world where the battle is to the strong, our country cannot stand alone.<sup>3</sup>

Even more significant than their need for protection against potential aggressors is suppressing the insurrections that were ravaging the country in the early years of its independence. The Burmese could not possibly turn to the Communist block for this help, since the two Burmese Communist factions were among the most active, violent and dangerous of the rebel groups, and the Burmese were acutely aware that it was precisely the world Communist movement, particularly Moscow, which was the inspiration, if not the instigator, of the Communist rebellion in Burma and to which the Burmese Communists looked for support. Indeed, the Communist insurgency in Burma began in earnest following the organizational meeting of Cominform in

---

<sup>2</sup> Thakin Nu, "Democracy Versus the Gun," speech delivered in the Burmese Parliament, June 14, 1949; in *Towards Peace and Democracy*, p. 209.

<sup>3</sup> Thakin Nu, "Towards a Lasting Peace," presidential address at the All-Burma AFPFL Conference, December 20, 1947; in *Towards Peace and Democracy*, p. 33.

Poland in September 1947, at which the Communists called for armed revolution in the developing countries of the world.

Thus, Burma's leaders could only turn to the West, particularly Britain and the United States, for the much-needed military assistance to suppress the insurrections. Just before the fall of mainland China to the Communists, Foreign Minister U E Maung and General Ne Win were dispatched to London and Washington to solicit such assistance. For various reasons, except for eight U.S. patrol boats turned over in October 1949, virtually none was extended. But Burma did try to obtain substantial military aid from the West, and even to get the West interested in some kind of security arrangement for the Pacific area. Prof. William C. Johnstone asserts, "From the public record it would seem that the Burma government had become directly involved in discussion with Western nations looking toward some sort of agreement, even a defensive alliance as a check to Chinese Communist expansion."<sup>4</sup> Frank Trager makes the same point and adds, "But at this time the United States was cool toward collective defense arrangements in the area, and cited in support the views of Prime Minister Nehru in opposition to such arrangements."<sup>5</sup>

However, Thakin Nu's search for "good allies," his initial desire for economic and defense treaties with "countries of common interest," and his solicitation of external aid for his struggle against the insurgents did not necessarily mean that Burma was intending to join any power bloc as such or take sides in the Cold War in the same way as Thailand and the Philippines. Indeed, Burma had even declined to join the British Commonwealth, which other non-aligned nations had had no scruples in joining. Apparently Thakin Nu would rather have bi-lateral agreements than multi-lateral alliances.

On December 11, 1949, Thakin Nu told a mass rally in Rangoon:

---

<sup>4</sup> William C. Johnstone, *Burma's Foreign Policy* (Cambridge: Harvard University Press, 1963), p. 54.

<sup>5</sup> Frank N. Trager, *Burma—From Kingdom to Republic* (New York: Praeger, 1966), p. 219.

Our circumstances demand that we follow an independent course and not ally ourselves with any power bloc. We are therefore determined to follow this course no matter what critics say, and we will march breast to breast with any country that respects our sovereignty and association with which will be of mutual benefit both to ourselves and to that country.<sup>6</sup>

In the course of his defense in Parliament of Burma's support for United Nations actions in Korea, Thakin Nu declared that the main reason for Burma's joining the U.N. "was the expectation of United Nations assistance when our country is subjected to aggression by a stronger power." Because she was too weak and too small to raise an effective defense against aggression, Burma had to join an "organization which can come to our aid in time of need." This organization could not be either of the two power blocs because of Burma's "policy of non-partisanship," he stressed.<sup>7</sup>

Nor could Thakin Nu have led Burma into the Western camp even if he had wanted to, which he did not, and no matter how much he needed Western military and other assistance in keeping his nation together. Indeed, it was precisely the desperate need for national unity that kept the Burmese Government from moving so close to the West as to compromise its policy of non-alignment. For this was precluded not only by the Marxist orientation of the Burmese leaders, not only by their anti-colonial sentiments, but also by the fact that this would have exacerbated the ideological fissures within the nation which had already exploded into the two Communist rebellions. As it was, Thakin Nu often had to summon all his gifts of persuasion in defending, first, the Bo Let Ya-Freeman Agreement against the attacks of the Communists and his own colleagues in the AFPFL and, later, his willingness to receive aid from the West, as well as his refusal to commit his nation to the Communist camp.

---

<sup>6</sup> Thakin Nu, "Insurrection: An Analysis and a Remedy," speech delivered at a mass rally, December 11, 1949 in *From Peace to Stability* (Rangoon: Ministry of Information, 1951), p. 51.

