

BURMA ALERT

No.11, Volume 3, November 1992

Published by: *The Associates to Develop Democratic Burma*

ISSN: 1182-0454

Burma News:

PETRO-CANADA PULLS OUT OF BURMA

Petro-Canada announced on 2 Nov that it is not renewing its US\$28 million, 3-year oil exploration contract with the State Law and Order Restoration Council (SLORC). The Block E concession was operated by Petro-Canada 50%, Murphy Oil (USA) 20%, Unocal Canada 20%, and Unocal (USA) 10%. Petro-Canada drilled two wildcat wells which were dry and decided against exercising its option to renew. Petro-Canada had been under intense pressure in Canada to pull out of Burma from a broad cross section of society including human rights groups, environmentalist, churches, and politicians. The Friends of the Rainforest, the Canadian Youth Network for Asia-Pacific Solidarity (CYNAPS), and student associations across Canada were on the verge of launching a nation-wide boycott of Petro-Canada when the announcement to withdraw from Burma was made. Reports of slave labour being used in oil concession areas were also beginning to draw unwanted media attention to the role oil companies are playing in supporting a hated and repressive military dictatorship. The democratic opposition led by the National Coalition Government of the Union of Burma applauded Petro-Canada's decision and called on other oil companies to follow its example [PC921102]. *Petro-Canada, however, still owns a 30% share in Unocal's oil exploration concession (Block F) with SLORC - Ed.*

SLAVE LABOUR ON AUNG BAN - LOIKAW RAILWAY CONFIRMED

Diplomats in Burma have confirmed reports of slave labour being used by SLORC to build the 160 km Loikaw-Aungban railway. 12,000 people from 70 villages in the Loikaw Catholic Diocese were forced by the military to relocate in two resettlement camps at Dimawso and Krupuso, north of Loikaw. Their former homes were burned and their crops destroyed to prevent them from returning. The camps provided by SLORC consist of crude shacks and have no facilities. At least 90 people, mostly the elderly and children, have died in the camps in the past 6 months. The camp inhabitants are forced to work on the railway with chain-gangs of convicts for no money on the assumption that they are living in an area that would benefit from the railway once it was completed. Lieutenant-Colonel Than Han of SLORC's Border Areas Development Committee responsible for the rail project defended the use of slave labour when interviewed on 12 Oct. He said that in return for their work, the labourers were given medical treatment. He admitted that the villagers did not want to leave their homes but he said that it was because they did not understand that the military was carrying out the rail project in their interests. He said, "We are doing it for them. But for the present people must suffer by putting in labour. We don't have any intention to let women and children die. We are looking after them very nicely." Asked about the deaths in the camps, he replied, "Every day people are dying. It's a normal thing." He said the people suffered from the change of climate when they came from the hills to live on the plains where the weather is much warmer. He said, "They sweat a lot. They lose weight and they have some health problems." The Australian Ambassador in Rangoon, Geoffrey Allen, requested permission from SLORC to inspect the area but was turned down on the grounds that the trip would be dangerous because of 'rebel activity' [BW921023, BA920931]. *On 29 Jul, SLORC Notification No.44/92 named the following as members of the Central Committee for Development of Border Areas and National Races: Chairman - General Than Shwe, SLORC Chairman and Commander-in-Chief; Members - Vice Admiral Maung Maung Khin, SLORC member; Lieut-Gen Tin Tun, SLORC member; Rear Admiral Than Nyunt, Defence Services Chief of Staff - Navy; Maj-Gen Thein Win, DSCOS - Air Force; Secretary 1 - Maj-Gen Khin Nyunt, SLORC Secretary 1; and Secretary 2 - Maj-Gen Tin Oo, SLORC Secretary 2 [P920730].*

CHINA BUILDING NEW NAVAL BASE IN IRRAWADDY DELTA

According to Western intelligence sources, China is helping SLORC to build a new naval base on Haingyi Island at the mouth of the Bassein River in the Irrawaddy delta and it is upgrading SLORC's naval facilities on Great Coco Island just north of India's Andaman Islands. It is unclear whether China will be given access to the bases but analysts suggest the possibility of a Chinese signals station to monitor Indian missile tests conducted between the Andamans and Orissa across the Bay of Bengal. Burma recently accepted delivery of several large Hainan-class patrol boats from China as part of its US\$1.4 billion arms deal. Burmese sailors are also reportedly being trained by China [F921112].

