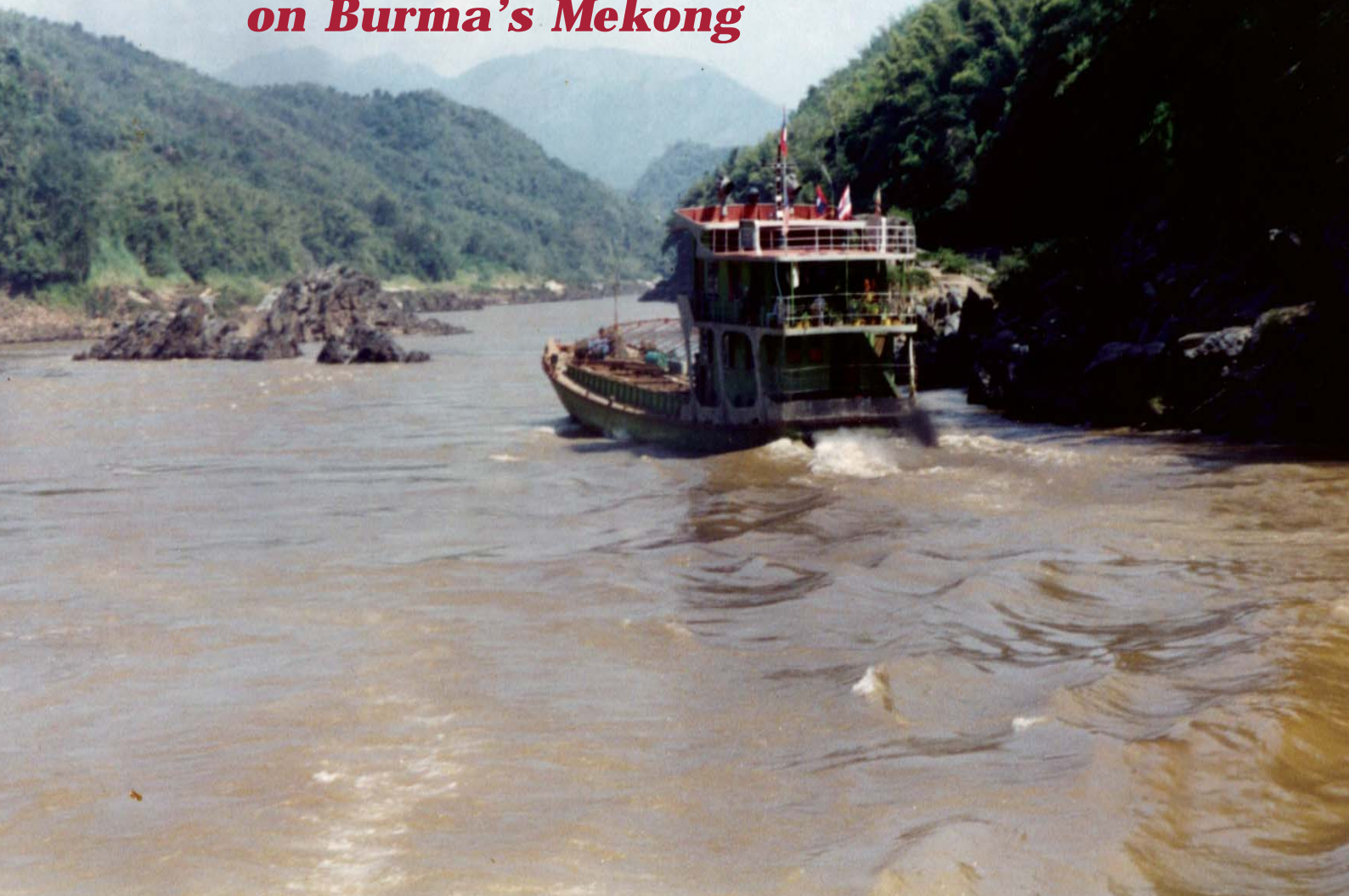


UNDERCURRENTS

***Monitoring Development
on Burma's Mekong***



INSIDE:

Blasting the Mekong *Consequences of the Navigation Scheme*

Road Construction in Shan State: *Turning Illegal Drug Profits into Legal Revenues*

Sold Down the River *The tragedy of human trafficking on the Mekong*

No Place Left for the Spirits of the Yellow Leaves *Intensive logging leaves few options for the Mabri people in Shan State*

...and more

**The Lahu National Development
Organization (LNDO)**

January 2005

The Mekong/ Lancang

The Mekong River is Southeast Asia's longest, stretching from its source in Tibet to the delta of Vietnam. Millions of people depend on it for agriculture and fishing, and accordingly it holds a special cultural significance. For 234 kilometers, the Mekong forms the border between Burma's Shan State and Luang Nam Tha and Bokeo provinces of Laos. This stretch includes the infamous "Golden Triangle", or where Burma, Laos and Thailand meet, which has been known for illicit drug production.