<sup>7</sup> Thakin Nu, "Korea," speech delivered in the Burmese Parliament, September 5, 1950; in *From Peace to Stability*, pp. 95-105.

Thus, while the Burmese leadership was forced to turn to the West by the urgent need to hold the nation together, this same concern for national unity prevented it from throwing its lot completely with the West.

Nevertheless, Burma was not in the beginning averse to seeking military and other assistance from the West both as a defense against possible external aggression and, more immediately, as an aid to putting down the insurrections that were threatening to tear the country asunder — even to the extent of proposing a regional security arrangement with the West.

#### THE EMERGENCE OF COMMUNIST CHINA

However, the Communist takeover of the mainland of China altered the course of Burmese policy. The Burmese no longer had to worry about the internal insurrections alone; they now had to contend with the threat of possible Chinese aid to the Communist rebels in Burma.

Just as Burma promptly opened relations with the Soviet Union following her attainment of independence partly in order to head off Soviet assistance to the Communist rebels, Burma quickly recognized the new Communist government in Peking, which was, geographically at least, in a much better position than the Soviet Union to support the Burmese Communists. Burma also joined those nations which sponsored the Peking regime's representation in the United Nations. Moreover, as Dr. Maung Maung flatly stated, "the fear of aggression was at the back of the Union Government's mind when it decided to be the first to recognize the new Communist regime in China."<sup>8</sup>

Thus, Communist China dangled two threats over the head of Burma: first, the possibility of massive Chinese aid to the Communist rebels, and second, the insecurity represented by the long Sino-Burmese border, the settlement of which the Chinese kept postponing for years, thereby posing the continuing threat of possible Chinese border action. How real was

<sup>8</sup> Maung Maung, *Burma in the Family of Nations* (Amsterdam: Djambatan, 1956), p. 147.

such a border threat from China was dramatized by the Chinese seizure of Tibet in 1950.

The Burmese response to these threats was to adopt a policy of accommodation with China and to try, at almost any cost, to get the Chinese to agree to the definition of the long-unsettled Sino-Burmese border.

These threats thus served to limit further Burma's freedom of action in international affairs. For instance, at the same time that China finally consented to the delimitation of the Sino-Burmese border and signed an agreement with Burma to that effect in 1960, a treaty of friendship and non-aggression between the two countries was also concluded, in which Burma pledged not to join an alliance directed against China. Although this non-aggression clause was, on the face of it, reciprocal, it actually bound only Burma since China already had an alliance with the Soviet Union. The Burmese obviously felt that the restriction of their freedom to join alliances was not too high a price to pay for the settlement of a border problem that was for them the source of so much insecurity.

#### THE KUOMINTANG PROBLEM

Burma's sense of insecurity arising from her border with Communist China, as well as her internal security problem, was aggravated by the entry into Burma of remnants of the routed Nationalist Chinese Army who were fleeing from the victorious Communist forces in Yunnan. At first, these stragglers lived peacefully enough among the population in the area. But in the beginning of 1951, after defying a Burmese Army ultimatum to surrender their arms or leave Burmese soil, these alien troops proceeded to organize themselves into a fighting force with headquarters in Mong Hsat and began to recruit additional soldiers all along Burma's eastern frontier, so that their numbers had swelled to 4,000 by April 1951, and to about 6,000 by the end of that year, and by the time the Burmese first took the case to the United Nations they could claim that there were 12,000 well-armed, well-equipped Kuomintang fighting men on Burmese soil — a figure reportedly admitted by the Nationalist Chinese Chargé d'Affaires in Bangkok.

By their very presence on Burma's sensitive border area and by the positive acts of armed violence and subversion that they committed, the KMT troops immeasurably added to the turmoil caused by the various insurrections and to the general lawlessness in the Burmese countryside. They carried on depredations against the civilian population in the villages, imposed their own administration over the area they occupied, promoted rebellion among the frontier peoples to the extent of putting up their own puppet chieftains, and at various times joined forces with the Karen insurgents, the Mon rebels and other rebellious groups.

But not only did the KMT forces seriously aggravate Burma's internal troubles. While they occupied areas of Burma that bordered on China, they posed the continuing danger that Communist Chinese troops would come pouring into Burma in retaliation for the raids that the KMT forces carried out in Yunnan and in order finally to do away with the presence of hostile elements across the border. The danger was heightened by the fact that, as far as the Chinese were concerned, both Communist and Nationalist, this border was still undefined. This threat from China was underscored by the discovery by the Burmese press in 1956 and the admission by the Burmese Government in 1957 of the presence of Communist Chinese troops on the Burmese side of several disputed sections of the Sino-Burmese frontier, and by the subsequent revelations of actual armed clashes between Communist Chinese and Burmese troops in 1955-1956.

