Burma Issues

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BURMA IN THE ARMS OF CHINA

By Saw Thu War

In 1985 the People's Liberation Army of China (PLA) directed its military strategy away from a "people's war" to focus more on the small scale and potentially intense wars around its periphery. To carry out this new strategy, China started an extensive arms sale program of locally produced weapon systems in order to obtain the foreign currency needed to cover the cost of importing new, ultramodern, foreign military technology to upgrade its own defences.

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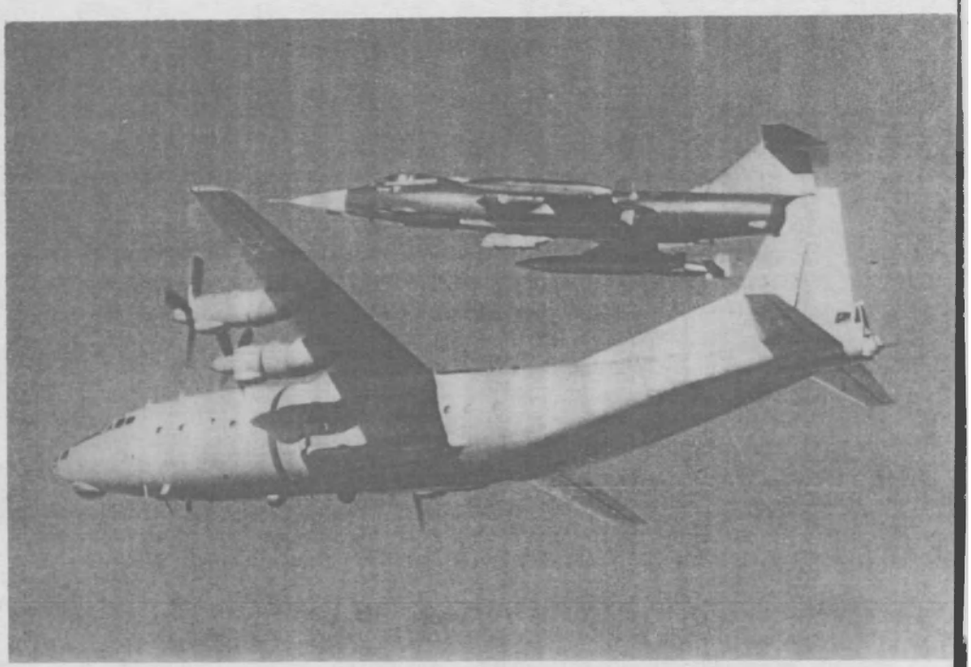

The Y-8MPA was produced by China for patrol and surveillance. Several of these air craft have been sold to Burma. China's interest in selling arms to Burma may be more for economic reasons than for any political or ideological ones.

BURMA IN THE ARMS OF CHINA

(CONTINUED FROM PAGE 1)

This arms sale program was intricately tied to the overall foreign policy of China. Unlike the 1950s, today China sells arms to earn foreign currency rather than to have an ideological influence on countries engaged in struggle. A large quantity of relatively unsophisticated Chinese weapons are available for sale cheaply. Consequently China became the major arms exporter to Burma after 1988, despite the call of many western nations for an arms embargo against the Burmese military due to a wide range of human rights abuses against its own people.

Before 1988, Burmese military weapons ranging from G-3 assault rifles to Pilatuas PC-7 and PC-9 aircraft were purchased from Western nations. These weapons were primarily suited to the counter insurgency operations (CIO) the Burmese army was carrying out in ethnic areas of rebellion. However, weapon supplies from Western countries suddenly plunged following the army's massacre of unarmed civilians during the uprising of 1988.

China's arms sales to Burma, however, remain a major obstacle to ending the more than four decade old civil war. Yet, the perspective on exactly what their role is must be clarified.

The Swedish government's decision to stop the sale of 84mm air burst artillery shells (one of the favourite weapons of the Burmese infantry units) to Burma had a strong impact on the Burmese army. Nonetheless, they found ways to purchase the expensive shells from Singapore even though this source was unreliable for their long term needs. In addition, the campaign in Switzerland against the Pilatuas Co. resulted in the end of their sale of aircraft and parts to Burma.