Over 22,000 primarily indigenous peoples live in the mountainous region of this isolated stretch of the river in Burma. The main ethnic groups are Akha, Shan, Lahu, Sam Tao (Loi La), Chinese, and En.

The Mekong River has a special significance for the Lahu people. Like the Chinese, we call it the Lancang, and according to legends, the first Lahu people came from the river's source. Traditional songs and sayings are filled with references to the river. True love is described as stretching from the source of the Mekong to the sea. The beauty of a woman is likened to the glittering scales of a fish in the Mekong.



A Legend

There is one Lahu legend that is told through song. A long time ago, the Lahu lived in a place with bad soil for growing crops, so mostly they were hunters. One day some hunters noticed a vine on the horn of a deer. When the vine fell to the ground, they examined it. They noticed that it was so much longer and healthier than the vines in their area. So they decided that they must follow the deer and find the place where such a good vine could grow. They followed the deer's tracks, which led to the Mekong.

They followed the river downstream and found a beautiful lake called Naw Law Naw Sheh. There was good fertile soil in the surrounding area. The Lahu migrated there, settled, and enjoyed a healthy time in which their population boomed.

Still today, elderly Lahu sometimes cry listening to the song that tells this story. It reminds them of a time when the Lahu were prosperous. They give thanks to the Mekong for helping them find that place of prosperity.

UNDERCURRENTS

Monitoring Development on Burma's Mekong

January 2005

Published by
The Lahu National Development
Organization (LNDO)

The Lahu National Development
Organization was set up to promote the
welfare and well-being of the Lahu people,
including the promotion of alternatives to
growing opium. LNDO also fosters unity
and cooperation among the Lahu and other
highlanders from Shan State.

Editing and Layout: *JF*

LNDO would like to thank the
following for their support and
assistance: Edesk Images Asia, Karen
Environmental and Social Action Network,
Oxfam America, Southeast Asia Rivers
Network, and Shan Herald Agency for News

Contact:
P.O. Box 227
Chiang Mai GPO
Thailand 50000
Indorg@yahoo.com

Contents

- 2 Letter from LNDO**
- 3 Blasting the Mekong**
*The navigation scheme is making trade
easier - but for whom?*
- 7 Sold down the river - one Lahu
girl's story**
- 9 Lord of Burma's Mekong**
*A profile of the shadowy drug kingpin
who controls the eastern reaches of
Shan State*
- 11 Sop Lwe – the next Mong La?**
*Drug lord Lin Ming Xian stakes Sop Lwe
as his next casino resort - with uncertain
consequences for the local population*
- 12 Road Construction in Shan
State: A Lucrative Way to Turn Illegal
Drug Profits into Legal Revenues**
- 13 Eastern Shan State Erupts Again**
*Movements by the SSA-S prompt
increased persecution of civilians by the
regime*
- 14 New bridge planned across the
Mekong**
*Big changes come to Keng Larb as a
new bridge linking Burma and Laos is
considered*
- 16 No Place Left for the Spirits of the
Yellow Leaves**
*Intensive logging leaves few options
for the Mabri people*
- 19 Living in a War Zone**
- 20 Lack of Education – Is
Development Really Coming?**

Greetings from LNDO,

Welcome to this first issue of *Undercurrents*, a journal that monitors the impacts of development along Burma's Mekong. The Lahu National Development Organization has been following the rapid changes happening along the Mekong in eastern Burma for several years. We aim with this magazine to continue reporting on the socio-economic and political realities in relation to development in this isolated region of Burma.

Ambitious regional plans are fuelling the fast pace of development along the Mekong. Various infrastructure projects, like those under the Greater Mekong Subregion (GMS) Program of the Asian Development Bank (ADB), are being implemented to boost regional trade. China is now carrying out the controversial Navigation Improvement Project, which involves reef-blasting, in order for bigger boats to transport goods on the Mekong River.