The presence of the Kuomintang forces on Burmese soil represented such a grave threat to Burma's internal and external security that it became a sore point in Burma's international relations.

Burma's attitude toward the United States, for instance, hinged for some time on U.S. actions on the KMT issue. At the United Nations, the Burmese delegation marshalled a great deal of evidence to support their contention that the KMT activities in Burma were being carried out with the approval, and indeed under the direction and control, of the Nationalist authorities in Taipei, that as many as 700 "instructors" had

been flown from Burma to Taipei for training and back to Burma, that the Taiwan regime was arming and supplying the Chinese insurgents in Burma on a large scale.

In part at least, the Burmese traced this support to the United States—indirectly through U.S. military and economic aid to Taiwan. Specifically, the weapons with which the insurgents were armed and the aircraft through which they were supplied were of American manufacture. Of graver import, however, were the unofficial Burmese accusations and veiled hints of direct American participation in the KMT activities. In his speech at the United Nations General Assembly, Justice U Myint Thein, head of the Burmese delegation, mentioned “some occidental instructors or advisers” among the KMT forces and stressed the American origin of the insurgents’ weapons.<sup>9</sup> In 1961 Burmese students rioted before the American Embassy in Rangoon following the shooting down of a Chinese-manned American plane over Burma and clashes between Burmese forces and KMT troops armed with American weapons.

Aware that the Taiwan regime depended on the United States for its survival, the Burmese pressed the U.S. to exert pressure on the Nationalists to persuade them to desist from further supporting their comrades in Burma. The second time Burma brought the KMT case to the United Nations, U Myint Thein told the Political Committee:

Without meaning to be ungrateful (for U.S. efforts to bring about a solution to this problem), I venture to state that in dealing with the authorities on Formosa, moral pressure is not enough. If something more than that, such as a threat of an ouster from their seat in the United Nations, were conveyed to the authorities on Formosa, or if the United States would go a step further and threaten to suspend aid, I assure you the Kuomintang army will disappear overnight.<sup>10</sup>

It was true that the United States actively sought a solution to the problem, principally through its chairmanship of the four-nation commission created in pursuance of the U.N.

---

<sup>9</sup> Proceedings of the resumed Seventh Session of the United Nations General Assembly, reprinted in *Kuomintang Aggression Against Burma* (Rangoon: Ministry of Information, 1953), p. 41.

<sup>10</sup> Quoted in Johnstone, *op. cit.*, p. 230.

resolution on the KMT-in-Burma question, through its embassies in Rangoon, Taipei and Bangkok, and through the use of its aircraft in evacuating some of the KMT soldiers out of Burma. Nevertheless, the Burmese thought that the U.S. efforts were not vigorous enough and the steps taken were of a token nature. This problem thus colored the Burmese view of the United States for a number of years. Indeed, the U.S. action — or, in the Burmese view, inaction — on this issue in part led to the termination of the U.S. aid program in Burma just before the submission of the question to the United Nations.

Prof. Johnstone summarizes the relationship between the KMT issue and the termination of U.S. aid thus:

Since the Burma government did not recognize the Chinese Nationalist regime on Formosa, the AFPFL leaders turned to the United States for help in solving the problem. They were convinced that the KMT troops were being supplied from Nationalist-held Taiwan and with tacit American agreement. Rumors of direct American military assistance appeared continuously in the Rangoon press. The Burma government believed that the Nationalist government was so obligated to the U.S. it would yield to strong American pressure. When that pressure was not forthcoming soon enough and when the United States seemed unwilling to exert real pressure, the Burma government used counterpressure. The AFPFL justified their action in terminating American aid on moral grounds. They explained they could not continue to receive aid from the U.S. on the one hand when U.S. aid to the Chinese Nationalists was encouraging them to assist the KMT refugee troops on the other hand. The Burma leaders also felt that their case before the United Nations would be strengthened if they were not the recipients of U.S. help.<sup>11</sup>

Maung Maung suggests that the Union Government "probably felt that the receipt of aid from America might prejudice her case (in the U.N.) as regards those member states of the UNO which belonged to the Soviet-Russian bloc."<sup>12</sup> According to Trager, the Burmese Foreign Minister's note to the American Ambassador in Rangoon asking that the U.S. aid program be put to an end originally contained a reference to the KMT activities in Burma, but this was deleted by informal agreement between the Foreign Ministry and the Embassy.<sup>13</sup>

<sup>11</sup> *Ibid.*, pp. 65-66.

