THE NATIONAL CONVENTION:
Analyzing the Process

INTERVIEW:
Daniel Aung

BUSINESS IN BURMA:
A Sound Investment?
THE NATIONAL CONVENTION:
Analyzing the Process

On January 9, 1993, the State Law and Order Restoration Council (SLORC) convened the National Convention in Rangoon and tasked the 702 delegates in attendance (most of whom were hand-picked by SLORC) with drafting a new constitution. This exercise resulted from the regime's directive following the overwhelming pro-democratic election results of 1990, that there would be no transfer of power without a new constitution in place. For SLORC, the holding of a National Convention is seen as an opportunity to gain much desired legitimacy through constitutional reform. Critics argue, however, that it is merely a forum to further entrench SLORC by establishing a leading role for the military in politics and government.

THE INTERVIEW:
Daniel Aung

Elected in May 1990 as a representative of the Lahu National Progressive Party from the Mong Ping electoral district, Daniel Aung served as a chairman of the National Convention since it first convened until it temporarily adjourned in April 1994. Becoming increasingly disillusioned with the contents of the draft constitution, Mr. Aung made the decision in May of this year to leave Rangoon and join democracy activists along the Burmese border with Thailand. In this interview he discusses his role in the process and his observations and feelings about the outcome.

BUSINESS IN BURMA:
A Sound Investment?

After decades of self-imposed isolation, Burma has opened its doors to foreign investors and many are taking advantage of what they hope will be a windfall of profits. Private companies from countries as near as Thailand, Singapore and Korea, as well as more distant U.S. and European firms, are looking into joint business ventures with the military government or government controlled entities. Most recently, investment funds to further encourage foreign interest have been established. One might ask, however: Is the picture being painted by promoters of the Burmese economy accurate? And can current political conditions sustain a climate that will make investing in Burma a wise choice?
THE NATIONAL CONVENTION
Lessons from the Past and Steps to the Future
By Janelle M. Diller

DANIEL AUNG
In His Own Words
Interview by the Democratic Voice of Burma

TESTIMONY OF MIRIAM MARSHALL SEGAL
Before the Subcommittee on Asia & the Pacific, House Foreign Affairs Committee

IS SLEEPING BEAUTY AWAKE YET?
By Louis Kraar
early two years after initiating an effort to gain legitimacy through constitutional reform, Burma's ruling State Law and Order Restoration Council (SLORC) appears to be winning the battle but not the war. Government proposals to entrench the role of the military in politics are steadily adopted, oft times over the dissent of pro-democracy proponents. In general the peoples of Burma themselves reportedly view the process as a sham. The international community remains at best, dubious and at times blisteringly critical.

Recent reports indicate that SLORC may be willing to negotiate terms for a political transition with Aung San Suu Kyi, who marked the anniversary of her fifth year of house arrest last July. Along with ceasefire agreements freshly signed between SLORC and several armed ethnic opposition groups, the prospect of talks with the peoples revered leader raises questions about the desirability, even from SLORC's point of view, of continuing to ramrod its pre-conceived constitutional tenets through the Convention. Although no outward signs confirm SLORC's intent to do so, it is yet possible for the junta to recast the Convention as an advisory body and negotiate a peaceful transfer of power. All of that would help the generals to bestow legitimacy where the United Nations has repeatedly stressed it lies: with the elected representatives of the national parliament.
Upon taking power in 1988, the self-appointed SLORC dissolved the national legislature, the Pyithu Hluttaw, and other organs of power under the 1974 constitution that was created by military strongman Ne Win in a process reminiscent of the Convention being played out today. SLORC declared its government extra-constitutional and outside the law. In scrambling to regain ground lost following the overwhelming pro-democracy election results of 1990, SLORC announced unilaterally several months after the election that the majority of the people wanted a new constitution. "[U]nder the present circumstances", said SLORC, "the representatives elected by the people are those who have the responsibility to draw up the constitution of the future democratic State." Since then, top SLORC officials have repeatedly emphasized that there will be no transfer of power without a constitution in place.

When the National Convention opened on January 9, 1993, SLORC announced a pre-set framework of six objectives to 702 delegates. The sixth objective described establishing a leading role for the military in politics and government. Opposition came primarily from the 156 elected representatives and political party leaders, of which only 90 represent the NLD — the party that won more than 80 percent of the seats during the 1990 elections. Most of the 702 delegates were hand-picked by SLORC and allegedly represented various sectors of society, including defense personnel, ethnic groups, political leaders, peasants, workers, intelligentsia, technocrats, and civil servants. After its first two days, the Convention abruptly halted for a month, apparently to stave off criticism of SLORC’s heavy hand. Meeting typically in two to three month sessions with breaks of similar or greater length, the Convention delegates thus far appear to have acquiesced to SLORC’s various proposals.

SLORC’s program of constitutional reform accompanies other recent efforts of the junta to divert international criticism while maintaining power. The government signed an agreement allowing the UN High Commissioner for Refugees a limited presence in the Arakan State to monitor the return of some 250,000 Rohingya refugees in Bangladesh, of which apparently more than 55,000 have now returned. The junta also touts as progress its recent ceasefire agreements with several armed ethnic opposition groups, including the Kachin, despite the lack of political settlements in those agreements.
Still, reports of atrocities continue unabated. Estimates of refugees and persons internally displaced by military action run into the hundreds of thousands. During military operations, men and women alike are forced to carry weapons and equipment for the military. Many of them are mistreated, raped, and even left to die. Independent credible reports reveal that thousands of people are conscripted by the government to build railway lines, roads and other projects, some of which are tourist attractions.

SLORC has taken severe measures to cripple the government-elect, a body of representatives authorized by franchise in 1990 under the SLORC-created Pyithu Hluttaw Election Law to form a governing legislature. As many as 35 elected representatives remain in detention along with hundreds of other political prisoners, including leaders of the National League for Democracy (NLD). In addition, SLORC’s Election Commission has disqualified more than 100 elected members of parliament, primarily those belonging to the NLD, because of purported criminal offenses, imprisonment, or death. According to government accounts, no more than 29 of the 235 parties registered in the 1990 elections remain following government deregistrations.

Similar measures have restricted political debate in general. In February of last year, in an early bid to squelch constitutional dissent, security forces arrested 14 people allegedly responsible for a political pamphlet disparaging the National Convention and rounded up opposition supporters who distributed leaflets calling for the release of Aung San Suu Kyi. Between the summer of 1993 and February 1994,60 persons were arrested for engaging in political activities. A July 1993 rally of students at Rangoon University was broken up by SLORC security forces and students were arrested; this year, preventive arrests were reported. In July 1994, a former Burmese worker with the UN was arrested and charged with meeting with foreign diplomats and journalists and providing information critical of the regime, as well as providing reportedly false information to UN Special Rapporteur on Burma, Yozo Yokota.

The Convention delegates themselves have not been spared the muzzle of SLORC. Last year, one delegate to the National Convention was sentenced to 20 years in prison for authoring leaflets critical of the junta’s role; his assistant received more than 30 years for distributing the leaflets. Early in 1994, reliable sources reported that NLD Chairman Aung Shwe and Shan National League for Democracy (SNLD) Convention delegate Khun Htun Oo were under surveillance and had been chastised for their vocal dissent of SLORC proposals at the Convention.

According to one source, the regulations for the Convention distributed by SLORC to all delegates to the Convention require that anything said in debate must be submitted in writing in advance to the Chairman of the group concerned. Nothing should be discussed which has not been included in that written submittal. In addition, the rules forbid “walk-outs, individually or in groups, and any other shows of protest”, distributing leaflets, wearing badges, bringing in papers to the Convention which have not been approved by the National Committee, and lobbying or influencing other representatives.

Against this stark backdrop, the play on the stage of constitutional reform has not duped the international community. The 48th session of the UN General Assembly noted with concern in December 1993 that "most of the representatives duly elected in 1990 have been excluded from participating in the meetings of the National Convention, created to prepare basic elements for the drafting of a new Constitution, and... one of its objectives is to obtain the
participation of the armed forces in a leading role in the future political life of the State." In more detail, UN Special Rapporteur Yokota reported to the UN Commission on Human Rights last February: "[G]iven the composition of the delegates (only one out of seven delegates was elected in the 1990 elections), given the restrictions imposed upon the delegates (practically no freedoms to assemble, to print and distribute leaflets or to make statements freely), and given the general guidelines to be strictly followed (including the principle regarding the leading role of Tatmadaw), the National Convention does not appear to constitute the necessary steps towards the restoration to democracy, fully respecting the will of the people as expressed in the democratic elections held in 1990" (General Assembly resolution 47/144, para. 4). The 1994 Commission on Human Rights responded by strongly urging the SLORC "to take all appropriate measures to allow all citizens to participate freely in the political process."

Individual governments have criticized the Convention as well. According to a Reuters report, Australian Foreign Minister Gareth Evans accused the process of not leading toward democratic accountability, and the US State Department’s recent country report on human rights in Burma said the SLORC-dominated Convention, which has no mandate from the people, is aimed at adopting "a constitutional blueprint effectively guaranteeing the military’s continued hold on power."