Regrettably, these plans are being carried out oblivious of the political realities on the ground. It is being conveniently ignored that Burma remains a rogue state within the region, ruled by a pariah military regime, the State Peace and Development Council (SPDC).

Burma is also still at war. The junta's troops, armed resistance groups, militias, and drug lords with sanctioned armies vie for shifting control of territories in the remote areas along and near the Mekong, leaving local populations to struggle for survival. Implementing development projects within this context further exacerbates the situation – facilitating free-for-all resource extraction that results in environmental destruction.

Secrecy and lack of consultation with affected communities are common aspects of development projects under the military regime. To this day, the state-run media has not mentioned the Mekong reef-blasting program to the general public. The lack of democracy is conveniently silencing local communities who might voice opposition to these developments.

Our 2003 report *Aftershocks* detailed the Navigation Project and how it reinforces inequitable and unsustainable development processes. We realize, though, that the Navigation Project work and its "aftershocks" still continue today and will continue. Hence, we decided to produce this magazine. We chose the title *Undercurrents* to refer to the destructive trends underlying development in eastern Burma and on the Mekong. They are hidden from the international spotlight, but are currently causing our people and our environment irreparable damage.

Due to the tight security of the Burmese military regime along the river and the harsh conditions there, it is extremely difficult to travel and collect information. We hope with this magazine to give you at least a glimpse of how development in Burma looks from the banks of the Mekong.

Aw^v bon ui _ja^vmeh_



Blasting the Mekong

The navigation scheme is making trade easier - but for whom?

Villagers have noted various new signposts in the river but are unaware of what each means. The inset shows the significant change in water level in just one week.

At 10 a.m. on April 21, 2004, an explosion roared deafeningly at the mouth of the Nam Yawng River where it meets the Mekong. Four Chinese boats were moored on the Burmese side of the river: one for gasoline, one for dynamite and other tools, one for food, and one for workers. About twenty Chinese workers were in each boat, busy with the blasting. Half an hour later, a second explosion followed. The spray from the explosion, like steam from a train engine, shot up more than 100 yards toward the sky and then soared down like an eagle.

The “second phase” of the Upper Mekong Navigation Improvement Project was in full swing. Begun in March 2002, the project aims to enable larger ships to travel along the Mekong River between southern Yunnan province in China to Luang Prabang in Laos. Under natural conditions, the waterway is navigable throughout the year for vessels of 60 tons only. The project will remove major rapids and reefs in order for vessels of up to 500 tons to navigate the river for most of the year. The first phase of the project, which ended in mid-April 2003, aimed to remove eleven major rapids and ten scattered reefs, mostly along the Burmese-Lao stretch of the river.