Burma News:**PORTUGAL BREAKS EC EMBARGO, SELLS ARMS TO SLORC**

At least one shipment of 60mm and 81mm mortar tubes and 20,000 mortar bombs and artillery shells from the Portuguese arms manufacturer Industrias Nacionias de Defensa EP arrived in Rangoon recently. Portugal, which is bound by an EC arms embargo against Burma, has so far failed to explain how the large consignment of weapons got to Rangoon [F921112]. *Apart from breaking the arms embargo, Portugal is also championing the EC's campaign for Indonesia to respect human rights in East Timor. The ALERT" has since learnt that to date, 3 arms shipments were made to Rangoon from Portugal* - Ed. In a separate development, Thai intelligence sources say black market weapons from Cambodia including surface-to-air missiles, have gone to Shan and Karen armies on the Thai border and muslim armies on Burma's border with Bangladesh [F921112]. On 18 Jul, Thai police arrested a police captain and 2 others near Chiang Mai for attempting to smuggle a Russian-made SAM-7 anti-aircraft missile to 'Burmese rebels'. The missile sells for Baht 1 million (US\$40,000) in Cambodia [B920720].

EUROPEAN PARLIAMENT CONCERNED FOR BURMESE WOMEN

Appalled by reports of abduction of women and children in Burma for the white slave trade in Thailand and the fate of AIDS infected women in Burma, the European Parliament on 29 Oct called for an independent international committee of inquiry to be established. The Parliament called on the European Community to increase aid to Burmese refugees on the Thai border and to make resources available for medical aid and for the creation and maintenance of womens' homes to provide refuge for the affected women. The Parliament also called on the Community to make resources available for training and employment programmes for Burmese women [EP921029].

EUROPEAN ECONOMIC BOYCOTT OF SLORC PROPOSED

Concerned about the continued imprisonment of Aung San Suu Kyi and reports that U Win Tin is being denied medical attention in prison, the European Parliament on 29 Oct called on the European Political Cooperation to consider urgently how to exert pressure on SLORC. An economic boycott was suggested noting that SLORC spends 60% of the national budget on military expenditure [EP921029].

THAI OFFICIALS SEIZED BY BURMESE TROOPS

Ten Thai officials from Mae Hong Son province were seized by Burmese troops on 6 Oct when they crossed the border to seek the release of six Thai and twelve Karen villagers and 12 elephants kidnapped by SLORC troops opposite Tak province on 30 Aug. The villagers had paid protection money to the 355th Battalion of the SLORC Army in order to be able conduct logging activities in Burma. Troops of the 223rd SLORC Battalion replaced the 355th and discovered the illegal loggers. The new troops demanded a ransom of Baht 700,000 (US\$28,000) for their release, plus tax, monthly protection money and occasional supplies. The Thai Interior Ministry believes that the Thai officials were seized because the Burmese were suspicious of their intentions. Ethnic Karenni troops had on 4 Sep launched a surprise attack on their old headquarters on the Pai river opposite Mae Hong Son province at Hwe Pong Laung, which had been occupied by SLORC troops for more than 3 years. The SLORC garrison suffered 60 killed. The Thai officials were released on 14 Oct [B920903, N920903, BW921023].

POLITICAL RIVALRY CONFUSES THAI RESPONSE TO BURMA

Responding to criticism about Thailand's relationship with SLORC, the Thai Foreign Ministry said on 30 Oct that as long as there is no common ASEAN stand and no UN sanctions against SLORC, Thailand will maintain its 'constructive engagement' policy. Prime Minister Chuan Leekpai said earlier in a policy statement that Thailand must continue to serve as a link between SLORC and the outside world. Other government sources, however, said that Thailand is reviewing its Burma policy and may soften its position on Burmese student refugees in Thailand. The Interior Ministry headed by former General Chaovalit Yongchaiyuth had threatened to prosecute as illegal immigrants the students who did not register for the 'safe camps' proposed by the Ministry. Foreign Minister Prasong Soonsiri, however, said, "These students are not criminals but political dissidents who should be treated properly. They are the future of Myanmar, a new generation who will fight for democracy". The Interior Ministry said that only 9 out of the estimated 2,000 students in Bangkok had registered to be shipped off to the 'safe' camp and subsequently, the deadline for registration was extended to 30 Nov [AFP/Reu/ST921109, BW921113].