Nonetheless, junta chief Khin Nyunt has insisted that the convention will pave the way for a "Burmese" style of democracy.

CONVENTION DEVELOPMENTS

After its fitful start in January 1993, the Convention got down to business under the control of SLORC in February. By early April 1993, SLORC announced that the delegates had agreed to the six fundamental objectives, including the establishment of a leading role for the military in the future political state. The process had seen opposition from NLD delegates but an eventual concession from Aung San Suu Kyi, SLORC Chairman. Reports indicate that the NLD leadership is currently split on whether to remain in attendance at the convention due to this fundamental issue. In early April, one delegate from the Kayan National Unity Democracy Party, abandoned the Convention as a "disgusting sham" and fled to territory held by armed ethnic opposition groups.

In September 1993, as the Convention proceeded, SLORC created the Union Solidarity Development Association, a new organization to operate at
regional, state and local levels. SLORC equated the aims of the USDA with the six fundamental principles that SLORC had given for drafting the Constitution, including a leading role for the military in government. Top SLORC officials were appointed as USDA leaders and diplomats interpreted the USDA as a civilian front for the military that would later be turned into a political party, in a process similar to Indonesia's ruling mass Golkar Party.

To date, the Convention delegates have yielded to further SLORC proposals securing the virtually unfettered discretion of the military in leading the country. One provision grants the military ample representation in both houses of a bicameral parliament. Another grants authority to the military to exercise emergency powers during crises, and yet another institutes a presidential rather than parliamentary system. Guidelines for the presidency effectively excluded Aung San Suu Kyi. The president must be at least 45 years old, have political, administrative and economic experience, have 20 years' continuous residency in the country, and none of the president's parents, spouse, children, or children's spouses may be citizens of foreign powers or entitled to rights and privileges of foreign citizens. The president was to be elected by an electoral college consisting of three groups: members of parliament from the house equally representing states and divisions; members of parliament from the house based on population; and defense service members nominated by the Commander in Chief to the two chambers of parliament. Among the presidential qualifications specified was experience in the military.

Opposition to these proposals was expressed primarily from the elected representatives and political parties groups, and in particular the NLD and the SNLD. In an eloquent proposal, reprinted in the government-produced newspaper in Burma, the SNLD openly voiced its preference for the parliamentary system since that system "is still better than the chief executive becoming a dictator." Others argued for direct election of the President, a figurehead President in a parliamentary system, the election of all legislators by direct and secret vote rather than nomination of some by the military, and a federal state with all powers not delegated to the center reserved to the states and regions.

In May 1994, another Convention delegate, one of five leaders of the group of elected representatives, defected and reported that, although the delegates can speak relatively freely, the military chairmen of the Convention pay no attention. The method of electing the country's next president was devised, he reported, to only allow the military to monopolize executive power. Indeed, in September 1994, in a measure sure to entrench military influence at the lowest levels of government, the chairman of the Convention Work Committee, Chief Justice U Aung Toe, announced that "regions, states, self-administered areas and districts' executive bodies are to include Tatmadaw member representatives nominated by the Commander-in-Chief of Defense Services to undertake responsibilities of the defense, security, border administration, etc."

When the Convention resumed in September 1994 at time of this writing, attention turned to how a self-administration system for numerically small or dispersed ethnic groups would operate. Although the self-administration system in theory purports to grant fuller autonomy to certain ethnic and racial groups, in practice governments of self-administered areas are subject to the same requirement of military representation as all other executive bodies of the country, as noted immediately above. Moreover, even if the system were more genuinely autonomous, the formula for deciding on which races receive self-administration creates arbitrary divisions. Under the formula imposed by SLORC, a self-administered zone
must have at least two townships with one distinct racial or ethnic group holding a majority in each township and holding at least half of the total population of the combined townships; a self-administered division must have at least four townships meeting the same population criteria. No ethnic group with its own state can qualify for self-administration in another state. The formula is thus inflexible as to dispersed racial populations and to future internal migration movements. No provision for delineating further regions or states, and no multi-ethnic zones are allowed. Thus, a large group like the Kayan in the Shan and Kayah states were disallowed a self-administered zone because they all live in one township. No Lahu self-administered zone was allowed because only one of three townships proposed in the Shan state actually had a Lahu majority of population, according to unspecified statistics compiled by the Immigration and Manpower Department. Likewise, the Kachins in Shan state were denied a self-administered zone because the Kachins already had their own state elsewhere.

Those ethnic groups denied so-called self-administration were advised to represent themselves in the legislative and executive affairs of the states in which they reside. The solution of ethnic representation in the larger constituent unit indeed appears appropriate to all the ethnic groups — assuming proper representational formulas in bicameral legislatures, accountable executive systems, and vigilant judiciaries to protect minority rights. Central and lower level government where genuine democratic freedoms are observed could help ensure respect for the economic, social and cultural rights and freedoms needed to address the rich ethnic diversity of Burma. On the other hand, SLORC's proposed addition of a racially and ethnically-based zone/region system promises to fan the flames of ethnic division, especially where that system is devised on such arbitrary terms. In a final admission to its arbitrariness, the convention decided to form a commission to determine proper data on population, sizes and density, even though it appeared to have made decisions on applications for self-administration relying on unspecified government data.

ASSESSMENT AND NEXT STEPS

Thus far the Convention results fulfill the prediction of commentators on the apparent plan of SLORC: the exercise is an opportunity for SLORC to entrench the role of the military in the future political life of Burma. Convention delegates have been forced to approve all of SLORC's proposals securing the military's upper hand in the legislature, the executive and in states of emergency. Aung San Suu Kyi has been written out of a presidential role.

Far from reform, the constitutional exercise glares in the face of contemporary notions of constitution-making that include popular sovereignty, representative government, and popular participation. It also directly contradicts UN pronouncements of concern for progress toward turning over power to the duly elected government.

The steps to come after the Convention finalizes its principles remain unclear. It is possible that SLORC will appoint a Commission to decide whether to hold a referendum on the Convention's constitutional principles, in a process similar to that used by Ne Win in 1974 to validate his Revolutionary Council-drafted constitution. However, recent statements by SLORC indicate that the junta may stick to its originally announced intent to create no more than guidelines for a constitutional drafting body. If so, in light of the utter lack of credibility generally given the Convention process, the composition and inde-
pendence of that constitution drafting body is criti-
cal. The satisfactory solution would be to convene the
Pyithu Hluttaw elected in 1990 as the representative
assembly to draft the new constitution. Such a step
would be in accordance with SLORC’s own
Declaration 1/90 announcing that the elected repre-
sentatives to be that constituent assembly.' It would
also be consistent with general notions of popular
representation in constitution-making.

Transition issues such as the timing
of transfer of power to an elected government and
mechanisms for accountability for past human rights
violations represent major obstacles
in the road to political progress
toward peace in Burma.

As a matter totally within its discretion, the draft-
ing body itself should be left to decide whether to
accept or reject the Convention’s guidelines and
whether to hold a referendum to ratify the final draft
Constitution. An international monitoring presence
throughout the process of constitution-drafting or a
transitional governing authority apart from SLORC —
as part of a larger negotiated settlement to a trans-
fer of power — could help ensure that undue press-
ure from the military on constitution-drafters does
not occur.

Transition issues such as the timing of transfer of
power to an elected government and mechanisms for
accountability for past human rights violations rep-
resent major obstacles in the road to political progress
toward peace in Burma. Comparative experience
demonstrates that such matters are at the heart of the
guarantee of human rights, human dignity, and the
rule of law. They are squarely within the "respon-
sibility to draw up the constitution of the future demo-
cratic State" envisioned in SLORC Declaration 1/90.
Were these issues to be a matter of negotiated settle-
ment among Aung San Suu Kyi, SLORC and ethnic
group representatives, they may bind the hands of the
elected representatives. In such a case, a referendum
or other popular ratification process to approve the
proposed constitutional order would be essential.
Such a process provides the necessary popular legit-
imacy that could truly ensure, as envisioned in the
Universal Declaration of Human Rights, the will of
the people as the basis for the authority of govern-
ment — finally.

NOTES
2. Jd-, chap. 4, sec. 29(k).
3. Upon adjourning in April 1994, SLORC announced what
appeared to be less controversial measures that passed by con-
sensus: creation of a multi-party democracy and bicameral cen-
tral legislature, power sharing arrangement between the central
government and the constituent units, retention of the existing
seven divisions as regions and the existing seven states as states
with their minority names, creation of self-administered terri-
tories within regions or states, and a clause prohibiting seces-
sion of any part of the territory of the country. In addition, a
new name for the country was picked: the Republic of the Union
of Myanmar.
4. Burma Press Summary, from the
New Light of Myanmar,
August 1993, p. 9, reprinted by the Burma Peace Foundation,
supra note 3.
Television Network, 24 March 1994, reported in FBIS, 25 March
1994.
6. The ban on multi-ethnic zones led to rejection of a proposal
for a Putao zone made by representatives of the Lisu, Rawan,
and Tai-hkamti.
7. See, e.g., Armed Forces Day Speech by Senior General Than
Shwe, Rangoon Radio Burma, 27 March 1994, reprinted in FBIS,
28 March 1994 ("the National Convention has laid down the
basic principles to draw up a constitutional and it is being held
with momentum"); New Light of Myanmar, September 1993,
reprinted in Burma Peace Foundation, supra note 3 (speech of
Chairman U Aung Toe at Convention about "laying down prin-
ciples to form basis in formulating State fundamental principles
for the drafting of the State Constitution").
8. Although some argue that the four year terms of the elected
representatives passed in May 1994, of equal consideration is the
proposition that the four year mandate could not begin to tick
until the representatives are seated and bestowed authority.
Following is an interview with Daniel Aung, a representative of the Lahu National Progressive Party from the Mong Ping district who was elected in the May 1990 elections. Having served as one of the chairmen of the National Convention since it convened in January, 1993, he made the decision in May of this year to leave Rangoon for Manerplaw, the seat of the Burmese government in exile along the border of Burma and Thailand.