<sup>12</sup> Maung Maung, *op. cit.*, p. 142.

<sup>13</sup> Trager, *op. cit.*, pp. 320-321.

Burma's decision to terminate the U.S. aid program is thus another example of how an important foreign policy decision was strongly influenced by the Burmese Government's sensitivity to the Chinese threat to the country's external and internal security, a threat focused in this case on the KMT question.

#### THE POLITICS OF RICE

There was another important factor which at this time caused what, on the surface, appeared to be a deliberate shift on the part of the Burmese from a stance of neutrality that leaned toward the West to one that inclined increasingly toward the Communist bloc, but was actually a series of steps practically forced on Burma by the urgent problems with which it was faced. This factor was rice.

The opening of the vast rich lands at the mouths of the Irrawaddy, Sittang and Salween rivers following the British annexation of Lower Burma in 1852, and their planting almost exclusively to paddy, transformed Burma within a short period from a principally subsistence economy to an extractive, commodity-exporting country along classical colonial lines.

The dynamic nature of this transformation can be seen from this account of the phenomenal expansion of the rice industry in Burma:

Whereas in 1830 there were only 66,000 acres in paddy, by 1845 there were 354,000 acres. Thereafter the rate of expansion was about 45,000 additional acres a year until 1860, and the two decades after 1860 brought a two and a half fold increase from 1,333,000 acres to 3,102,000. By the turn of the century new lands were still being opened up at the rate of over 200,000 acres a year. World War I cut back the pace of new cultivation to only about 126,000 acres a year; by 1920 the total acreage had reached 8,588,000, and by the time of the Japanese invasion the figure was approaching 10 million. The exports of rice kept pace with this expansion until, by the 1930s, Burma was regularly exporting about three and a half million tons of milled rice a year. All this growth stayed well ahead of the rise in population: from the opening of Suez to World War II there was over a ten-fold increase in production and only a four-fold increase in population, including the immigration of a million Indians and 200,000 Chinese.<sup>14</sup>

<sup>14</sup> Lucian W. Pye, *Politics, Personality and Nation-Building: Burma's Search for Identity* (New Haven and London: Yale University Press, 1962), pp. 85-86.

Burma thus came to depend — and continues to do so — on the production and exportation of rice for its economic viability and for the foreign exchange that it needs to support its development programs. The war and the internal insurrections disrupted rice production and national life as a whole. But in the early 1950's, the Korean war prompted nations to stock-pile vital commodities, launching Burmese rice into some kind of a boom, which, although rice exports never reached the highest pre-war levels, greatly strengthened Burma's foreign exchange reserves to an all-time high of \$265 million in mid-1953.

The decreased demand for rice following the end of the Korean war left Burma with a large surplus and sent rice prices plunging down. To compound the problem, traditional buyers of Burmese rice, such as India, Japan and Ceylon, cut down their imports from Burma because of bumper crops of their own or because of the allegedly inferior quality of Burmese rice or for both reasons. Poor storage facilities have also been blamed for forcing Burma to dispose of its surpluses at extremely low prices, which by 1956 had gone down to about 40 per cent of the Korean war high of \$238 a ton. As a direct result of this, Burma's foreign exchange reserves dipped to just a little over \$100 million in 1955.

Beset as they were by economic troubles, the Burmese in late 1953 began negotiating for the resumption of U.S. economic aid. But they insisted on paying for this assistance with Burmese rice. Prime Minister U Nu declared: "Burma is willing to accept United States economic aid but we do not want it free. We prefer to pay for it as this forms a more solid basis for friendship than acceptance of gifts."<sup>15</sup> Under the Burmese proposal, the U.S. was to purchase Burmese rice for sale to rice-importing Asian countries and Burma was to hire U.S. technicians and purchase machinery with the dollars earned from the rice sale. With its own grain surplus to dispose of, the U.S. Government rejected the offer.

---

<sup>15</sup> *The New York Times*, October 14, 1954, as quoted in Johnstone, p. 81, and Trager, p. 334.

To make matters worse, U.S. Public Law 480 was enacted in July 1954. Designed to help dispose of U.S. agricultural surpluses, it in effect legislated the dumping of U.S. rice and wheat in Asia in competition with Burmese rice in its traditional markets. With the very backbone of the country's economy in serious difficulties, this naturally raised an outcry in government and in the press.