Foreign Trade & Investments:

AUSTRALIA:

NEW FISHING AUSTRALIA PTE LTD President Theo Kailis and Ambassador Geoffrey Charles Allen called on Brig-Gen Maung Maung, SLORC Minister for Livestock and Fisheries on 28 July [P920729].

Chairman of the Australian JOINT PARLIAMENTARY COMMITTEE on Foreign Affairs, Defence and Trade, Senator Chris Schacht visited Rangoon in July. He called on U Ohn Gyaw, SLORC Minister for Foreign Affairs, Brig-Gen David Abel, SLORC Minister for Planning & Finance, and U Ba Htay, Chairman of the Elections Commission [P920729-30].

CHINA:

A CHINA NATIONAL MACHINERY IMPORT EXPORT CORPORTION delegation led by Senior Advisor Wang Guiyi arrived on 15 July to 'conduct feasibility studies and discuss cooperation in mining and industries'. They also visited the steel mill at Ywama [P920716-18]. Address: General Manager Li Guangyuan, Erligou, Xijino, Beijing 100044. Fax: 86 (1) 831-4136, 831-1143, 331-7562, 842-1948.

3,000 tons of rails purchased for US\$1.5 million arrived from Nanking, A first shipment of 4,000 tons arrived in Apr.92. The rails will be used on the Aungban-Loikaw railway [P920721].

JAPAN:

CENTURY RESEARCH CENTRE President Tomoo Takashara and Professor Minoru Kiryu of CHUBU UNIVERSITY called on Maj-Gen Khin Nyunt, SLORC Secretary 1, on 6 July [P920707].

MIMATSU CONSTRUCTION GROUP (MCG) has started building the Yangon International Hotel at the corner of Prome and Ahlone Road in west Rangoon. The four-star hotel to be operated by Mimatsu will have 603 room when its final phase is completed in 1999 [F921119, BA900831].

PARLIAMENTARY Vice Minister for Foreign Affairs Koji Kakizawa and a 2-man delegation visited Rangoon 12-14 Jul. They called on Maj-Gen Khin Nyunt, U Ohn Gyaw and Brig-Gen David Abel, and visited the Japanese school in Rangoon on Thantamin Street [P920713-15].

THAILAND:

The BAIYOKE GROUP opened the 32-room Jade Pavilion Hotel in Rangoon. The hotel is a joint-venture between Baiyoke (51%) and a Burmese private citizen. The hotel cost Baht 10 million (US\$0.4 million) to construct. Managing Director of the Group is Robert Thein Pe, a Burmese. The Baiyoke Group owns the 42-room Asian Pavilion Hotel in Vientiane, Laos, and other hotels in Bangkok, Pattaya, Cha-um and Mae Hong Son [N921028].

The KRUNG THAI BANK received permission to open a branch in Rangoon in Nov. The bank and observers were surprised that the permission was granted so quickly with only the stipulation that the branch be backed with Baht 40 million (US\$1.6 million) in capital. The bank had made enquiries about the possibility only a week previously [F921119]. *The Krung Thai Bank was the first large state enterprise to be privatized in 1989. 10% of the government's shares were sold to the public. Its current president is Sirin Nimmanahaeminda, younger brother of Tarrin Nimmanahaeminda, the Thai Finance Minister. Sirin used to be the chief financial officer of the Petroleum Authority of Thailand - Ed.*

THAI MILITARY BANK received permission in Aug to open a branch in Rangoon [BUR/RR920829].

The PETROLEUM AUTHORITY OF THAILAND (PTT) is hoping to build a retail oil distribution network in Burma. It expects SLORC to open up its state monopoly on the distribution and marketing of oil in Burma. PTT would like to establish a retail oil outlet in Rangoon and expand to the rest of the country at a later date. These plans were disclosed by PTT Governor Luen Krishakri. Similar plans are being made for PTT to enter the retail oil market in Vietnam, Cambodia and Laos [BW921113].

