

## APPENDIX 2

### **Background on USDA, SLORC's "Brown-Shirts"**

The Union of Solidarity and Development Association (USDA) was first established by the SLORC as a social and business organization. The USDA now maintains a monopoly over State properties in its business projects and investments, amounting to control of billions of kyats. It has since also become SLORC's political support group and functions much like the Indonesian Golkar, terrorizing SLORC targets.

The USDA began its business and investment dealings in early 1995. With SLORC's assistance, the USDA established the Myan Gon Myint company with a 68 billion kyats investment. Traditionally, SLORC establishes markets and sells shops to individuals who may buy a shop and run the business themselves. The USDA has the unique privilege of obtaining shops free of charge from the SLORC; it can operate the shops or resell them for a profit.

According to the USDA's annual report submitted at the USDA annual meeting in September 1995, the USDA earned 362 billion kyats in profits by using State properties in their business transactions. On January 24, 1995, in Pinlon Yadan market in northern Dagon, 382 shops, owned by the Rangoon City Municipality Committee, were handed over by SLORC to the USDA Central Committee; it earned 55 billion kyats by reselling the shops to individuals and it garners one billion kyats in rent monthly from the shops. The newly-renovated Myaynigone market, also previously owned by Rangoon City Municipality Committee, was transferred to the USDA Central Committee by the SLORC, earning the USDA a profit of 200 billion kyats. Similarly, eleven shops in the State-owned Theingyi market in downtown Rangoon were given to the USDA as "gifts." The organization got 39 billion kyats for selling a portion of the shops and receives another 65,000 kyats monthly in rent. In addition to these major businesses, the USDA is running highway bus stations, passenger bus companies, restaurants, and recreation centers. With SLORC's assistance, the USDA is buying shares in other companies, and collecting taxes on its transportation businesses and many other small businesses.

### **USDA's Political Arm**

On various occasions the SLORC has blatantly used the USDA to serve the interests of the military regime. During 1996, the USDA was primarily used to attack violently senior members of the NLD, including Aung San Suu Kyi, and to damage

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and disrupt the activities of the NLD. It is widely accepted that the regime is hoping to create an unbearable situation for the entire NLD, in order to provoke the organization and its members into a violent confrontation with SLORC, allowing the military an excuse for another repressive crack-down on the NLD and its supporters.

The SLORC is trying to create the illusion that there is a groundswell of support for the USDA. Since December 1995, the SLORC-controlled media has begun to report that mass rallies attended by tens of thousands of people throughout the country are being held in support of the USDA. According to inside sources, USDA membership is not voluntary; people join out of fear of the army. Attendance at USDA rallies is mandatory; in many cases people are fined if they do not attend required events. Often, mobs are paid by SLORC to perform violent acts against NLD members.