Thus, apart from the anti-U.S. sentiments aroused by the effects of American policy on Burma's rice exports, sheer economic necessity forced Burma to turn to the Communist bloc, which was quick to grasp this opportunity to extend its economic influence to a non-aligned country which had theretofore not had any kind of trade with or aid from a Communist country. This decision was made easier for Burma to make by the fact that, since Stalin's death, the Communists had changed their tactics from calling for the overthrow of neutralist regimes to winning them over.

From November 1954, to February 1956, Burma negotiated a series of economic agreements with China, the Soviet Union and the other Communist countries of Eastern Europe except Yugoslavia and Albania. These generally involved the purchase of Burmese rice in exchange for credit, technical assistance, industrial products and construction projects — most of them in effect barter arrangements.

The Burmese later experienced some of the disadvantages involved in these arrangements. They were stuck with many products that were of poor quality or were unduly expensive. Barter trade tended to tie the Burmese economy too closely to those of the Communist countries, aside from the awkwardness and lack of flexibility generally inherent in barter. But at the time these economic agreements were negotiated, Burma did not seem to have much choice. It simply had to find outlets for its surplus rice. Basically, this is a consequence of the Burmese economy's over-dependence on one agricultural export commodity, a condition common to developing countries.

Subsequently, however, due to Burma's need for development capital and technological know-how, U.S. aid was resumed

in 1956, while Burma continued to avail herself of assistance from other countries of the West, from India and from the United Nations. In 1954, Burma signed a peace treaty with Japan and successfully negotiated for Japanese reparations in the form of goods and services and investments in joint ventures in Burma.

Thus, the major elements of the U Nu regime's foreign policy—its cautious neutrality, its determination to fix the boundary with China and to seek the goodwill of Peking, the establishment of close economic ties with the Communist states while cultivating other sources of financial and technical assistance and keeping open trade channels with the West — were practically imposed upon the Burmese by their three fundamental problems of national disunity, dependence on one export commodity and the need for economic development, and the dominant presence of a big power—problems which are shared by other Southeast Asian nations in varying degrees.

#### THE NE WIN REGIME

The government of General Ne Win, which took over the Union's leadership and abolished its Constitution in March 1962, followed the general outlines of the foreign policy laid down by U Nu. For the Ne Win regime faced and continues to face the same problems and is subject to the same pressures as U Nu's administration. In fact, in its first foreign policy statement, issued March 3, 1962, the day after the coup, the Revolutionary Council headed by Ne Win explicitly upheld the policy of "positive neutrality" which had evolved under U Nu.

For foreign policy considerations apparently played little part both in the military's decision to take over the government and in the radical steps the Ne Win regime took to establish a firm grip on the political, economic and social life of the country. What moved the generals to take over were internal developments which, since U Nu returned to the premiership in 1960, had been placing the unity of the nation once more in grave peril. The first of these dangers to the national unity was the threat of secession on the part of the minority ethnic

groups. The Arakanese and the Mons, and later the Chins, were pressing claims for separate statehood. The Shan rebels, the Communists and the Karen National Defense Organization, as well as remnants of the KMT troops in Burma, had stepped up their guerrilla activities. Just before the military takeover, Shan, Kachin, Chin and Kayah representatives agitated for a looser federal structure at a "seminar" presided over by U Nu himself, hinting outright secession if their demands were not met. Aside from these secessionist tendencies, national unity was being threatened by the break-up of the ruling Pyidaungsu (Union) Party into the Thakins and the U-Bos and by the bitter dispute over the proposed establishment of Buddhism as the state religion.

Ne Win therefore set out to do two immediate, complementary tasks — to forestall the secessionist movement among the ethnic minorities, which he sought to do through a combination of toughness and conciliation, but with limited success; and to strengthen the hold of the government, especially of the armed forces, in the minority areas and on the political and economic life of the nation as a whole. To accomplish the second task, the military regime moved with a ruthlessness that matched the urgency of the situation. Parliament was dissolved and the Constitution abolished. The regime embarked on wholesale arrests of government leaders, including the President, the Prime Minister, the Speakers of Parliament, the Chief Justice, several Cabinet Ministers and Shan leaders. It cracked down on rebellious students and took over control of the schools and libraries. It suspended the activities of private aid agencies, specifically the Asia Foundation, the Ford Foundation and the British Council, explaining that the regime preferred that foreign aid be on a government-to-government basis. It formed a single political party controlled by the Revolutionary Council to replace all other parties and the parliamentary system itself.