A delegation led by Director General Sawanit Kongsiri of the Dept of Economic Affairs of the Ministry of FOREIGN AFFAIRS visited Rangoon 1-4 July. The delegation called on Maj-Gen Myint Aung, SLORC Minister for Agriculture, Brig-Gen Maung Maung and Colonel Pe Thein [P920701-05].

An eight-member Thai TECHNICAL ASSISTANCE team led by Diector General Narong Minanandana of the Education Department of the Ministry of AGRICULTURE arrived in Rangoon on 14 Sep. The team discussed Thai technical assistance to SLORC in the seeding, fishing and livestock industries [N920822].

Foreign Trade & Investments:**TAIWAN:**

Aye Zaw Win, son-in-law of General Ne Win and owner of Rangoon-based ASSOCIATED BUSINESS CONSULTANT SERVICES LTD, visited Taipei in late August on a private business trip. However, he also met with Premier Hau Pei-tsun, Foreign Minister Fredrick Chien and Presidential Secretary-general Chiang Yen-shih, indicating the importance Taiwan places on ties with SLORC. It is believed that ABC Services Ltd serves as a channel for Taiwanese investors in Burma [F920924].

GERMANY:

A four-member delegation of the federal PARLIAMENTARY COMMITTEE on Economic Cooperation led by Dieter Schanz visited Rangoon 10-14 July. They called on U Ohn Gyaw, Brig-Gen David Abel, Colonel Pe Thein, Minister for Health & Education, and Chief Justice U Aung Toe and discussed economic aid, health care activities, and universities and institutes in Burma [P920711-15].

UNITED STATES OF AMERICA:

BELL HELICOPTER AS.A (PTE) LTD, SINGAPORE, demonstrated the Bell Model 206 L-3, Long Ranger III, helicopter in Rangoon on 16 Jul. The single engine helicopter can carry 4,150 pounds and can fly at 14,000-13,000 feet. It can carry a pilot and 6 passengers and fly for 3 1/2 hours [P920716].

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International Activities:**CANADA:**

AT WAR IN THE FIELDS OF THE LORD, May 1992, a 16-page report on Burmese refugees on the Thai and Bangladeshi borders, and an 8-page guide to REFUGEE RESETTLEMENT TO CANADA, are available from Lloyd Jones, Co-ordinator, Canadian Baptist Refugee Services, Longhouse Village, RR.13, Thunder Bay, Ontario, P7B 5E4, Canada. Tel: 1 (807) 983-2042. Fax: 983-2914.

JAPAN:

The INTERNATIONAL NETWORK FOR BURMA RELIEF and the BURMESE RELIEF CENTER - JAPAN co-hosted the 3rd Annual Burma Study/Action weekend at Takaradera Temple in Kyoto, 7-8 Nov. 35 participants from Austria, Burma, England, Ireland, Japan, New Zealand and Norway planned strategies for future campaigns for Burmese democracy. They include a letter-writing and boycott campaign against Idemitsu, the Japanese oil company operating in Burma; holding a demonstration on 5 Dec to mark Human Rights Day and mailing 100 Free Aung San Suu Kyi letters to the SLORC Embassy; increased fund-raising to support student, Mon, Karen, Karenni, Pa-O, and Rohingya refugees, Buddhist monk organizations, and Green November 32; increased pressure to free Daw Aung San Suu Kyi; increased campaign seeking asylum for Burmese students; step-up campaign for trade and arms embargoes; increased support for the NCGUB and the Democratic Voice of Burma Radio in Norway; and lobbying the Japanese Government to mediate between SLORC and the democracy movement.

NETHERLANDS:

Group 469 of AMNESTY INTERNATIONAL would like information about a prisoner of conscience in Burma. U CHIT TAUNG is an 85-year old ethnic Padaung from Kayah State. He was arrested in July 1989 while demonstrating for free elections. He was held without trial in Loikaw prison where he was severely beaten. He required a month in hospital. In Nov.89, he was transferred to Mandalay prison and denied family visits. It is not known if he is still alive. Any information about his condition from readers^ would be appreciated. Write: Mrs M J van Gilst, Lagestraat 25, 6953 BB, Dieren, Holland.