A graduate of Rangoon University, Daniel Aung was the editor of *Burma Review*, under the Ministry of Interior until December, 1989.

This interview was conducted in Manerplaw by the Democratic Voice of Burma (DVB), the Burmese language opposition radio based in Oslo, Norway.
DEMOCRATIC VOICE OF BURMA • Please tell us which party you represented and from which district and region you were elected in the 1990 election. Also explain your position and duties at the National Convention.

DANIEL AUNG • I am the people’s representative, elected from the Mong Ping constituency, representative of the Lahu National Progressive Party of Mong Ping. At the National Convention I held the position of chairman of the Lahu National Progressive Party and representative of the Lahu as well.

DVB • What was your objective in coming to the liberated area?

AUNG • I entered the world of politics for the cause of democracy. Having become convinced that the National Convention convened by the present regime, the SLORC, had deviated from democracy in its aims and objectives, I left with the hope of working for democracy together with other pro-democracy colleagues.

DVB • This decision to leave, did you decide alone or after consulting with others?

AUNG • I left solely based upon my own decision and without informing anyone. To be honest, I brought along my wife and two sons, telling them before leaving for Lashio that we were going for a short visit to Thailand. Only after arriving here, did I inform them of my intentions.

DVB • We would like to know your feelings concerning the National Convention.

AUNG • One of the last clauses entered into the draft constitution stated that the position of president or the vice-president must be permanently held by the military. For that reason, I concluded that the National Convention is [being held] for the perpetuation of power of the army’s generals. According to what they [SLORC] said, this provision is part of the National Convention's objectives as stated in clause number six. However, this objective was actually laid down by the SLORC prior to the start of the Convention.

DVB • Please explain how decisions were made at the group meetings and the meetings of the entire session, as well as the work of the committee chairpersons and their responsibilities and powers.

AUNG • There was no such thing as decisions being made. We had to present draft papers to the various committees before presenting them at the general meeting. Then all the papers submitted to the various committees for consideration were reviewed by the working committee. At the decision of this committee, the papers were submitted to and read by the chair or alternate chairpersons. Based on the review of this committee chair, the working committee laid down the fundamental principles and guidelines.

Regarding the rights and responsibilities of the chairpersons, it can be seen from the code of procedures book that the committee chairs were merely acting as guides at the meeting. However, before all the papers are presented to the various committees, the chairpersons must receive and examine whether the aims and objectives in the submissions are within certain boundaries, or whether it conflicts with their [SLORC's] "Three Responsibilities." Only then are all the papers presented to the working committee.

After the working committee gives its final approval, the papers are allowed to be submitted and read at the various group sessions.

DVB • Within the National Convention, what are the differences between SLORC and the opposition representatives regarding democracy issues or national issues such as the formation of the Union?

AUNG • The main difference of opinion regarding democracy is the future of our national political leadership, the clause about the participation of the armed forces. This clause totally opposes the essence of democracy, which is apparent to all democratic colleagues. The reason is that the military representatives...
BURMA DEBATE

1. The "Three Cardinal Responsibilities" are:
   1) to preserve independence and territorial integrity of the Union
   2) to preserve the unity of all nationalities
   3) to preserve the unity of the national armed forces of the Union of Myanmar

NOTE
Mr. Chairman,

I am grateful for your invitation to present my views on Myanmar to this subcommittee. My name is Miriam Marshall Segal and I am Chairperson of Peregrine Capital Myanmar Ltd. - MMAI. I would like to take a moment to tell you a little about myself. I am a victim of the Holocaust and my father was killed in a struggle to establish the State of Israel. I was stateless for 18 years. More so than many others, I know the pain of organized repression and the value of freedom. I have been visiting Myanmar for over 18 years, first as a tourist and later as one engaged in a business developing artifacts made by Myanmar's skilled artisans. About three years ago, my company formed a joint venture with a Myanmar Government enterprise in the area of fisheries. Very recently, Peregrine Investments Holding Ltd., one of the most successful investment banks in Asia, with subsidiaries in several Asian countries commenced operations in Myanmar with my company. Peregrine, which has an unparalleled record of success over the last seven years, would scarcely commence operations in Myanmar unless it shared my confidence in the growth and stability of Myanmar.

The insistent clamor on what's wrong with Myanmar drowns out the many changes and achievements of the last three years. Unfortunately, one outdated picture, one still shot frozen in time, seems to rivet everyone's attention. The truth is far more complex. Being primarily a business person I would like

Miriam Marshall Segal, a New York businesswoman and Chairperson of Peregrine Capital Myanmar Ltd. (MMAI), has been engaged in a joint business venture with the Burmese government for the past three years. In June, she testified before Congress at a hearing to review the situation in Burma and U.S. policy toward the current regime.

This text is the official testimony submitted by Ms. Segal.
Anyone who visited Myanmar five years ago and returns today would be surprised by the changes which are visible everywhere.
There is now a concerted diversion of the economy from military and defense goals to one where civilian needs assume priority. Three statutes, the Foreign Investment Law enacted in 1988, the State-Owned Economic Enterprises Law enacted in 1989, and the Private Industrial Enterprises Law enacted in 1990, have resulted in a flood of private entrepreneurial activity. Some detailed information about these statutes and the number of new enterprises established are submitted to this Committee as an annexure to my statement. In the area of fisheries, privatization is almost total. It may take longer in other areas but the eventual goal is clear. In sharp contrast, both the democratic constitution of 1947 and the socialist constitution of 1974 called for the nationalization of all capitalist enterprises. Each and every sector of the economy has blossomed under the more liberal atmosphere. Production in paddy increased to 835.7 million baskets — an increase of 124.6 million over the prior year. In 1993-94, crude oil output was 7.3 million U.S. barrels and natural gas 38.7 million cubic feet as against a mere 1.9 million U.S. barrels and 10.4 million cubic feet in the prior year. Output in tin, tungsten, gold, refined silver and lead have also surged. In foreign trade, the private sector by far out performed the public sector and the role of the public sector is steadily shrinking. Similar progress can be seen in infrastructure projects — a total of 16,770 miles of new and old roads were extended or repaired in 1993-94 and 95 new bridges have been built. A new four year National Health Plan has been adopted with large budgets and authority given to local authorities. An aggregate of 45 specific projects have been launched in cooperation with international agencies such as WHO, UNDP, UNICEF, etc. Specific programs have been developed to meet the needs of women and children such as immunization of all children under the age of one as well as their mothers; the providing of postnatal care; growth monitoring, etc. Yet another striking and easily verifiable example of the new directions and initiatives are the vigorously stepped up narcotic control measures. A Congressional Committee of the United States and our Drug Enforcement Agency have commended Myanmar’s efforts to stem the cultivation of plants which eventually yield narcotic drugs. Myanmar acceded to the U.N. convention against illicit traffic in narcotic drugs and, in compliance with the requirements of the convention, enacted a new Narcotic Drugs and Psychotropic Substance Law in January ’93. United Nations observers have documented the huge quantities of narcotic drugs seized and destroyed. To drive home its anti-drug message, the seized drugs are regularly torched at public exhibitions all around the country in the presence of foreign diplomats and U.N. observers. A newly created Work Committee for the Development of Border Areas has commenced a series of programs to offer alternatives to cultivating the opium poppy, and large budgetary allocations have been made for this purposes. Sadly, the Myanmar government’s efforts in controlling cultivation and trafficking in narcotics are aggressively countered by local chiefs and warlords with slogans on behalf of democracy and human rights. Colombia and many other countries in Latin America and Asia have received millions to fight the drug trade. Myanmar has not received a penny. Yet, it continues to sacrifice its human and material resources to put a halt to a scourge which eventually finds its way into our streets and schoolyards.

My recitation of the positive changes in Myanmar cannot but lead to the inevitable question — when will democracy return? Any answer to that question must be based upon the simple premise that in virtually every country a written constitution is a prerequisite to a functioning democracy. The prevalent view in Myanmar was that the elections were held to organize a convention which would draft a constitution rather than form an administration to take over the reins of government. It must be remembered that 93 parties contested the election, and members from 27 parties were elected. The only sure outcome of the election was not orderly government but the most ominous signs of fratricidal strife. The military could not wait for a Yugoslavia type situation to develop; it stepped in
to forestall yet another round of senseless violence. To do so, the leadership had to use force and inevitably lives were lost.