The most significant move that the military regime made in tightening its hold on the nation was its progressive nationalization of almost all sectors of the economy. While the Western press naturally played up the effects of the nationalization measures on the American and European establishments

operating in Burma, the nationalization measures seemed to be less xenophobic than socialistic in motivation. For the government took over from Burmese and foreigners alike, and if the nationalization was deliberately aimed at foreigners at all, these were primarily the Indians and the Chinese rather than Western businessmen.

While the nationalization campaign has effectively restricted the activities of foreign businesses in Burma, the Ne Win regime has vigorously promoted foreign trade (albeit with the Burmese Government doing all the trading), economic cooperation with other countries, and financial and technical assistance from them.

For foreign aid and trade continue to be important to Burma. They may be even more important than ever. For now the problem is no longer only the disposal of rice, but its production as well. Rice exports have steadily gone down from the post-war high of 2.1 million tons in 1959-1960 to 1.8 million tons in 1962-1963 to 1.1 million tons in 1965-1966. There is also the continuing need not only to expand agricultural production but to develop industry in order to diversify the economy and reduce its dependence on rice.

To move the economy in this direction, Ne Win has tried to obtain cooperation from all possible sources being careful, in line with the foreign economic policy laid down by U Nu, to balance Burma's aid sources and trading partners among the United States, Western Europe, Israel (to which Burma seems to have a particularly strong attachment), the Soviet Union, Eastern Europe, China, India and Japan.

#### BALANCING ACT

This careful balancing act was demonstrated during the first year of the Ne Win regime. On July 12, 1962, an economic agreement between Burma and West Germany was signed in Rangoon. Two days later, the 1955 Burma-USSR trade agreement was extended. In August, the results of a Russian survey indicating the presence of natural gas at Chauk were announced, together with plans to set up a chemical fertilizer

plant in the area with Soviet aid. A month later, it was announced that Chinese experts had decided on a site for a paper mill to be built with a Chinese loan. On August 28, Burma concluded an agreement with the United States under which the U.S. Agency for International Development would extend a loan of \$34 million for the purchase of equipment with which to reclaim ricelands in Pegu and Irrawaddy Divisions. On August 30, Burma and the USSR arrived at an agreement under which the Soviet Union would extend a long-term loan of 3.5 million roubles for the construction of a reservoir in Myingyan District. In September the 1959 trade agreement with Poland was extended. The next month Burma signed its third P.L. 480 agreement with the U.S., under which Burma would buy U.S. cotton and tobacco, with part of the proceeds to be devoted to economic development loans and outright grants and the rest to be used for U.S. expenses in Burma. This has been the general pattern of Burma's foreign economic relations under the Ne Win regime since then.

This same balance was maintained in other fields. When General Ne Win went on a round of state visits in 1966, for instance, he was careful to visit Czechoslovakia and Rumania in July, before going on an extended visit to Britain from July to September and from there to the United States, from September 7 to 18. He rounded this off with trips to Japan, September 19-26, and to Thailand, September 26-30. Earlier in the year, Ne Win made a private visit to India before receiving Liu Shao-chi and Chen Yi in Rangoon.

It is in the same spirit of caution that Burma under Ne Win has noticeably turned inward. It has discouraged tourists from entering the country, and did not allow the ECAFE-promoted Asian Highway to go through it. It refused to join the Asian Development Bank, in spite of the fact that its principal sponsor, the U.N. Economic Commission for Asia and the Far East, is headed by U Nyun, a Burmese national. It also turned down invitations to join the latest regional organization, the Association of Southeast Asian States, in spite of a personal visit to Burma by Indonesia's Foreign Minister to sell the idea to General Ne Win. Nor has Burma seen fit to join any of the

other regional associations. It has declined to participate in many international economic conferences. It did not even attend the meeting of the group of 77, the bloc of developing nations in the United Nations Conference on Trade and Development, which was held in Algiers in October 1967. Significantly enough, it was not represented at an international Buddhist conference convened in Peking in October 1963, to condemn the alleged persecution of Buddhists in South Vietnam.

The Ne Win regime, however, has maintained and even expanded those aspects of its international relations that would bring the country immediate tangible benefits. Thus, it has actively promoted bi-lateral economic arrangements designed to support its economic development program with external financing and technical assistance and to dispose of Burmese rice under the best possible conditions. Burma under Ne Win has remained active in the Colombo Plan, and hosted the 1967 ministerial meeting in December in Rangoon. Although its faith in the political efficacy of the United Nations was somewhat shaken by the U.N.'s failure to condemn Nationalist China for the activities of the KMT insurgents in Burma and to work out a satisfactory solution to this problem, Burma has continued to take active part in the United Nations and to participate in its technical assistance program.