Over the years, Burma has kept up a cool but formal relationship with China, despite China's support for the Communist Party of Burma (CPB). Probably the Burmese military regime was doubtful that the CPB was a major threat to its power. In March 1985, the visit of a high official delegation from Peking to Burma resulted in a promise by the PLA's Chief of Staff, Gen. Shushin, to cease support to the CPB. This resulted in improved relationship between the two countries, and an end of China's support to the CPB. The CPB collapsed in 1989 following a mutiny of the rank and file ethnic armed forces against the ethnic Burman dominant Politbureau.

In August 1988, after signing a border trade agreement between China and Burma, Peking also stopped encouraging Burma's ethnic insurgencies along their common frontier border. The level of cross border trade immediately increased between the two countries. This economic relationship has also strengthened the ties between the two countries.

In December of 1988, several top Burmese military officials paid a visit to Chinese arms industry and training sites. Burma subsequently signed a contract for arms purchases from China in order to reduce its weapon dependency on western nations.

Almost immediately the Burmese military purchased US$1.2 billion worth of F-6, F-7, and A5M jet fighters, six Hinan-Class patrol gun boats, armoured carriers, 122mm and 107mm type heavy artillery guns, and rocket propelled launchers from China. While some sources over-estimate Burma's military threat to its neighbors, these weapons are, in many ways, most ideally suited for counter insurgency operations. The Chinese-made aircraft are about 1965 models and are useful mainly for close air support to ground forces and for air-guard. For the first time, in 1992, the Burmese Air Force used planes in its offensive against Manerplaw, the ethnic Karen rebel headquarters. The air strike proved to be ineffective in the dense jungle.

The Patrol boats are used along the Tennasserin coast to provide security for foreign joint venture offshore oil wells, as well as to secure the Irrawaddy Delta, Burma's rice bowl, from the penetration of Karen rebels through the sea route.

In addition to weapons purchases, the Burmese military, with cooperation and technical assistance from China, is building up a triangle-shaped series of four naval bases connecting Coco Island, Haigyi island, Mergui and Thilawa. Coco island is located in the Andaman Sea, about 100 km to the south, near India's maritime border. Haigyi Island lies at the mouth of the Bassain River, while Mergui is a Tennasserin costal town and Thilawa is the gateway from Rangoon to the Andaman Sea. Chinese radar facilities have been seen at these sites.

Many Burmese analysts say that China is building up its military strength in Southeast Asia and the Indian Ocean through access to facilities in Burma. However, this conclusion needs to be tested more and confirmed with reliable data. Perhaps China is still not capable of expanding its military influence in the region and, indeed, is still busy with security measures along the India, Vietnam and Russia Federation borders - though bilateral relations have improved with Russia recently. The PLA has deployed most of its navy fleet in the South China Sea, suggesting its concern about the growth of Japan's naval power and to prepare for possible military action around the disputed Spratley Islands. Also, the PLA's rapid deployment forces

Chengdu F-7M Airguard derivative of the J-7/MiG-21

are mainly capable of deployment in its sea and land territories. Even the strategy of China's "rapid-reaction" is still far behind and requires much qualitative technology refinement.

China's arms sales to Burma, however, remain a major obstacle to ending the more than four decade old civil war. Yet, the perspective on exactly what their role is must be clarified. The suggestion by many Burmese activists in western countries and the US that China's aspiration is to be a dominant military power in the region is contestable. The new generation of leaders of the CPC has not stuck to the ideology of the 1950s. In a recent interview with Mr. Tian Zenppei by Xinhua News in September, Tian stated that "today, economic factors play an increasingly important role in international relationships. China's diplomacy, too, should make it a top task." Tian added, "China will continue to develop economic diplomacy in both bilateral and multilateral relations." In the statement, Tian has clarified that China's ambition is to gain economic power which also directly relates to political power in world politics.

Some Burmese analysts say that a proposal by the US for an arms embargo against Burma in the UN Security Council could fail to have any affect on China's arms sale policy to Burma. It is very likely, these analysts say, that China would simply use their veto right and thus end the embargo campaign. They base their arguement on China's foreign policy statement made at the Third Plenary Session of the 11th Central Committee of the CPC in 1987. In this statement, the CPC said, "China will not support one country to oppose another nor yield to pressure from any big power or power group."