The dilemma between preserving national unity or advancing the cause of liberty is not new. Abraham Lincoln faced the same situation in 1862 when the editor of the *N.Y. Tribune* accused him of not enforcing certain anti-slavery measures. Lincoln replied, "My paramount objective in this struggle is to save the Union, and is not either to save or destroy slavery." Our history tells us that Lincoln, more than anyone, was responsible for abolishing slavery. But Lincoln also was unwavering in establishing his priority — national unity. Can we really blame the leadership in Myanmar for doing the same? The price we paid for preserving the Union pales in comparison with anything that has happened in Myanmar — 360,000 dead in the Union army and 288,000 on the Confederate side, not to mention the wounded.

We must remember that the new group of leaders in Myanmar are not the creators of the present situation but rather its inheritors. As soon as conditions settled, they called a constitutional convention which included about 40% of those who won the earlier election. Additional representation was added from the border areas, the clergy, the intelligentsia and the military. Many other countries have done likewise when they set about to draft a constitution.

While of course one would like to see a democratic government installed immediately, I doubt if we should dictate either the time table which the present government should adhere to or the exact provisions which should be adopted in the constitution. Throughout history, [nation] building has been a difficult process. Our own history bears testimony to this fact. It was only after numerous wars and countless situations where violent abuses of human rights occurred that a reasonably stable and democratic society finally emerged in America. Virtually every other European and Asian nation went through the same process. The settlement of borders, the acceptance of a central authority, the integration of separatist forces — all these are time consuming tasks.

To its credit, the present regime has, in just the last five years, made peace with no less than eleven dissident groups... The committee will find more details on these successfully concluded peace talks in an annexure to this statement. There can be no question that national reconciliation and pacification are making impressive progress. In a country such as Myanmar with numerous languages, cultures, religions and regional loyalties, democracy without proper preparation becomes a prescription for chaos and anarchy rather than liberty and progress. Democracy is not an export commodity. Rather it should take root and grow as an indigenous plant resplendent in its native hues.

It is my belief that the positive changes in Myanmar described above have planted the seeds of democracy in Myanmar. We must allow some time for the plant to grow. It is in this context that we must reexamine our policy in Myanmar espe-
daily in view of the fact that we have made practi-
cal and sensible policy decisions where some other
countries are concerned. For example, neither Saudi
Arabia nor Kuwait has had free elections in decades.
The human rights records of both have been
appalling. Yet when is the last time any of the cham-
pions of democracy have clamored for free elections
in Saudi Arabia or Kuwait? Both Saudi Arabia and
Kuwait are amongst our largest trading partners, and
American investments have poured into these coun-
tries. Indonesia was, for nearly two decades, a coun-
try with problems and a form of government very
much like Myanmar. But American trade and invest-
ment in Indonesia did not suffer. The savage butch-
ery of thousands of dissidents in so many Latin
American countries has been amply documented.
But we have not ceased to do business with these
countries or attempted
Sanctions and enforced isolation will do little to
speed a country like Myanmar along the path to
democracy. That is far more likely to happen if we
proudly and forcefully promote American values and
efficiently advance the cause of private enterprise.
We must first understand the tides of history in that
region. We can make an important contribution to
Myanmar's process of democratization and economic
liberalization only if, on the basis of such under-
standing, we engage in an active dialogue. We should
take active steps to increase the flow of books and
magazines, professors and businessmen, tourists and
observers. We should do all we can to reinforce every
evolutionary step toward democracy, and constant-
ly press for change. Most importantly, we should
without any further delay send an Ambassador to
Myanmar. If we are serious about it, how can we con-
vey a message without a messenger?
Our antagonism towards Myanmar will not have
a material impact. Trade and investment delegations
from Japan, China, Singapore, Indonesia, Thailand,
Australia and Korea as well as several businessmen
from European countries are eagerly seeking busi-
ness opportunities in Myanmar. Once again, these
countries will make money while we preach. Their
Ambassadors speak publicly about human rights and
privately go about the business of helping to nego-
tiate contracts. Nevertheless, these countries will, by
their economic activities, do more to spread democ-

cracy than our preaching will ever accomplish. And
we will be the losers in terms of influence, exports
and jobs. Instead of present policy, we should extend
to Myanmar the same patience and understanding
we have shown to so many other countries. The his-

tory of one party rule and human rights records of
China and Myanmar are not very different. But
China is a stronger country and we have more trade
and investment there. Is it the American way to pre-
scribe one set of values and policies for the strong
and another for the weak?
In conclusion, I submit that in the matrix of his-
tory as it stands in 1994, the battle for liberal democ-

dracy has been fought and won. It would be
particularly apt to quote from Francis Fukuyama's
book, *The End of History and the Last Man*, in which
he states:

"[T]here is a fundamental process at work that
dictates a common evolutionary pattern for all
human societies — in short, something like a
Universal History of mankind in the direction of lib-
eral democracy. The existence of peaks and troughs
in this development is undeniable. But to cite the
failure of liberal democracy in any given country or
even in an entire region of the world as evidence of
democracy's overall weakness, reveals a striking nar-
rowness of view. Cycles and discontinuities in them-

selves are not incompatible with a history that is
directional and universal, just as the existence of
business cycles does not negate the possibility of long
term growth."
There is much wisdom in Fukuyama's observa-
tion. If we choose to believe it, constructive dialogue
rather than coercion or sanctions should be our pol-
icy in Myanmar, unless, of course, we are determined
to forget the lessons of our recent history.
QUESTIONS & ANSWERS

The following excerpts have been selected from the question and answer session which followed Ms. Segal’s testimony at the hearing. This session was taped and edited for Burma Debate.

CONGRESSMAN ROHRABACHER • Ms. Segal, I want to commend you for your courage to come forward after all of this testimony indicating that you are dealing with a Hitler-like regime, and it—

Ms. SEGAL • I was part of Hitler’s regime.

MR. ROHRABACHER • Yes, I understand. That is no excuse for you to deal with one today.

Ms. SEGAL • I disagree with you on that totally.

MR. ROHRABACHER • Maybe I could ask you, when you were victimized by Hitler’s regime, how would you have felt about people asking for constructive engagement with Adolf Hitler?

Ms. SEGAL • Well, I don’t see a Hitler-like regime in Myanmar at all. We employ 300 people, approximately, in our processing plant. We brought American technicians over there and taught them how to do it, taught the Burmese. These 300 families that we touch, I guess must be a thousand people. They are on incentive programs. No one tells me who to employ, who not to employ. They pay taxes—

MR. ROHRABACHER • I don’t suppose this could happen under a Nazi regime... [with] American companies who had investment in Nazi Germany.

Ms. SEGAL • Well, I don’t think a Jew would have been able to. I am Jewish. They know I am Jewish.

MR. ROHRABACHER • I don’t know what that has anything to do with Myanmar.

Ms. SEGAL • I think it has a lot to do with it. The Burmese regime as far as investments go, I went into a joint venture with them. I brought in Americans to teach them how to do things. They could have said, “use our people.” They didn’t. We have upgraded the whole of the shrimp processing area, and now it is private.

MR. ROHRABACHER • If you will excuse me for my analysis, but I believe that what you are saying is a total non-sequitur to the point that we are trying to discuss. Let me ask you a little bit about your business dealings... You are involved now with the fishing business in Burma. And is this a profitable venture for you?

Ms. SEGAL • It hasn’t been until this year. And I have been doing it for three years. But it is beginning to be, yes.

MR. ROHRABACHER • So this has become a profitable venture, and you hope to make some money on your investment in Burma in terms of the fishing business?

Ms. SEGAL • Oh, I certainly do. But also one of the great things about what we do is that we are putting a lot of money back into the country. All our employees are in profit sharing. We do—in all of our dealings, and we are not just in fishing, we are doing into various areas, Peregrine is an investment banking house. We are looking to invest in the private sector. We are looking at all sorts of opportunities that exist there. Certainly to make money...All our employees are Burmese. Our executives are Burmese, all except for one.

MR. ROHRABACHER • All right. When you mentioned in a positive way the fact that 650 fishing vessels have been thrown out of Burmese waters, were any of these fishing vessels that were thrown out of Burmese waters competitors of yours?

Ms. SEGAL • No. There were—

MR. ROHRABACHER • They were fishing there without license, right?

Ms. SEGAL • I believe so. That is exactly what they were doing. They were poaching. But someone had the courage to say no more poachers. And this was their next door neigh-
bor and other neighbors.

MR. ROHRABACHER • Right. And of course, you have a license and they don't, so they are poachers.

Ms. SEGAL • You know, we go back to 1990, when I applied for my license. And it went before the foreign investment commission. And there were companies like Daewoo bidding against me. There were many other companies. At that stage I would like to point out that I knew no one in government at all. I went in there as an American citizen and at that time I had an advisor, a young man who said to me, "Miriam, there is great possibility in the fishing area because the world needs seafood."