#### BURMA'S BORDERS

As U Nu did during his long tenure as head of the Union Government, and as Ne Win himself did during his caretaker regime of 1958-1960, when he successfully negotiated the Sino-Burmese border agreement, the Ne Win government has devoted a great deal of attention and effort to securing the country's borders and promoting peace in the immediate area. It repeatedly expressed its concern over the Sino-Indian border conflict of 1962 and its anxiety to have that conflict settled. Burma was one of the six non-aligned nations (the others being Ceylon, Cambodia, Indonesia, Ghana and the United Arab Republic) which met in Colombo in December 1962, to work out proposals for the settlement of the Sino-Indian war. Among these non-aligned nations, Burma alone had a truly vital in-

terest in seeing not only the armed conflict but the border dispute itself settled, since the northwestern portion of the Burma-China frontier could not be demarcated until the Sino-Indian boundary question in the same area was finally resolved.

Burma has also taken a great interest in the events in Laos. As an immediate neighbor of that country, Burma was one of the fourteen nations that took part in the 1961-1962 Geneva conference on Laos and was a signatory to the agreement which that conference produced.

In line with its determination to put the country's borders in order, the Ne Win regime has pushed the conclusion of border agreements with Burma's other neighbors — Thailand, Pakistan and India. In March 1963, Foreign Minister U Thi Han and Thai Foreign Minister Thanet Khoman met in Bangkok to discuss the problem of the Thai-Burmese frontier, which had long been an area of operations of the Kuomintang troops and other insurgents. As a result of these talks, the two foreign ministers signed an agreement in Rangoon in May, creating a high-level committee which would confer on measures to strengthen border security, solve specific border problems that might arise in the future, and promote economic and cultural cooperation between the two countries. Since then several meetings have been held in pursuance of this agreement.

Only slightly less troublesome is the long-unsettled border between Arakan and East Pakistan, which has been plagued by illegal immigration and banditry. In 1959, General Ne Win arrived at an agreement with President Ayub Khan to put up a Joint Burma-Pakistan-Commission. After taking over the government for the second time, Ne Win resumed his efforts in this regard. In 1964, the Burmese and Pakistani Foreign ministers agreed on a survey of the Naaf River so that the fluctuating boundary between the two countries could be finally fixed. A boundary treaty was signed in 1966.

The Ne Win regime next turned its attention to the nation's 900-mile border with India, in a way a more delicate question than the other boundaries since it involved the junction of the territories of Burma, China and India. On March 10, 1967, representatives of the two governments signed an agree-

ment in Rangoon providing for a Joint Boundary Commission which was to demarcate the border, prepare border maps and draw up a frontier treaty. Instruments of ratification of this agreement were exchanged in New Delhi on May 30.

Thus, the Ne Win regime has pursued basically the same national security and foreign policy goals as did the government under U Nu: to preserve national unity at all cost, to obtain economic assistance from all possible sources, to secure the country's borders, especially the border with China, and to seek safety in a policy of accommodation with Peking.

#### THE BALANCE SHIFTS

While in the beginning the Ne Win regime sought to cultivate correct, even friendly, relations with its big northern neighbor, the Great Proletarian Cultural Revolution of 1966-1967, the consequent reversion of the Chinese leadership to an attitude of belligerence toward the world, including China's neighbors, and the spilling over of Red Guard fervor among the Chinese students in Burma have induced a shift in the balance on which Burmese foreign policy is precariously maintained. It is not yet possible to know whether the events of 1966 and 1967 represented a deliberate shift in China's foreign policy toward her neighbors and neutralist countries in general, or whether they were just symptoms of a temporary aberration. But certainly it is reasonable to expect that the future of Sino-Burmese relations will be greatly affected by internal developments in China, as the events of 1966-1967 have seriously affected them.

As far as Burma is concerned, these events reached a climax in June 1967, and the months following. Trouble between Burma and China had been brewing since the previous year. Implementation of the 1961 economic and technical cooperation agreement was almost at a standstill. As of late 1966, of the 25 projects supposed to be financed by the \$84-million interest-free loan extended to Burma under the agreement, only one had been completed—the Kunlong Bridge across the Salween on the road through the sensitive Shan State from Lashio to the Chinese border—a project that was of little economic im-

portance for Burma but of great strategic significance for China. China had also pressed on the Burmese \$14.4 million worth of Chinese products that turned out to be of inferior quality. What was more serious was the increasing hostility to the Ne Win regime of Chinese broadcasts and articles. The Communist (White Flag) rebellion was stepped up, evidently with Chinese encouragement. Chinese students in Burma began to engage in Red Guard-type activities.