UNITED STATES OF AMERICA:

On 6 Sep ASIA WATCH issued a 22-page report, "CHANGES IN BURMA?", concluding that "international pressure is believed by many Burma experts to be the impetus for the changes SLORC has introduced to date. The international community should increase that pressure on Burma, making it clear that the limited measures introduced thus far are insufficient to address the fundamental human rights problems". Included in the report are lists of Members of Parliament released from prison (33) and those still known to in prison (16). Copies available from: Asia Watch, 485 Fifth Avenue, New York, NY.10017-6104. Tel: 1 (212) 972-8400. Fax: 972-0905.

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U.N.Agencies:

United Nations Involvement in the BORDER AREA DEVELOPMENT PROGRAM

In Aug, the "Alert" reported slave labour and human rights abuses by the Burma Army in SLORC's Border Area Development (BAD) Program areas and questioned the support of UN agencies for the program. Rothinton Sethna, the UN Development Programme's (UNDP) interim representative in Rangoon denies that there is any evidence of slave labour in Burma. R. Natarajan, the UNDP chief for South-East Asia in New York denies that the UNDP has an office in Ta-chi- lek as reported by the "Alert" and claims that the UNDP is not involved in road construction or any railway construction in Burma. To clarify the extent of the UNDP and other UN agencies' involvement with SLORC, we are publishing a synopsis of an article written by Doug J Porter in the Sep.92 issue of the Thai Yunnan Project Newsletter published by Australian National University. Doug Porter was a consultant on two UN Capital Development Fund (UNDCF) missions to the Shan State in Nov-Dec.91 and May-Jun.92.

Background:

The BAD Program was first announced by SLORC in 1989. It covers 7 ethnic regions - Arakan State, Chin State, Sagaing Division, Kachin State, Lashio (Shan State), Kokang (Shan), and Mawpha (Shan State - Wa area) - bordering Bangladesh, India, China, Laos, and Thailand (Population: 8-10 million). The BAD program is controlled by the Central Committee for the Development of Border Areas and National Races (CODEBAR). A Working Committee co-ordinates Border Area development and 11 sub-committees are charged with implementation. See page 1 - for members of CODEBAR - Ed.

The objective of the BAD program is ostensibly 'to create sustainable conditions under which people in the Border Areas can increase food production and cash crop income, diversify economic activities to include small scale manufacturing, processing and services, achieve better health and nutrition, have greater education and training opportunities and receive benefits of expanded and upgraded infrastructure.'

The BAD program was launched after the collapse of the the Communist Party of Burma (CPB) in northeastern Shan State. SLORC Intelligence Chief Brig-Gen Khin Nyunt negotiated a truce with the former CPB units from Kokang and the Wa states. The exact terms of the agreement are not known. They are said to include the extension of SLORC sovereignty, eradication of poppy and the disassociation of the warlords from dissident activities in exchange for the recognition of local commands, unrestricted commercial activities and SLORC investment in infrastructure and services. Within 18 months of the agreement, SLORC is reported to have spent Kyat 275 million (US\$46 million) building schools, bridges, hospitals and roads. *It should be noted that these expenditures were made at a time when Burma was technically bankrupt. During the same period, SLORC also purchased US\$1.5 billion worth of arms from China. The source of funds for such expenditures have long intrigued analysts. The 'unrestricted commercial activities' granted by SLORC to the local armies definitely include drug trafficking. It has been documented by Bertil Lintner that a major factor in the collapse of the CPB was the dissatisfaction of local units with the party's attempt to restrict their involvement in the drug trade - Ed.*

U.N. Agencies:

Seven UN agencies announced a commitment to SLORC's BAD Program in 1990. They are UNICEF, FAO, International Fund for Agricultural Development (IFAD), UN Drug Control Program (UNDCP), UNDP, UNCDF and Habitat. The rationale was that SLORC is trying to promote social and economic change and that without external assistance, it will not be able to do so. Falling central government revenues, rising public sector and foreign debt levels, dwindling tax revenues, low enumeration of public servants are cited as reasons why the UN agencies stepped in to support the BAD program. *It is absurd that the UN agencies have accepted SLORC's claim that it is trying 'to promote social and economic change'. They are totally ignoring the political reality in Burma especially since the elections in 1990.*

U.N.Agencies:

The UN agencies are involved in the BAD program in the Shan State from Mong Ko to Panghsang on the Chinese border and down to the Lao border (20,000 sq km) This was the area controlled by CPB between 1968 and 1989. Two other areas of UN involvement in the Shan State are a small area west of Ta-chi-lek and another small area west of Kunlong, which has been under the administration of the Rangoon government throughout. An estimated 1/2 million people live in these UN areas.