MR. ROHRABACHER • So...it has major companies that were in competition, you were able to get the permit in order to fish, but the other 650 that were thrown out didn't have their license, ...so there is a big favor that was done to you by granting you a license that you hope will be very profitable to you personally?

Ms. SEGAL • I don't know what you mean by "favor." I tried to stress the point that when I went in there I knew no one, no one in the leadership at all. The country itself wanted very much to work with American firms. The fact that they awarded the licenses to someone like me, who is much smaller than Daewoo or any other company that was doing it, was their eagerness to work with the United States, to broaden the horizons, not to be dependent just on their Asian neighbors. I was not granted a favor. The reason I was granted the license is because I gave them the best deal. They are my partners, down the middle.

MR. ROHRABACHER • So you are partners with the people who granted you the license and are chasing your competition out of the waters?

Ms. SEGAL • No one chased my competition out of the waters. The only person that was chased out of the waters are people that didn't pay for their licenses.

MR. ROHRABACHER • Yes, or were granted their licenses.

MR. FALEOMAVAEGA • We do the same thing here in the United States; we chase poachers out of our waters, too.

Ms. SEGAL • And I think we have the right to do that.

MR. ROHRABACHER • Yes, I do, and in a democratic society when you have people who are responsive to the will of the people because they have to go before the electorate, there is nothing wrong with that. When you are dealing with a group of gangsters who put their opposition in jail, it is a little bit different situation at that point. You cited among the great accomplishments in recent years that we should— your number one— the number one issue that you brought up in terms of how we should recognize great changes had taken place is that there has been increased tourism in Burma.

Ms. SEGAL • Correct.

MR. ROHRABACHER • Do you really believe that should be something that should be highlighted when you are sitting next to someone who is talking about continued repression that is going on and that you have heard testimony today from people who make it their job to try to find out where human rights abuses are going on and have catalogued the regime that you are now saying has had great progress as being one of the worst human rights abusers in the world?

Ms. SEGAL • Well, I think it is important because every tourist that goes in there is at liberty to see what is going on. So if it is so horrible, they are going to take that message out, that it is so horrible.

MR. ROHRABACHER • You said that you were a victim of the Holocaust?

Ms. SEGAL • Yes.

MR. ROHRABACHER • Some tourist that went into Germany in the middle of the most repressive time period before World War II, when Jews were being thrown into concentration camps, were not permitted on the streets, would they have seen great evidence, a tourist going through Germany, of
be a citizen of this country, is that we all have the right to believe and think and say what we want to say.

Ms. Segal • And my belief is that the present leadership is determined to make this country work for its people in an orderly fashion. It is also my belief that democracy will come. It is my belief that it will probably be a coalition government—I am not sure—and it is my belief that it will not take a long time to come. I have the right to my belief; you have the right to yours.

Mr. Rohrabacher • Of course you do, ma'am, and I respect your right to express it. I fervently disagree with it, and I honestly—

Ms. Segal • And I with yours.

Mr. Rohrabacher • And I honestly believe that your perceptions are probably being clouded by the fact that you do business and are engaged in a profit-making enterprise with the people that you are judging.

Ms. Segal • For four years, I have been not making money there; it has cost me money there.

Mr. Faleomavaega • Ms. Segal, to your knowledge, how many American companies do business in Burma right now, to your best understanding?

Ms. Segal • I am really not certain. You have the oil companies, of course, and there are some—

Mr. Faleomavaega • Is it primarily textiles manufacturing?

Ms. Segal • It is beginning, yes...I would like to bring up an interesting point here. As probably most people in this room know, the Wall Street Journal did an article on Myanmar, which I was a part of. I received approximately 400 letters which were positive, as far as doing business there. Some wanted to raise goldfish and others were very valid and things we could work with. Of those 400 letters, three were negative, only three; now that is American business opinion.
BUSINESS IN BURMA

IS SLEEPING BEAUTY AWAKE YET?

ANT TO BET $250,000 on the prospects of Burma becoming a prosperous, market-driven economy? That investment opportunity is being offered by the new Myanmar Fund, which wants to raise $100 million for business ventures in Burma. The fund, organized in Hong Kong, seeks a listing on the stock exchange of Dublin, Ireland. Kerry Securities, distributor of the Myanmar Fund, is certainly bullish. Its research report—entitled "Asia's Sleeping Beauty Awakens"—proclaims that ample land, low-cost labor, and abundant natural resources give Burma the potential "to claim a place alongside the Little Dragons of East Asia."

Promoters of the Myanmar Fund present a good case for putting money into a country that is opening the door to foreign investors: Here's another nation, like China and Vietnam, shaking off its socialist system and ending decades of self-imposed economic isolation. Burma is the new frontier, finally ready for development. Garment and paper factories can employ people for $15 a month, one-tenth the cost of labor in Thailand and one-half that of Vietnam. Then there's Burma's other great unrealized sources of wealth: 75% of the world's teak, untapped fishing grounds, enough oil for its domestic needs, plus natural gas that could be exported.

Moreover, according to the sponsors of the Myanmar Fund, Burma's need to modernize just about everything presents other business opportunities. Upgrading the telephone system to have one phone per 29 people (the relatively low level of Thailand) would require an estimated $1.7 billion. Burma has revamped its regulations to allow private corporations to fill such gaps. Already, majority control of Myanmar Airways International, has shifted to a business group based in Singapore, and the airline's sole plane, a leased Boeing 757, is operated by Royal Brunei Airlines. Tourism is another prospective growth industry for Burma, which has a rich history dating back to the 5th century B.C., unspoiled beaches along its coast, tropical rain forests—and a shortage of hotels.

The upbeat report by Kerry Securities strikes a gentle note of caution in pointing out that Burma faces "conflicting views on its political development." It goes on to explain that "political disturbances" returned the military to power in 1988 as the State Law and Order Restoration Council (SLORC). SLORC, which permitted free multi-party elections in May 1990, has "not yet recognized the results which gave an overwhelming majority to opponents led by

by Louis Kraar
Aung San Suu Kyi, who has been under house arrest since mid-1989. Better days lie ahead, concludes the report: A possible accommodation with Aung San Suu Kyi and her allies "would drastically improve the country's foreign image and open it up more quickly to larger scale foreign aid and investment."

Quite apart from politics, a number of international companies have not found Burma to be a profitable paradise for foreign investors. Miriam Marshall Segal, an American who is the regime's most ardent cheerleader, has acknowledged losing money for the past three or four years on a shrimp fishing and processing venture (see page 21). Indeed, Ms. Segal sold out her business this year. Peregrine, a Hong Kong investment banking group that had earlier acquired a 24% interest in her company MMAI, owns all of it now. Another American investor, Amoco has withdrawn from a planned $51 million oil and gas project because it turned out to be economically unattractive. And a major U.S. telecommunications supplier, seeing slim prospects for earnings, recently refused even to consider building a cellular phone network in Mandalay.

Amid such wariness by other companies, why is the Kerry group eager to invest $100 million in Burma? For one thing, businessmen can differ in assessing markets. Judging from its own reports, the Myanmar Fund's sponsors figure that the regime in Rangoon urgently needs international investment to develop the economy—and thereby gain political stability. As the Kerry analysis puts it, "This philosophy has been successively applied to other East Asian nations and, given Myanmar's natural advantages, should prove equally successful."

Another reason for optimism is that the fund's advisers are deeply involved in Burma. As often happens in Asian business, the people involved in this effort are more important than the institutions. The idea for the Myanmar Fund, in fact, originated with an Overseas Chinese family from Burma that runs the Ho Group in Thailand. Halpin Ho, a director of the fund, also is a director of Irrawaddy Advisers Ltd., a company based in Rangoon and Hong Kong that helps investors put together ventures in Burma. The fund is designed to provide capital for some of the projects that it advises and, says a draft prospectus, "offer institutional investors a vehicle by which they may participate in the opening of the Myanmar economy." The fund may put $20 million into a business park that the Ho family is organizing in Burma.

The other important player in the Myanmar Fund is Robert Kuok Hok Nien, a Malaysian Chinese tycoon who is a major investor in China. In countries that lack clear business regulations and the rule of law, such as China, Kuok and other investors rely on cultivating personal relationships with officials. This is not to suggest questionable practices, but simply the way business is conducted in evolving economies. Kuok's Shangri-La Hotels has announced plans to build a 700-room Shangri-La in Rangoon at an eventual cost of $150 million. And he controls the financial group that is launching the Myanmar Fund.

Is Burma a reasonable business risk? No matter what the opportunities in a particular country, businessmen obviously invest to make a profit. They are confident of a return when the business laws are transparent and consistent, especially those that affect repatriation of dividends and eventually their invested capital. Inevitably, investment flows most readily to places where the government has proven its credibility—by operating efficiently and honoring its commitments. There lies a problem that makes many investors nervous. An analysis by Jardine Fleming Thanakom Securities, a brokerage firm in Bangkok, rates Burma's prospects for investment as possibly "a more solid bet in Southeast Asia" than Vietnam—if Burma "can reform its unpopular military government."