Unforeseen problems resulting from the initial blasting

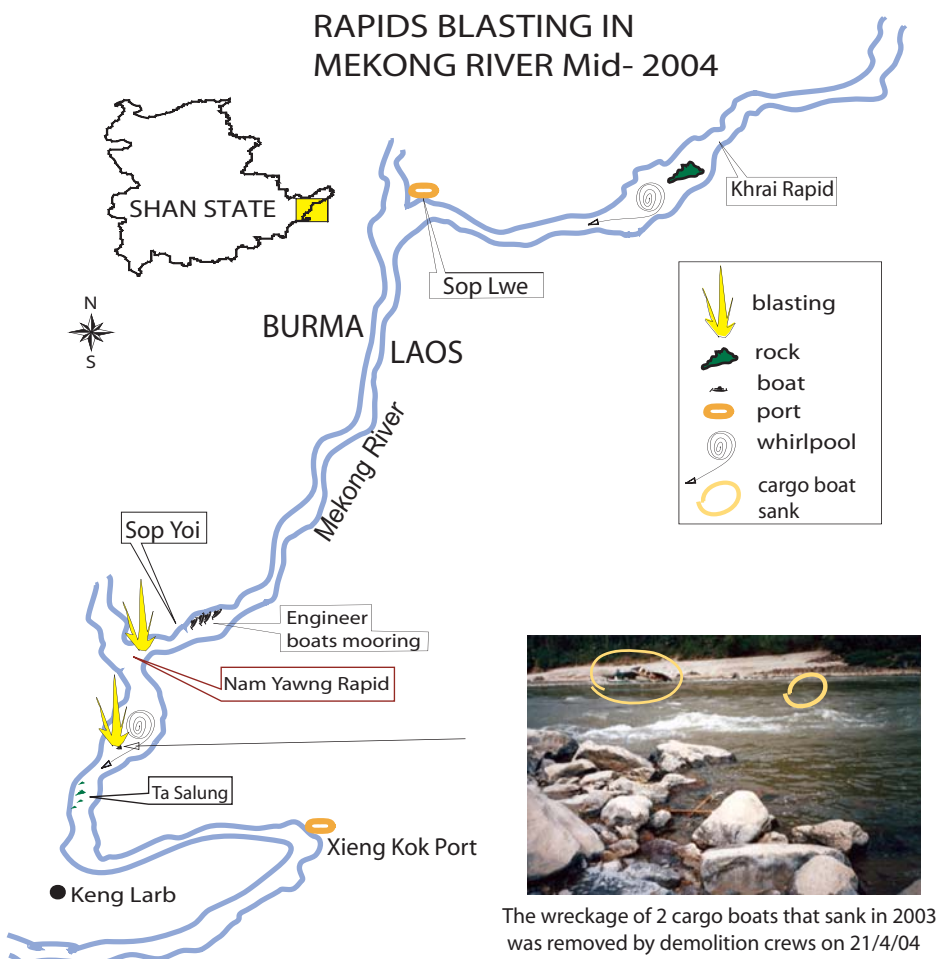
have forced planners to come up with new designs so as to refine the first phase work. The second phase planned to remove 51 rapids and shoals (in order for vessels of at least 300 tons to navigate the river). It is unclear how much of that work can actually happen, however, given the results of the first phase. In any case, work began again in January 2004 and was halted in late June due to heavy rains.

As in the first phase, work calendars written in Chinese, Lao, Burmese and Thai were issued only to cargo boat drivers, marking the days when blasting would take place. The timetable was not strictly fixed, however. No one could be sure when the blasting would actually take place except those with walkie-talkies who were able to receive timely warning messages. When the explosions rang out at the Nam Yawng River mouth, those in surrounding villages knew only that village headmen had said “Don’t go close to the river for one week.”

“We didn’t know when, where and how they were going to blast the rapids.”

The level of information that trickles down to villagers (that they should just “stay away from the river”) mirrors that of the Navigation Project in general. Those living along the Mekong in

RAPIDS BLASTING IN MEKONG RIVER Mid- 2004



The wreckage of 2 cargo boats that sank in 2003 was removed by demolition crews on 21/4/04

military-controlled Burma and state-ruled Laos have never been consulted about the “development” project. Nevertheless, it is blasting ahead, without warning and with little regard of its consequences for the indigenous population.

Restricted access to the river is a serious threat to village livelihood, as most depend on fish as a source of protein and in some cases, moderate income. Unfortunately, fish catch after the blasting is not a “back to normal” situation either. As one villager in Paw Taw (Lao side) said: “I can catch only a few fish after the reefs were blasted. Now it’s hard to make a living. In the past everybody was happy with their catch for they could get various big fish every day.” A Shan fisherman from Keng Larb explains why the catch is smaller and smaller: “There were a lot of dead fish floating down the river in the summer of 2003 (after the first phase of blasting).”

Not only does the river have fewer fish, it’s downright dangerous. Today only two-to three-storey – mostly Chinese – cargo boats run from Chiang Saen in northern Thailand to Guan Lei port close to the China border. As bigger cargo boats begin to use the Mekong route, smaller passenger and fishing boats face the consequences. Small boats are forced to sail close to

“I can catch only a few fish after the reefs were blasted.”

the bank or wait behind protective rocks while big boats move on. Sometimes they are suddenly caught by a huge wave that lifts them two to three feet in the air. Smaller boats often capsize or are even destroyed by such waves.

