The position of this army was not unsatisfactory as it was holding a comparatively narrow front in great depth. There was a lull in the fighting until the 7th April when the Japanese advanced from Toungoo and attacked the 22 Division in and about Yedashe. Heavy fighting followed and 22 Division suffered severe casualties until it was relieved by the 96 Division and was withdrawn north of Pyinmana on the 18th April.

- 38. The loss of Toungoo opened up to the enemy the road to Karenni and the Shan States via Mawchi. The Japanese were not slow to take advantage of this opportunity and, on the 5th April, began to develop pressure in this direction. At first the movement was comparatively slow but later, when enemy reinforcements arrived, the momentum rapidly increased especially as there was a failure on the part of the Chinese to carry out the demolitions which had been prepared. Unfortunately the two important bridges at Toungoo and Bawlake were not blown but the demolitions on the Toungoo-Mawchi road were gallantly blown by the Karen Levies after the Chinese had re-In these operations the Levies suffered considerable casualties. Karenni and the Shan States were held by the Chinese Sixth Army consisting of 55, 49 and the 93 Divisions. Owing to the great length of the front, the Sixth Army was much strung out and had only a small reserve in the Loilem area.
- 39. At the beginning of April, Karenni was held by one regiment of the 55 Division but, as a result of the Japanese threat to this front, the whole of the 55 Division concentrated to the south of Loikaw by the 18th April. On the 14th April; Japanese tanks were reported in the Mawchi area and, on the 19th April, an engagement took place 20 miles south of Loikaw. On the 20th April a further Japanese attack was made seven miles north of Loikaw from the direction of Mongpai and, at the same time, the encounter south of Loikaw developed into a major battle. Some days prior to this it had been decided to evacuate Kengtung and some units of the 93 Division had already moved west on the Salween, but the great distances and lack of transport made the formation of a reserve by Chinese Sixth Army very difficult. The position in the Southern Shan States was now serious and it will be seen from later paragraphs in my despatch that it was the situation there which affected the whole of my future plans.

PART IV.—PLANS IN THE EVENT OF WITHDRAWAL NORTH OF MANDALAY.

- 40. Initial Appreciation. Towards the end of March it became necessary to consider future policy as regards the defence of Upper Burma in the event of the loss of Mandalay and, under my direction, an appreciation was prepared by my staff. The principal factors which influenced me at this time were:—
 - (a) The need to give the Chinese Armies every possible assistance with a view to keeping China in the war, and
 - (b) The gaining of time to allow India to build up her defences and to complete the roads from Assam to Burma and from India to China via the Hukawng Valley.

- 41. Accordingly the outline plan, which was drawn up as a result of this appreciation, contemplated the following dispositions in the event of the loss of Mandalay:—
 - (a) The Chinese Sixth Army (in the Shan States)—Troops east of the River Salween to withdraw on Puerh. Troops west of the River Salween to withdraw towards Hsipaw and Lashio
 - (b) Chinese Fifth Army to withdraw astride the Mandalay-Lashio Road.
 - (c) Imperial Forces—In order to maintain touch with the Chinese, the 7 Armoured Brigade and one infantry brigade of the 17 Division to accompany the Chinese Fifth Army.
 - (d) The 17 Division, less one infantry brigade, to withdraw on the axis Mandalay-Shwebo-Katha covering the projected route to China via the Hukawng Valley.
 - (e) I Burma Division to cover the approaches to India through Kalewa.

The appreciation and plan were approved by the Commander-in-Chief in India during his visit to Burma on the 31st March and 1st April.

A draft directive, dated the 4th April, was isued to I Burcorps on the 6th April and this was subsequently confirmed in an Operation Instruction. Administrative arrangements were also put in hand to implement this plan.

- 42. Rice Situation. During the first half of April, however, it became apparent that, owing to the gradual loss of the rice producing areas in Burma, to the closing of rice mills and the difficulties of collecting sufficient grain, to the disintegration of the railways and the famine in Yunnan, it would be impossible to accumulate in Lashio or beyond, sufficient stocks of rice to feed the Chinese armies for more than a few weeks. Therefore, on the plan as it stood, a withdrawal north of Mandalay would probably mean the starvation of the Chinese armies unless supplies could be sent from China and this seemed highly improbable. I therefore decided to invite the Chinese to withdraw some of their forces via Shwebo should this become necessary, as there was a better chance of their obtaining rice in this area.
- 43. On the 18th April, Lieut.-General Hutton, who had been replaced as my Chief of Staff by Major-General Winterton at the beginning of the month, returned from a mission to General Headquarters, India. General Hutton had discussed with the Commander-in-Chief in India the question of Imperial Forces accompanying the Chinese in a withdrawal on China. He stated that the Commander-in-Chief was prepared to agree to a change in this part of the plan if I thought it desirable. Nevertheless, I was so impressed with the political considerations that I determined to give the Chinese the opportunity of accepting or refusing the assistance of British forces on the axis Mandalay-Lashio.
- 44. Meeting with General Lin Wei—Accordingly, I arranged for a meeting with the Generalissimo's principal liaison officer, General Lin Wei, at Maymyo on the 21st April. At this meeting I explained to General Lin Wei all the factors to be taken into consideration and I specifically offered the Chinese the 7 Armoured Brigade, which could only get their vehicles out of Burma by the Lashio road if we were