The regime in Rangoon has done a better job of talking about economic reforms than actually carry-
ing them out. The Asian Development Bank says in its report, *Asian Development Outlook 1994*, that the government in Burma has expressed its intention of liberalizing the economy and giving a bigger role to the private sector, but "significant progress along those lines has yet to be made." The state still retains a monopoly in key industries and resources, adds the ADB report, "and the economy remains highly regulated."

An International Monetary Fund (IMF) staff report last year credits Burma with merely making "a tentative start to market-oriented policies" and shying away from major reforms that are sorely needed. Fundamentally, the government has failed to come to grips with an unrealistic exchange rate and state corporations hooked on borrowing. Evidently, Rangoon closes the gap by printing more currency and fueling inflation conservatively estimated at 30% last year, but probably much higher. As the Fund staffers note, statistics from Burma are one of its least reliable products.

Among those squishy statistics are Burma's claim to have gained some $900 million in foreign investment, a figure compiled by adding up every contract and tentative agreement. The amount of capital flowing in, of course, is considerably smaller. Some investors, such as Amoco, have departed, and others—including the proposed Shangri-La Hotel will be built in phases over some years. Much of the outside money goes into extracting natural resources, which creates a limited number of jobs, and only until the timber and natural gas are depleted.

As seen from close up by an observer who knows the country intimately, Burma has an economy in gridlock and a society under strain. So says economist Khin Maung Kyi, a senior fellow in the Department of Business Policy at the National University of Singapore and formerly a professor at universities in both Burma and Malaysia. In "Southeast Asian Affairs 1994," Professor Khin Maung Kyi states that for all the talk of reform, the basic fundamentals have not changed and productivity of various sectors of the economy remains stagnant.

Describing "the unintended consequences of inflation," he says that moonlighting by government employees has become very common. "Worse still, for government officials who provide service or grant permits to the public, asking for or taking payments for services rendered in their normal course of duty is done with nonchalance and impunity." (Foreign investors cannot expect to escape this kind of corruption.)

By no means an indiscriminate critic, the Burmese economist acknowledges that investment laws and other government regulations provide "a reasonably attractive package for foreign investors." He adds: "It is not the lack of incentives, but the absence of a basic price mechanism and a social framework that most likely dissuades foreign investors." Retaining a highly unrealistic exchange rate of 6 kyat to one U.S. dollar undermines efforts to introduce a market economy. Among other things, foreign investors can find that repatriating their money is devilishly difficult. Explains Professor Khin Maung Kyi: "Under the present exchange rate, any deal that does not earn direct dollar revenue will be very unprofitable in terms of foreign currency. The capital brought in is undervalued at the official exchange rate, while profits made will not be allowed to be repatriated at the same official exchange rate." Investors can get six kyats for every dollar they bring in, but pay over 100 kyats to obtain dollars to take out. Those restrictions make extracting and exporting natural resources more attractive than other sorts of ventures.

And Burma naturally needs political stability to attract private investors and aid donors. Warns Professor Khin Maung Kyi: "The seeming quietness or the acquiescence under extreme social and physical control should not be equated with stability under..."
normal circumstances."

His observations, in fact, bring to mind angry complaints from ordinary citizens in Mandalay, where The New York Times reported (July 17, 1994) that tens of thousands of laborers are being forced by the Burmese government to work without pay—to restore ancient palaces and other projects intended to attract tourists.

Burma's government seems to lack any coherent economic strategy. Nor do its leaders appear to have learned much from the "miracle economies" of neighbors in East Asia, where governments set priorities for development and then got out of the way of private entrepreneurs. The main government role elsewhere has been to provide stability through honest and efficient administration. And none of the successful East Asian economies has moved forward simply by selling its natural resources and cheap labor.

Clearly, there are two contrasting visions of Burma's prospects for steady economic progress. One view shuns dealing with a regime that lacks both competence and legitimacy. Much as Burma needs outside investment, its government could make better use of its own limited funds. As investment banker Michael Dobbs-Higgins, a former chairman of Merrill Lynch Asia Pacific points out in his book, Asia Pacific: Its Role in the New World Disorder (Mandarin Paperbacks, 1994): Burma's new leaders "no doubt appreciate that the armed forces collective cost each year of around 50 percent of the country's national budget cannot be tolerated much longer. And that a large part of those resources need to be redirected to rebuilding the country's infrastructure and giving people something more than the miserable conditions they suffer under now."

The other vision is reflected in a move by the Hong Kong investment house Peregrine, which has agreed to form an investment company in Burma with Union of Myanmar Economic Holdings Ltd., an organization that manages the retirement funds of military personnel. Peregrine sees this new joint investment venture as operating along the lines of the potent China International Trust & Investment Corp. in the PRC—and perhaps eventually being listed on a stock exchange in Asia. The unspoken premise here is that the future lies in doing business with the generals and their troops.

That premise, however, is highly questionable—given the economic performance of Burma's military rulers. Their management record over some three decades is extraordinary, having transformed a reasonably prosperous nation into a poor house. The present generation of generals and colonels has spent five years on supposed reforms without making the fundamental changes needed to create and sustain a market economy. The regime lacks the most crucial element for modernizing any nation—the support of its people. The economically successful countries in Asia, regardless of their form of government, moved forward by building consensus at home. Burma has enormous economic potential, but its government leadership has proven itself to be inept, unpopular, coercive, and unreliable in honoring commitments. Prudent investors, of course, must weigh that downside risk.
IN BRIEF

S L O R C S P E A K S

A BRIEF ON MYANMAR

The country known as Myanmar has come into being since time immemorial. Naturally, she has been going through the whirligig of time all along the course of her existence. Under the leadership of the national heroes, however, the country was usually found to be opulent and peaceful. For example, Myanmar was organized to be a strong union in the early 11th century (i.e. Bagan period) by king Anawrahta. It is generally referred to as the first union of Myanmar. Also in the middle of the 16th century, king Bayinnaung established the second union of Myanmar that used to be one of the mightiest countries in Asia then. Myanmar was thirdly unified in 1752, by king Alaungpaya, the founder of the last dynasty of Myanmar.

There was a milestone in the history of Myanmar when all the nationalities were unanimously organized on 12th February, 1947. Accordingly, Myanmar was able to resume her unionism at least in principal and therefore looked upon as the fourth union. However, she attained the genuine nature of a union only in the late 1960s (i.e. nearly two decades after her independence in 1948) when those internal and external offenses were practically overcome by the then government.

Towards the end of 1988, Myanmar was painstakingly prevented from a threat of disintegration which may well be the fiercest in the history. Then, drastic measures were taken to check the violence and to stabilize the country. Nowadays, there is obviously an upward tendency both in the economic and political areas of Myanmar. With the initiation of Market Oriented Economy, Myanmar has gained momentum in the field of international trade. Great efforts have been made to heighten the nation’s development in many spheres of life: economy, education, urbanization, health, sports and games, and what not. More importantly, patriotism is highly vivified through the activities such as traditional regatta, equestrian, bullock cart race, etc. To come right to the point, our country nowadays, is in fact the fifth union of Myanmar.

Myanmar, known as Burma until 1989, is one of the most enjoyable places in South East Asia, which comprises (7) states and (7) divisions on the basis of the nationalities involved. Covering an area of 261,789 squared miles, Myanmar is considered to be the largest country in the region. The population estimated is 43 million approximately. The coastal districts are usually referred to as Lower Myanmar whereas the inland districts are taken to be Upper Myanmar.

NATIONALITY

There are altogether 135 groups of nationalities in Myanmar, which have been co-existing with each other for long: namely, Kachin, Kaya, Kayin, Chin, Bhamar, Mon, Rakhine, and Shan are regarded as the major groups. Among them, Bhamar is the majority (69% of the total population.)

RELIGION

Buddhism is mostly followed though the freedom of worship is practiced to the fullest extent. Accordingly, there also are Christians, Muslims, Hindus and even animists professing their own religions respectively.

ECONOMY

On account of Market Economy System initiated since 29th October 1988, Myanmar has been upgraded by leaps and bounds in the field of international economy. Foreign investment is earnestly invited and the local private sector also is unprecedentedly encouraged. Business can be done in the form of joint-venture (either with the government or with local private entrepreneurs). Nowadays, Myanmar has gained her steady progression to a golden age through the booming situation of her economy.

The above excerpt, reflecting the views of the Burmese government, appears as a permanent essay in Today: The Magazine on Tourism and Business in Myanmar

"Near Mandalay a new prison is being built, presumably one of the biggest in Burma"
Quite Unfair and Cruel to Boot

I have never heard
That a whole abdomen had to be opened up
Just to cure a mild case of diarrhea.

I have never heard
That an entire pile of books was burnt
Just because a single termite blighted one.

I have never heard
That a spoilt child was stabbed
Just to scold him for crying for sweets.

I have never heard
That death sentences have been handed down
To minor violators of the Highway Code.

But I have heard that
The odious sentence of a lifetime's transportation
Has been given
For one small offense of rightly being angry
For just one day.

The above poem was circulated in 1991 upon the death of Maung Thawka, naval officer, writer, and democracy activist. Adopted as a prisoner of conscience by Amnesty International, he was serving a 20 year prison sentence when he died.