However, the present realities are that the US, Japan and many European countries are increasing their economic ties with China. China also has expressed interest in foreign technology for industrial development and defence modernization from these same countries. Under these circumstances it would seem an appropriate time for western countries to make a united diplomatic approach to China to either temporarily stop arms sale to Burma until the civil war is ended or to not use their veto power in the UN Security Council if a call for an arms embargo against Burma were made. There is a strong passibility that such an approach at this time might prove successful, and is perhaps the only way to halt SLORC's war against its people and prepare the way for truly effective negotiations for peace and democracy.

Sources:

Bangkok Post

China Daily

The Nation

"The World's Armies", Salamandar Books Ltd 1991

"The World's Navies", Salamandar Books Ltd 1991

"China's Foreign Relations", The American Academy of Political and Social Science, January 1992.

A Remarkable Woman

by Anna Mitchell

Miriam Marshall Segal is best-known these days not only as a flamboyant businesswoman who invests heavily in Burma, but also as a highly vocal supporter of the SLORC. She has testified before several US Senate hearings on Burma, written articles for the Asian press, and is speedy in her rebuttal of SLORC critics in letters columns or by telephone. In defence of their politics, she quotes official economic statistics. Her photograph has featured regularly in the official Burmese English-language newspaper 'The New Light of Myanmar', smiling fondly at generals and other SLORC dignitaries.

In her public statements, Ms Segal reveals little about her private life. She does make a point of emphasising, however, that she was a victim of the Holocaust, that her father was killed in a struggle to establish the state of Israel, and that she was stateless for 18 years. In the light of these facts, she feels that "more so than many others, I know the pain of organised repression, the value of freedom." (Unfortunately this is a debatable statement. History does not indicate that either individuals or nations which have survived great hardship behave more humanely than those which have not. The state of Israel is a case in point.)

Ms Segal tells us that she grew up in Australia, where, despite her statelessness, she was lucky enough to spend part of her youth travelling widely in South East Asia. On a visit to Hong Kong she became friendly with the chairman of the highly successful fashion group Neimann Marcus, an association which apparently set the stage for Ms Segal's first New York success in the mid-1960s, her "Port of Call" boutiques. Recently Stanley Marcus said of his old friend, "She's smart as the devil on matters of fashion and taste, but I wouldn't appoint her secretary of state."

She was also one of the founders of the "Ports of Call" travel agency, launched around the same time, which specialised in off-beat travel options. Meanwhile her boutiques multiplied in number and profitability, and became identified with rare and exotic fashions, accessories, ornaments and *objets d'art* from Asia, where Ms Segal now became a regular business traveller.

In the early 1980s Ms Segal sold up her businesses and turned her attention more fully to South East Asia, then emerging as a fast-growing economic region. Her shopping trips in search of exotica had given her all the right contacts; and Burma, still badly under-developed and rated by United Nations as one of the ten poorest countries of the world, attracted her special interest. She was well-placed to benefit from SLORC's new 'open-door' economic policies, announced in 1988.

Earlier this year Ms Segal entered partnership with Gen. Maung Maung, the SLORC's Minister of Livestock Breeding and Fisheries - together they have gone into shrimp packing for export. According to the Asia Wall Street Journal, "He calls her 'Miriam' and she calls him 'my General'". As Chairman and CEO of MMA International Holdings Ltd., she has invested more than US$4 million not just in shrimp packaging, but also in a fishing venture and a cement-bagging facility. MMAI Holdings is registered in the British West Indies and includes as a partner the Peregrine merchant banking group of Hong Kong. The company is also seeking to become involved with a widely diverse range of businesses - hotels, timber, cellular phones, duty-free merchandise, aircraft repair, expatriate housing construction, car dealerships and pharmaceutical export ventures. Ms Segal also plans to set up a consultancy company to encourage further foreign investment in the country.

Perhaps Ms Segal's vociferous defence of the SLORC regime is best explained by her heavy financial commitment to it. Whether she is a political bubble-brain, or a financially astute and politically cynical operator is hard to fathom. She may simply be numbered amongst the millions who believe you get what you deserve in this life. Hence she can state that it is Aung San Suu Kyi's own stubbornness which keeps her under house arrest, and that forced labour in Burma is not carried out by ordinary citizens or political prisoners, but murderers and drug addicts.