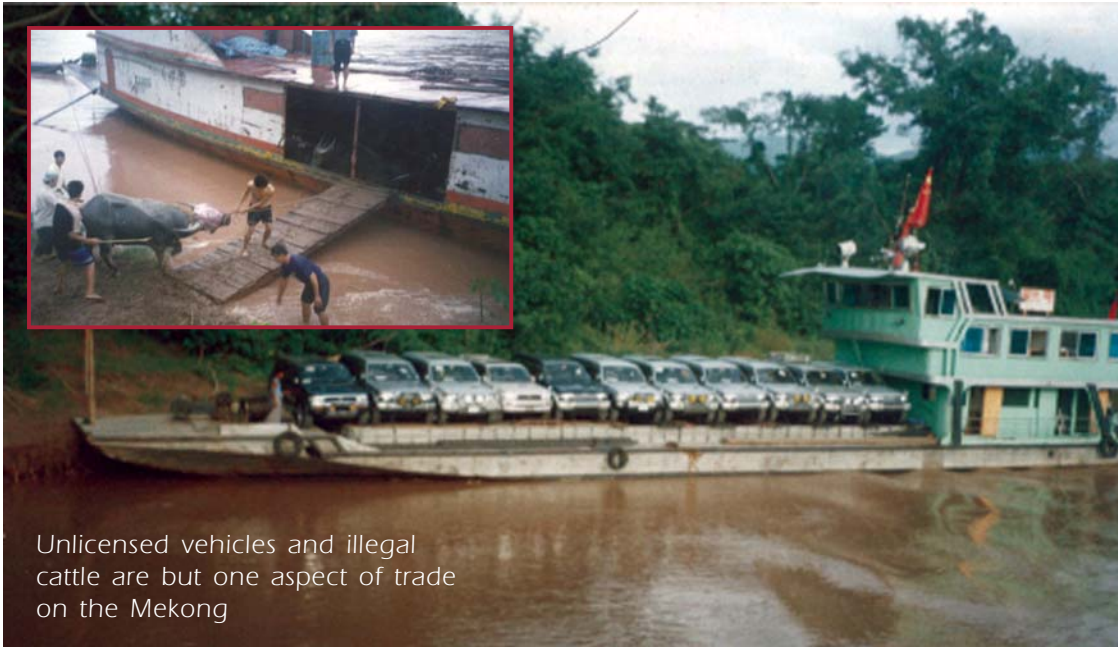
Village boats are not the only ones in danger. An LNDO researcher reported that on November 17, 2003, a Chinese cargo boat carrying dry lychee fruit sank at the Ta Lon rapid. After hitting part of the rocks that were not completely blasted last year, the boat broke and sank to the bottom. One Chinese crewman died in the accident.

Along the 234 km Lao-Burmese boundary, most of the reefs and rapids have already been destroyed. There is still some difficulty in the shipping route at the upper Nam Yawng river mouth and the upper Sop Lwe river mouth. Ships dare not navigate along the newly dredged channel but still sail along the original shipping route, as there is more

siltation in some places and its regulation does not meet satisfactory safety requirements.

In April 2003 Chinese engineers exploded some reefs at lower Ta Salung, but could not completely blast all of them. Now the current is much faster than before. One of the engineers told a villager from that area that they did not dare explode the rock above that rapid. “If we clear all the reefs on the upper part, the rapid will be much faster and it can become even more dangerous,” he explained. Tour boats are no longer interested in the route because of safety concerns.

Heavy rains and floods from June 25th-28th forced Chinese engineers to abandon their work at the Khrai rapids and move their ship back to China. The lower Khrai rapid, about 190 km from the Golden Triangle, is a huge rock in the middle of the river that causes a dangerous whirlpool. Due to “unsatisfactory effects of the regulation work”¹ at the rapids in the first phase, a “Supplemental Design” had intended to remove a protruding outcrop on the right side of the bank and possibly construct a dike over the course of two dry seasons. It seems that work in this first dry season was not completed, which will push the entire schedule back. An authority from the Lao side said “Maybe they will continue in December.”



Unlicensed vehicles and illegal cattle are but one aspect of trade on the Mekong

China border. It is speculated that the elephants were intended for pulling logs or as tourist attractions.

Logging

Illegal logging has flourished since the blasting began, as bigger boats can now navigate the unregulated river, transporting sought-after timber. The route is currently open to 300-ton

boats that can manage to transport hardwoods previously untouched in this area. Forests along the river banks have been the first to suffer, and the chain saws continue to move inland, knowing that the river is a straight line to the marketplace.