Born in 1928 in Shwebo, Upper Burma, Maung Thawka (real name U Ba Thaw) joined the Burmese navy in 1947 and rose to the rank of Lieutenant Commander. From 1969 to 1977 he worked for the Ministry of Information as a senior editor of the official information magazine FORWARD (Slei-tlio in Burmese). He then worked as a private teacher until the time of his arrest in 1989. Writing poetry, fiction and numerous articles, Maung Thawka became known for his satire and humor and as one of the most popular speakers at mass literary meetings. A close associate of Aung San Suu Kyi, he was active in the NLD and agreed to be the chairman of the unofficial Union of Writers in 1988.

At age 61, Maung Thawka was arrested and sentenced by a military tribunal in October 1989 under the 1950 Emergency Provisions Act. He was accused of trying to split the military after writing to a naval commander and former colleague to urge leniency on behalf of young naval personnel who had taken part in the democracy demonstrations in 1988.

Before his arrest Maung Thawka suffered from chronic spondylitis, a spinal disease. A severe beating during a hunger strike at Insein Prison in September 1990 reportedly left him paralyzed. He died in June 1991 as a result of a heart attack and weakened health, exacerbated by poor conditions in prison and medical neglect.
WASHINGTON, DC—On July 8, Mr. John Finney, the Director of the Office of Thailand and Burma Affairs at the US Department of State, briefed the Washington Roundtable on his visit to Burma and the region. He also discussed the status of the US Burma Policy Review.

The meeting of September 27 featured Jack Dunford of Church World Service and Chairman of the Burmese Border Consortium, who discussed the current situation in Thailand, developments with the ethnic minorities along the Thai/Burma border and the role of the non-governmental organizations providing relief and assistance.


NEW YORK—A Roundtable held on September 28 at the Church Center for the UN included a discussion of the "cease-fire" negotiations between the ethnic groups and SLORC as well as the upcoming United Nations General Assembly resolution on Burma. The guest speaker at that meeting was Jack Dunford of Church World Service and the Burmese Border Consortium.

The New York Roundtable is a periodic meeting of organizations and individuals interested in Burma. For more information contact: Human Rights Watch/Asia by phone: (212) 972-8400 or fax: (212) 972-0905.

MASSACHUSETTS—Dr. Paula Green, Director of the Karuna Center in Leverett, Massachusetts, provided a briefing on 9 August on recent developments along the Thai/Burma border.

The September meeting featured a video performance of Yuzana Khin's one-woman multimedia play, "A Struggle for Freedom". Ms. Khin is a singer, actress and student activist who was granted political asylum in the United States.

The Massachusetts Burma Roundtable is an informal group of individuals and organizations working to promote human rights and democracy in Burma. Meetings are held the second Tuesday of every month. For information contact Simon Bil lenness by phone: (617) 482-6179 or fax: (617) 482-6179.

SAN FRANCISCO—The Bay Area Burma Roundtable is held the third Wednesday of every month. The August Roundtable featured a briefing by Simon Billeness of Franklin Research & Development on the annual meeting of the Coalition for Corporate Withdrawal from Burma which took place in New York. September's session included discussion of activities organized around the September 18 anniversary of the SLORC's consolidation of power in 1988.

For more information contact Jane Jerome by phone: (415) 424-8643 or e-mail: jjerome@igo.apc.org

SEATTLE—The Burma Interest Group is a non-partisan forum attended by representatives of NGOs, business, academia and other interested parties that meets monthly to discuss Burma related topics. The next meeting will be held on October 3 with a presentation by Lya Badgely, a recent visitor to Burma.

For more information contact Larry Dohrs by phone: (206) 784-6873 or fax: (206)784-8150.

LONDON—The Burma Briefing, a periodic meeting of NGOs working on Burma, recently hosted Julian Hartland-Swann, the British Ambassador to Burma. A September session featured Jack Dunford of the Burmese Border Consortium.

The next Burma Briefing is scheduled for October 6 when Professor Mya Maung of Boston College will address the group. Contact: Edmond McGovern, phone: (44-392) 876-849 or fax: (44-392) 876-525

PARIS—The first Paris/Brussels Roundtable held on September 27 was attended by NGOs, academics and others interested in Burma. The guest speaker was Maureen Aung-Thwin, Burma Project Director of the Open Society Institute who briefed the group on the OSI's projects and activities involving Burma.

The next meeting will be held in Brussels on October 25. For more information on this European forum contact Lotte Leicht of Human Rights Watch office in Brussels by phone: (32-2) 732-2069 or Fax: (32-2) 732-0471.
BUSINESS WATCH

PUBLICATIONS PROMOTE BUSINESS OPPORTUNITIES IN BURMA

A major public relations campaign over the past year has produced a number of publications designed to entice foreign business investment in Burma. Today: The Magazine on Tourism and Business in Myanmar is a monthly magazine published by Today Media & Information Ltd., No. 88, 51st Street, Yangon, Myanmar, Tel: 95-1-02489. An 82 page guide to conducting business, including information on tax and legal structures, can be found in: Investing in Myanmar 1994. It is available from Advanced Communications Co. Ltd., 2F Block A Morririn Building, 60/1 Phaholyothin 8, Bangkok 10400, Thailand. A monthly newsletter, MYANMAR BUSINESS: How to trade, invest and make business connections in the emerging economy of Myanmar, is being published by Options Publishing Services, Inc. with offices in Bangkok, Jakarta, Kuala Lumpur, London, Manila, Paris, Singapore, Taipei, Tokyo, and Zurich. For more information contact: Manila office, Melva C. Nath, Tel: (632) 818-3289 of Fax: (632) 819-3752.

NCGUB PRIME MINISTER WARNS COMPANIES DOING BUSINESS WITH SLORC

In an address to the National Press Club in Washington, D.C. on September 16, Dr. Sein Win, the Prime Minister of the democratically elected government of Burma, issued a warning to companies conducting business with Burma’s ruling military regime. He stated that such companies stand an excellent chance of losing their investments when the democratically elected government returns to power. Particular mention was made of foreign oil companies, UNOCAL and TOTAL [France], which are involved in the natural gas pipeline. The Prime Minister stated that “There is evidence that slave labor and human rights abuses are occurring in connection with the UNOCAL-TOTAL project... The blood of the Burmese people is upon their hands and this will not be forgotten.” According to Dr. Sein Win, the same SLORC that is getting rich off the US companies is getting rich from heroin from Burma sold on the streets of the United States. Burma is the world’s largest producer of raw opium. He urged such firms to divest from joint ventures with SLORC.

UNOCAL RELEASES REPORT TO STOCKHOLDERS

Responding to inquiries from its shareholders, the US oil company has released a glossy, color report entitled: UNOCAL in Myanmar: Report to Stockholders. Despite concerns expressed by human rights groups, environmental activists and the firm’s own shareholders and employees regarding UNOCAL’s activities in Burma, the report states that in every project overseas, including Myanmar, basic principles guide the firm’s actions. These principles are summarized as: “We conduct all of our business activities — in any country — ethically and responsibly, or we don’t do business there at all... We ensure that our presence has a positive impact on the local people...(and)...We take our environmental responsibilities seriously.” The report was produced by the Corporate Communications Department, UNOCAL Corporation, P.O. Box 7600, Los Angeles, California 90051, phone: (213)977-7600.

THAILAND SIGNS DEAL TO BUY GAS FROM BURMA

The Petroleum Authority of Thailand (PTT) signed a Memorandum of Understanding (MOU) on September 9 with SLORC to purchase natural gas from Burma. The MOU, which was signed at a ceremony in Rangoon, stipulates the conditions for the natural gas acquisition under which PTT will buy gas from Burma’s offshore Yadana gas field. The gas field is being developed by a venture between TOTAL of France and the US oil company, UNOCAL. According to the MOU, Thailand will pay $2.52 per million British Thermal Units (BTU), which will be raised to $3 per million in 1998 when the gas comes on line. This base price is substantially higher than the cost of gas piped from the Gulf of Thailand (some estimates are as much as 45% higher), leaving some experts to predict that Thai consumers will be paying even more than usual for their energy.

COALITION FOR CORPORATE WITHDRAWAL FROM BURMA MEETS IN NEW YORK

The first annual meeting of the Coalition for Corporate Withdrawal From Burma met on August 11 to discuss further strategies for coordinating shareholder activism with corporations operating or investing in Burma. The group will be continuing their campaign around the U.S. oil companies, UNOCAL and TEXACO, as well as PEPSICO. They will also be targeting firms in the garment industry, such as Eddie Bauer, which are becoming increasingly involved in Burma. Guest speakers at the meeting were Josef Silverstein, Professor Emeritus of Rutgers University and Dr. Thaung Htun who is working with the NCGUB in Washington, DC. For more information on the Coalition contact Simon Billenness by phone: (617) 423-6655 or fax: (617) 482-6179.
US CONGRESS PASSES RESOLUTIONS ON BURMA

The Senate and House of Representatives unanimously passed individual resolutions observing the fifth anniversary of Aung San Suu Kyi's house arrest on July 20, 1989. Both resolutions called for the immediate and unconditional release of Suu Kyi and other political prisoners, the transfer of power to the elected civilian government based on the results of the 1990 election, an international arms embargo, and the appointment of a UN special envoy to Burma and opposing of foreign aid and financial assistance for international institutions. The House resolution also called on the U.S. government to consider imposing further economic sanctions against Burma and to encourage other members of the international community to take similar steps.