UN DEVELOPMENT PROGRAMME coordinates the work of the UN agencies involved in the BAD program but it has no overall authority. Each is responsible to its own management. UNDP has started a community development project for 27 areas. The specific villages have not been finalized but they are designed to support the activities of IFAD, UNDCP and UNCDF projects. UNDP will assist villagers to form groups to plan and implement activities and 'to improve access to government services'.

UN DRUG CONTROL PROGRAMME has a project in Ta-chi-lek on the Thai border and in Hsilu, Mong Yang, on the Chinese border. The projects aim to reduce the supply of opium by encouraging farmers to turn to other- crops. It is expected that in 1994 UNDCP will operate a joint project with IFAD.

FOOD AND AGRICULTURE ORGANIZATION has with financial support from UNDP extended its Kinda Dam pilot Watershed Management Project to undertake pilot work at 3 sites including Nam Thit in Hopang Township, and Mong Yu in east Kengtung. A small scale poultry and pig production project was started to serve as a basis for the development of recommendations for the IFAD project. Small-scale irrigation activities are being promoted in each area.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT is starting a 5-year project in 1994, in Hopang and Kunlong Townships. It will be the largest UN project and will involve infrastructure, resource development and crop production, livestock development, credit and community development.

UN CAPITAL [DEVELOPMENT FUND is studying a 3-year village water development project in the Hopang-Kunlong area to be implemented by the Rural Water Supply Div of the Ministry of Agriculture.

Porter's Conclusions:

1. SLORC is using the commitment of UN agencies to the BAD program to boost its legitimacy.
2. External UN funding is enabling SLORC's bureaucracy to maintain its patronage system. *From our point of view, the UN agencies are making it possible for SLORC to buy off the warlords and neutralize pro-democracy tendencies. This has nothing to do with development - Ed.*
3. UN support is forcing SLORC to do things they would not normally do - i.e. develop marginal lands. *Note: UN agencies did not initiate the BAD program. SLORC did so to buy off the warlords and extend its control. This UN is helping a hated regime extend its reach - Ed.*
4. The UN presence adds to the stability of the area and will help attract investment from ethnic Chinese and Shan expatriates. *How can the UN agencies justify such support for SLORC? The 1990 general elections clearly show that the people of Burma want SLORC out - Ed.*
5. UN activities will not significantly influence the pace of development in the BAD area. It will also have a negligible impact on poppy and heroin production and transit. *According to Porter, the G7 countries are openly pushing IFAD for poppy eradication programs and IFAD is considering a major project. But what is the logic behind supporting SLORC's BAD program if the only impact the UN activities have is to boost SLORC's legitimacy and extend their area of control? - Ed.*
6. A UN presence contributes to the peace of the area and local people are keen to have the UN in the area to temper the demands of the military on the villagers. *If it requires a UN presence to alleviate the suffering of the Burmese people, does it not make more sense for the UN to help remove the tyrants rather than enable the tyrants to continue staying in power? Out of the 6 areas of impact listed by Porter, only one marginally benefits the people of Burma. The others only benefit SLORC - Ed.*

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News sources this issue: A = Asiaweek, AFP = Agence France Presse, B = Bangkok Post, BW = Bangkok Post Weekly Review, BA = Burma Alert, EP = European Parliament, Resolution B3-1419 and 1472/92 and Resolution B3-1426 and 1477/92, F = Far Eastern Economic Review, N = The Nation, Bangkok, P = Working Peoples Daily, Rangoon, PC = Petro-Canada, Reu = Reuters, and ST = Straits Times, Singapore.

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