Whereas conservative businesses are approaching investment in Burma with considerable caution, Ms Segal has flung herself in with gusto. Of course, not everyone has her connections. One thing seems certain. Her well-publicised personal friendship with top SLORC officials should ensure that she is in an excellent position to benefit not so much from the 'open-door' policy as from the more discreet and traditional 'behind-closed-doors' policy which so effectively maintains the status quo in what remains one of the world's poorest countries.

Sources - AWJ 940112, - Statement of Miriam Marshall Segal to the Congressional Subcommittee on Asia and the Pacific 940629, - Women in Business , Focus: Asia, published by MMA International Ltd.

With special thanks to Project Maje

What you can do

Readers who believe Ms Segal should reconsider her investment in Burma could write to:

Ms Miriam Marshall Segal, Chairman and CEO, MMA International Ltd., 25 Central Park West, Suite 9K, New York, NY 10023.

The Land of the Golden Pagoda

by Anna Mitchell

Last month we published an article by Martin Smith on the environmental and social impact of tourism on Burma. This piece will examine just how successful this bid to get the tourist dollar is likely to prove.

In 1993 the SLORC entered into over US$52 million-worth of deals in hotel investment, and is expecting to get more than US$200 million this year, with Singapore, Thailand and Hong Kong companies being the chief investors. Companies investing in hotel construction projects go in on a 'Build, Operate & Transfer' (BOT) basis, which means they bear all construction costs, operate the hotel for 30 years, and then transfer the entire establishment, free of charge, to the Burmese government . In most cases foreign companies are required to enter into a joint venture with a Burmese company, almost without exception owned by the military.

Burma's long isolation has made it an attractive destination for those tourists intent on being first to set foot on formerly untrodden lands. They will be expecting an introduction to its wealth of natural beauty - forests, mountains, lakes - and its fabled temples and diverse ethnic populations, each with its own particular culture and artifacts. But it remains to be seen how well Burma's military rulers understand the desires and whims of tourists.

Take, for example, the famous Strand Hotel, a historic site taken over in January 1991 on a 50-50 joint venture between Hong-Kong-based Strand Hotels International and the SLORC-run Myanmar Hotels & Tourism Services. The project (which included two other, more modest, hotels) was to cost US$12 million, with the Hong Kong investors providing US$6 million and management expertise, and their Burmese partners providing US$6 million in raw materials and labour. (That's a lot of labour, with workers averagely paid - if at all - around Kyat 1,000 (US$10) a month, and children considerably less .)

There have been innumerable problems with the renovation - supplies of raw materials suddenly dried up, the structural plans were altered half-way through the operation, the Hong Kong investors lost patience, and after 18 months additional capital had to be borrowed from the DBS Bank of Singapore.

Nearly three years and US$21.5 million later, the 32-room Strand Hotel opened in November 1993. At US$250-$700 a night, most tourists are staying away. According to a Manager Magazine check of the guest list, occupancy was less than 30% during one peak-season week, belying the management claim of 67% occupancy. Possibly the absence of such luxuries as a swimming pool, sauna, boutiques, or room services past 8 pm made guests feel they weren't getting value for money - the kind of money it takes a Burmese worker more than a year to earn. Hotel staff receive 2 months' training at a government-run institution.

Those who have returned from a visit to Burma have a considerable list of complaints. Visitors are obliged to purchase US$300 worth of Foreign Exchange Certificates (FECs) on entering the country at the official exchange rate of 6 Kyat to the US$. The black market rate varies from 80Kyat-150Kyat, so a meal purchased with FECs can easily cost the equivalent of US$200. Those in search of Burma's treasures - gems, wood-carvings, handicrafts - complain that there is nothing to buy anyway

Getting into, out of and around the country is also a problem. Myanmar International Airways boasts just one aircraft, a Boeing 757-200ER rented from Brunei. Fortunately other international airlines fly to and from Rangoon: but the domestic carrier, Myanmar Airways (4 Fokker 4-27s, 3 F-28s and 2 helicopters) is renowned for its appalling safety record. Many foreign embassy officials have been instructed never to fly Myanmar Airways. Air Mandalay, a Singaporean charter service, had started charter flights between Bangkok and Mandalay, but these were suspended in May for lack of demand. Flight staff work four days a week on up to 6 flights a day, for a salary of Kyat 1,250 (US$12.50) per month, with a Kyat 25 bonus for each hour flown in excess of 6 per day.