STATE DEPARTMENT BURMA WATCHERS ON BOARD

The new Charge d’Affaires, the highest ranking State Department representative at the U.S. Embassy in Rangoon, is Ms. Marilyn A. Meyers, former Deputy Chief of Mission (DCM) at the American Embassy in Australia. Ms. Meyers takes the place of Franklin P. Huddle Jr. Ms. Joan Plaisted, has replaced John Finney as Director of the Office of Thai/Burma Affairs in the Bureau of East Asian and Pacific Affairs. Prior to taking the Washington post, Ms. Plaisted served as the DCM in Morocco. Mr. Finney remains in Washington as the Director, Office of Defense Relations and Security Assistance in the Bureau of Politico-Military Affairs. The position of the Burma Desk Officer has been filled by John Lyle who was formerly at the Office of Trade and Commercial Affairs in the Bureau of Economic and Business Affairs.

US CONGRESSIONAL STAFF DENIED ACCESS TO HALOCKHANI

A staff delegation from the House Committee on Foreign Affairs was refused permission by Thai authorities to visit the Mon refugee camp at Halockhani during a trip to the Thai/Burma border in early September. The staff had planned a fact-finding mission to look at the aftermath of the attack on the camp by the Burmese military and the conditions of the nearly 6000 refugees who had fled to a site along the border. Although the staff members, who were accompanied by U.S. Embassy officers, had requested permission to visit Halockhani from the appropriate authorities, the group was barred from traveling to the site once they reached the border town of Sangkhlaburi. Thai officials later claimed that a mistake had been made and permission could have been granted to the visiting delegation.

MEMBERS OF CONGRESS PROTEST ARRESTS OF PRO-DEMOCRACY ADVOCATES

In a letter to SLORC Foreign Minister Ohn Gyaw, dated September 1, 1994, Senators and Representatives voiced their concern over the recent arrests of five pro-democracy advocates in Rangoon. The Congressional Friends of Human Rights Monitors, a group composed of 34 Senators and 121 members of Congress, urged SLORC to drop all charges against Dr. Khin Zaw Win, former UNICEF advisor and NLD supporter; the NLD's MP elect, Khin Maung Shwe; writer, San San Nwe; her daughter, journalist Sein Hla Oo; and NLD activist Ma Myat Mun Mun Tun. The letter, which was signed by the group's steering committee, Senators Dave Durenberger, James Jeffords and Daniel Patrick Moynihan, and Representatives Tony Hall and Constance Morella, called for the immediate release of the prisoners.

CONGRESSIONAL HUMAN RIGHTS CAUCUS HOSTS PERFORMANCE BY STUDENT ACTIVIST

In conjunction with Amnesty International, the Human Rights Caucus sponsored a one woman multi-media play, "The Struggle for Freedom", performed by Yuzana Khin, a Burmese student who was granted political asylum in the United States. The performance took place on August 8, the anniversary of the brutal repression of pro-democracy demonstrators by SLORC in 1988.
THAILAND: BURMESE AND OTHER ASYLUM SEEKERS AT RISK

September, 1994
Amnesty International
322 Eighth Avenue
New York, NY 10001
Tel: (212) 807-8400 Fax: (212) 627-1451

A report on the treatment of asylum seekers in Thailand including an examination of arrest and detention procedures, conditions of detention, deportation and forcible return.

NOTABLES & QUOTABLES

KACHIN LEADER BRANG SENG DIES

Brang Seng died on August 9 after as a result of complications from a stroke. The ethnic leader was born on June 16, 1931, and joined the Kachin Independence Organization (KIO) in 1963. He was unanimously elected to the dual posts of KIO president and KIO chairman in 1976. In 1986, he became the first chairman of the northern military zone of the National Democratic Front, which comprised a dozen armed ethnic groups active along the Sino-Burmese and Thai-Burmese borders.

A KIO press release said that Brang Seng initiated peace negotiations with successive Burmese governments in 1963, 1972, 1980 and "finally the latest ceasefire with the State Law and Order Restoration Council in February, 1994". It is not known what effect Brang Seng's death will have on the truce agreement or who will be chosen to replace him. KIO Deputy Chairman Gen. Zau Mai, who is also the Chief of Staff of the Kachin Independence Army, has been playing an active role since Brang Seng's health began to fail last year.

Brang Seng is survived by his wife and seven children.

WORDS TO THE WISE?

"Despite the ASEAN policy of constructive engagement, the signs are that some ASEAN countries are bowing to US pressure to slow down their acceptance of Myanmar. They shouldn't do this, because they could well be the next target of the US."

The above quote appeared as an editorial comment in the July 1, 1994, issue of MYANMAR BUSINESS: How to trade, invest and make business connections in the emerging economy of Myanmar.

BRIEFINGS AND DEVELOPMENTS

SLORC LEADERS MEET WITH DETAINED NOBEL LAUREATE AUNG SAN SUU KYI

The first face-to-face meeting between Daw Aung San Suu Kyi and the junta leaders who have kept her under house arrest since July, 1989 took place September 20. Suu Kyi was taken from her place of detention to a Defense Ministry guest house where she met with top officials of the State Law and Order Restoration Council: General Than Shwe, SLORC chairman, and Lt. General Khin Nyunt, SLORC's Secretary 1 and chief of Military Intelligence. The meeting was broadcast on Burmese television and reported in the government controlled newspaper, The New Light of Myanmar. It coincided with the opening of the United Nations General Assembly in New York. Many speculate that the meeting was as a result of international pressure on the SLORC and that it will be the first of several to be held.

ATTACK ON MON REFUGEES CAMP FORCES THOUSANDS TO FLEE FOR SAFETY

On July 21, the refugee camp at Halockhani, located just inside the border of Burma, was attacked by SLORC troops of the 62nd battalion. Armed soldiers entered the camp, torched houses and took hostages, using them as human shields as they advanced through the camp. Nearly 6000 ethnic Mon fled to Thailand where they were temporarily encamped. Despite the protests of the refugees, non-governmental organizations and the United Nations High Commissioner for Refugees (UNHCR), Thai authorities forced the refugees to return to Halockhani by denying access to food rations and relief supplies. Under the threat of starvation and disease, refugees returned to Halockhani in mid-September. The Mon continued to press for the presence of an international agency at Halockhani to ensure their protection.

BURMA STUDIES GROUP HOLDS COLLOQUIUM

The Burma Studies Group of the Association for Asian Studies will hold its biennial colloquium at Northern Illinois University in De Kalb, Illinois October 7-9. Hosted by the Center for Burma Studies and supported by the Henry Luce Foundation, the colloquium will have as its theme: "Autonomous and Non Autonomous Perspectives on Burma". Scholars from around the world will present papers on topics ranging from early Burmese ceramics to models for economic reform. Select papers from the colloquium will be published at a later date. Watch Media Resources section of future issues of Burma Debate for more information.

SLORC SEEKS SUPPORT OF GOVERNMENT OF ETHIOPIA

General Than Shwe, chairman of the State Law and Order Restoration Council, has requested that Ethiopia help Burma gain acceptance by the international community. The Deputy Foreign Minister of Burma, U Nyunt Swe, delivered a message to Ethiopian President Meles Zenawi which stated that views aired by much of the international community concerning the situation in Burma were incorrect; that peace and stability in Burma were prevailing; and economic reconstruction was underway. The message of General Than Shwe noted Ethiopia's considerable influence among countries in that region and expressed hope that President Zenawi might help in changing the perception of Burma currently held by other nations. Mr. Nyunt Swe also traveled to eight other African countries on a similar mission.

THE BURMA PROJECT OF OSI LAUNCHES FORUM ON BURMA

The first in a series of discussion sessions focusing on critical issues facing Burma will be held October 11 by The Burma Project of the Open Society Institute in New York. Martin Smith, author of Burma: Insurgency and the Politics of Ethnicity, will present a paper entitled, "Social and Humanitarian Crisis in Burma: The Consequences of Deadlock". Discussions from the sessions will later be published as OSI reports.
is a publication of The Burma Project of the Open Society Institute.

THE OPEN SOCIETY INSTITUTE (OSI), the latest entity of the Soros Foundations, was established in December of 1993 to promote the development of open societies around the world. Toward this goal, the institute engages in a number of regional and country-specific projects relating to education, media, legal reform and human rights. In addition, OSI undertakes advocacy projects aimed at encouraging debate and disseminating information on a range of issues which are insufficiently explored in the public realm. OSI funds projects that promote the exploration of novel approaches to domestic and international problems.

The Burma Project initiates, supports and administers a wide range of programs and activities. Priority is given to programs that promote the well-being and progress of all the people of Burma regardless of race, ethnic background, age or gender.