These troubles broke out into the open with the anti-Chinese riots in Rangoon that Chinese students provoked by their pro-Mao demonstrations and by their defiance of a government order prohibiting the wearing of badges other than those approved by the government, an order obviously aimed at the Red Guard badges worn by the students. About 5,000 Burmese demonstrators stormed the school where the Chinese students had holed up, then moved on to the Chinese Embassy, attacking the building, killing a Chinese construction expert and seriously wounding another official. Although Burmese troops tried to protect the Chinese from the rampaging mobs, an official note from Peking, as well as Hsinhua and Radio Peking, charged the Burmese Government with instigating the demonstrations. Some 10,000 demonstrators gathered outside the Burmese Embassy in Peking, burning General Ne Win in effigy.

At airport ceremonies on the arrival of the body of the Chinese technician killed in the Rangoon riots, Thakin Ba Thein Tin, First Vice Chairman of the White Flag Communist Party, who had taken refuge in Peking, confirmed in the presence of Chou En-lai and other Chinese high officials, what the Burmese Government had been convinced of all along: that the Communist rebellion in Burma had the full sympathy and support of Peking. The chief Hsinhua correspondent in Rangoon, who had been expelled from Burma soon after the demonstrations, revealed in Peking that the "mammoth people's war" which the White Flags were waging had the encouragement of China. In August 1967, the Central Committee of the Chinese Communist Party sent a telegram to the Burma Com-

munist Party pledging support to the Burmese Communists' rebellion.

The upshot of the anti-Chinese demonstrations in Burma, the killing of Chinese nationals, the arrest of Peking sympathizers in Rangoon, the destruction and looting of Chinese stores in Burma, the counter-demonstrations in China, and the exchange of bitter words between Rangoon and Peking was the scrapping of the Chinese aid program in Burma, China's largest in the non-Communist world, and the recall of the Chinese aid technicians from Burma in October.

Although, with the cooling off of the Cultural Revolution, the quarrel between China and Burma seems to have simmered down a little (the Chinese Ambassador to Burma has returned to Rangoon), Sino-Burmese relations, so carefully nurtured by both countries over the years, have been badly shaken. Moreover, with Peking more or less openly supporting the White Flag Communists, who have stepped up their sabotage and terrorist activities, with Chinese agents said to be operating among the rebel ethnic groups, with Communist, Kachin and Karen rebels fighting more or less together, Burma's internal unity is once more gravely threatened — this time with China itself heavily involved.

This has shaken the delicate balance which Burma has sought to maintain in trying to achieve its three goals of national unity, development assistance from outside and accommodation with China. This time the need to preserve internal unity has come in direct conflict with the need to come to terms with China. Ne Win has responded by vigorously resisting Chinese pressures, and Burma has once more turned, if ever so slightly, to the West.

During his September 1966 visit to the United States, Ne Win reportedly asked President Johnson for an enlarged military aid program. (Burma had a small-scale ten-year military assistance agreement with the U.S. which expired at the end of 1967.) U.S. transports are said to have landed in Rangoon with weapons for anti-guerrilla warfare. A seven-man Burmese defense team went to Japan sometime in 1967 to in-

spect U.S. weapons and equipment in one of the U.S. military bases there. U.S. pilots are expected to train Burmese airmen in jet fighters supplied by the U.S.<sup>16</sup>

#### SOME CONCLUSIONS

From the experience of Burma, and from a similar study of the foreign policies of other Southeast Asian countries, it may be possible to arrive at some tentative conclusions:

1. The foreign policies of small nations, at least in Southeast Asia, are governed by three major considerations — the need for national unity, the requirements of economic development, and accommodation with the dominant power in the area.

2. Foreign policy decisions of the small emerging nations have little to do with considerations of international politics and diplomacy as practised by more stable and stronger states, but everything to do with the fundamental problems of national survival, which often leave policy-makers in these countries very few options.

3. The graver the problems of survival—that is, the more the nation is divided, the more economically backward it is, and the weaker and more vulnerable its position is vis-à-vis the dominant power in the area—the fewer are the country's options in making its foreign policy moves and the more restricted is its freedom of action in its foreign relations.

---

<sup>16</sup> Peter Boog, article in *Far Eastern Economic Review*, November 16, 1967; also in *The Washington Post*, December 10, 1967.