If you don't fancy, or can't get onto, an aeroplane, there are roads, of a kind. The average speed of travel is 15 KPH, and tourists are firmly restricted to about four towns. A new highway is under construction between Rangoon and Pegu, being built almost entirely by hand because, according to the official line, "the Government wants to spread income among rural people."

Travelling by train has its own hazards, because of the SLORC's reliance on forced labour and strict deadlines. The Loikaw-Aung Ban railway between Kayah and Shan States, finished last year, has had one officially reported and at least two unreported fatal accidents. Because villagers were not allowed to return home until construction was completed, they used various unsafe stratagems to fill the railway embankments. As a result of this the tracks are sinking under the annual rains and derailments are the consequence.

In a particularly ironic twist, the government, whose maltreatment of its ethnic minorities is notorious, is planning to create a model village, or theme park, for ethnic races outside Rangoon as a special tourist attraction. Presumably this is designed to compensate visitors for the prohibition on travelling to the real-life ethnic areas, where they could witness for themselves the conditions under which village people actually live.

Burma's long isloation has made it an attractive destination for thourists, but how long will it last?

In sum, it appears that in its headlong rush towards profit, the SLORC has overlooked the real requirements of tourists, which are basically to have comfortable, safe, affordable holidays in countries which combine an agreeable climate with good living, good shopping, picturesque sights and contented people. No amount of tidy relocation or forced labour can disguise the lack of infrastructure, the destruction of the country's natural and cultural heritage and its persecution of its indigenous peoples.

Sources

TN 940522, 940529, 940723

BP 940618, 940813

TD 940400

MGR 940200, 940900

Karen HR Group newsletter #94-C5

What you can do

1) Activists and support groups could thoroughly research and analyse what role government, private firms, aid agencies and NGOs are playing in relation to tourism in Burma. Lists of foreign institution and companies involved in Burma tourism can be obtained from Burma Issues, among other places.

2) International groups could develop an effective campaign at the national level to pressure government and private enterprises, such as hotel companies, airlines, tour operators and travel association to refrain from "constructive engagement" in Burma tourism. This can be done by letters or phone calls of protest, picketing and protests at tourism conferences, exhibitions and trade fairs.

3) Similar actions are needed on the international level in respect of transnational companies involved in tours, regional and global travel associations, as well as aid agencies and financial institutions (UN agencies, World Bank, ADB etc.)

4) The ASEAN nations, and Thailand in particular, should be pressured to review their tourism investments and promotional campaigns. The Tourism Authority of Thailand enthusiastically promotes Thailand as the "gateway to Burma".

5) It could also be effective to encourage shareholders of private tourism enterprises moving into Burma to file resolutions against all business ties with the SLORC regime. The US-based Coalition for Corporate Withdrawal is particular active in exerting pressure on companies through their shareholders.

6) It is especially necessary to raise awareness among the general public as to what is actually happening inside the country, so that people do not innocently contribute to the suffering of the Burmese people. This is both a public and a private function. Help people to realise that money spent in Burma inevitably contributes to sustaining a brutal regime, and that information on Burma is invariably SLORC-directed propaganda.

ALL'S NOT WELL IN BURMA

Comments by N. Chan

This month one article in BURMA ISSUES looks at the development of tourism in Burma. SLORC officials are aggressively pushing tourism as a new source of income for the country. While money into the military coffers may be a major goal of the military regime in opening the country up to foreign visitors, the role of tourism as a candy-coating to the regime's brutal control over the people, especially those in the border areas, is by no means a secondary objective in their strategy. As visitors visit the elaborately decorated temples and enjoy the warm hospitality of the people, it is highly possible that the scenes of terrible suffering in the rural areas will begin to fade from international sight.

This month's issue also profiles an American woman who not only has actively invested in Burma during the past decade, but has also vociferously defended the SLORC regime, and called on the American government to encourage more US companies to invest with SLORC. It would seem, at least according to this business woman, that things in Burma are greatly improved, and that SLORC's propensity to kill its own people is a thing of the past. Forced labor being used throughout the country today to construct roads, bridges, and rail lines, and the use of porters by the military to carry supplies into battle zones, is not an infringement on the rights of ordinary citizens or political prisoners, but simply the use of drug addicts and murderers to build the nation according to this defender of the SLORC regime.

The following human rights report, however, brings us abruptly back to reality. The event recorded here happened only a few weeks ago, and suggests that, especially for the people in the distant rural areas of Burma, life remains a hell with little hope for justice or peace in the near future.

Some details of the report have been changed in order to protect the victims from further harassment by the military.

On 11 September 1994 at 8 p.m., SLORC #33 Light Infantry Division, #27 Battalion, Company #1 (Battalion Commander Chit Thaung, Second in Command Zaw Myint, Company #1 Commander Captian Win Tint), entered Kru See village in Thaton District. All the villagers ran away because they were afraid to be taken as porters. The Company opened fire.

Tee Toh Po, a 38-year-old Karen Buddhist farmer of Kru See village was hit in his leg by a bullet. The bone of his left lower leg was broken, but he managed to escape even though wounded. Maung Than Oo, age 26, married with 2 children, was hit in the jaw by a bullet during the shooting and died the evening of September 11. Three other men were captured by the SLORC soldiers, and all of them were executed at 4 a.m. on 12 September.

The villagers never recovered Maung Than Oo's body, but they recovered the other three. Moo Ko, age 21, had been stabbed with a knife in his throat. His entire body had been broken - it was black, and the villagers could barely recognize him. Ko Naing's nose had been cut off and he had been stabbed in the eyes and in both of his ears. His body had also been broken all over and it was black. Thein Win had had all his teeth broken and his left arm was broken. The left side of his face had been cut with a knife, and his body had also been broken all over.

While the soldiers were in the village, they also looted all of the villagers' belongings from their homes: clothes, rice, pots, etc. They also took and ate all the chickens, fruit and vegetables they wanted. The village headman went and begged the company commander, Captain Win Tint, to release the four villagers, but he was beaten up and couldn't dare ask again. One of the four killed, Moo Ko, was the village headman's son. On 12 September, at noon, the villagers returned and found the bodies, then prepared them for cremation.

After the bodies were found, a human rights monitor attempted to interview the mother of one of the four killed, but she would only cry and say, "Oh my misfortune...my youngest son is dead...misfortune...my son is dead...", again and again and again.

Source - Karen Human Rights Group, September 30, 1994

Sources in this issue include: AWJ = Asian Wallstreet Journal, TN = The Nation, BP = Bangkok Post, MGR = Manager Magazine, TD

IMPORTANT ITEMS OF THE MONTH

Foreign investment & privatization

Rangoon has given up its monopoly on gold and copper mining and invited bids from foreign companies interested in prospecting and exploring 16 blocks in north and central Burma.

(FER 941013)

Key mining, minerals and agriculture sectors of the Burmese economy are being privatized and there are plans for other industries to follow. But military meddling, problems of profit repatriation and increasing confusion over the value of the kyat are making most investors wary of this fledgling free market.

(TN 941020)

Dissidents jailed

Five Burmese dissidents, including a former UN worker and a short-story writer, have been sentenced to between seven and 15 years in prison on charges which include spreading information damaging to the state. Burma's official media claimed that they had "fabricated and sent anti-government reports to some diplomats in foreign embassies, foreign radio stations and visiting foreign journalists." Writer San San Mew was imprisoned for 10 years on charges of spreading information injurious to the state and contacing anti-government groups.

(TN 941020)

Communications

An agreement has been signed between Burma and Thailand to build a bridge across the Moei River connecting Thailand's Tak province with Myawaddy in Burma. Thailand will bear the entire construction costs, though maintenance costs will be shared between the two countries. It has taken 5 years to reach agreement on this bridge, mainly because Thailand wants to use it to transport goods and people to Rangoon, whereas the Burmese junta doesn't want its territory penetrated more than 5 miles inwards from the border.

(BP 941017)

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