The Loi Phalang mountain range (see map on page 17) is under tight security by the Burma Army and it is

Serious Trade

The Upper Mekong Navigation Improvement Project, originally part of the Greater Mekong Subregion (GMS) Economic Cooperation Program, involving Burma, Cambodia, Laos, Thailand, Vietnam, and Yunnan province of China. The GMS program, aims, in its own words, “to help strengthen the economic and social well-being of peoples in the sub region through regional cooperation initiatives that facilitate trade, investment, energy development and supply, the growth of tourism, human resource development, and the protection of the environment.”²

In terms of facilitating trade, the navigation project seems to be doing quite a good job, at least for certain parties. The number of Chinese boats on the Mekong increased immediately after the first blasting, with a vast amount of Chinese goods flowing down not only to Thailand but to all Southeast Asian countries. By comparison, however, only a few Thai, Lao, and Cambodian boats operate. Thailand, Cambodia and Vietnam export far fewer goods than China while Burma and Laos offer little more than contraband.

Wildlife

Along with legitimate goods such as garlic, apples, and oranges, illegal trade in water buffaloes and cows has begun from the China side. More disturbing, however, is the wildlife bound *for* China, which includes geckos, grass lizards, chameleons, tortoises, snakes, otters, pangolins, tigers and elephants. Elephant smuggling on the Mekong was never heard of by locals before. However, a September 9, 2004 Bangkok Post article reported that some elephants were transported from Thailand along the Mekong, bound for the Burma/



Last Stands of Forest Provide Important Wildlife Sanctuaries

Between Nam Yawng tract and Mong Yawng Town is an area of over 2,000 square miles of thick forest. Plenty of teak, eagle wood (sandal wood) and other precious hard woods are growing in this valley.

During the summer of 2004, LNDO researchers discovered herds of gaur, deer, barking deer, bears, boars, monkeys, pigeons, peacocks, pheasant, jungle fowl and various other species of birds and wildlife in this forest. If logging can't be stopped, all this wildlife will surely be endangered.



difficult for anyone but the timber traders to travel in the area. On the slope of the Burma bank, tell-tale drag-marks of logs are evident, especially upstream of the Nam Yawng mouth. As timber is easily transportable on the Mekong, logging this forest on the slopes is worth the risk.

At the source of the Nam Moe stream the forest is already gone. A local Shan businessman with connections to Lin Ming Xian (see page 9) gained a permit from the SPDC to cut 700 tons of wood, but has already taken over 2,000 tons. He is still cutting trees. Likewise, all other forests in the Loi Phalang, Loi Maw Hta Lon, and Loi Phakuton mountain ranges are disappearing gradually. Military officers, area authorities and militia leaders who control this land have divided the forest by themselves and earn money as fast as they can.

Fifteen chain saws work day and night at the source of the Namhung River. They can fell 2-3 tons of timber per day; every day three tractors carry out the logs. Sometimes they are floated down along the Mae Oo River up to the Mekong River.

The unbridled frontier mentality of this profitable trade is not only damaging the environment, but leaving desperate laborers thrown aside in its path. On January 11, 2004, a tractor carrying timber northwest of Tachilek turned over and crushed Ai Le's leg. The fourteen year-old boy was a day laborer on a timber contract, and did not receive any compensation for his injury.

Mining

Since a 1989 cease fire agreement, the area under Lin Ming Xian's Special Region #4's (see pages 9-10) control included the area only north of the Nam Lwe River. In 2004, however, it was extended to the Nam Yawng River along the Mekong bank. Illegal logging operations, as well as coal mining ventures, are exporting goods to China under Lin's protection in this territory. A coal mine at the upper Mong Yu area at the confluence of the Nam La stream and the Nam

Lwe River are in the hands of Lin's armed group, the National Democratic Alliance Army (NDAA). Since 2002, many trucks of goods - coal and timber - have been transported to China

daily. The SPDC collects an annual tax of 30,000 yuan on the coal mines, and after that Lin's group can do as it pleases. There is also a smaller coal mine north of Nam Yawng; the Mekong is used to transport coal from this mine to China as well.

The Most Lucrative Trade - Drugs

In addition to illegal timber and mining spoils, the illegal drug trade now uses the Mekong as a route of choice. Many cattle smugglers along the bank of the Mekong carry heroin or amphetamines with them while passing through NDAA-controlled land to Laos or Thailand. There are no checkpoints but only with NDAA's permission can the caravans move. Although the location of drug factories shifts constantly, there appears to be a lab along the Nam Yawng River in the 50 mile stretch between Mong Yawng and the Mekong. Lin's soldiers don't allow anyone to pass through this area, and people who get close are killed on the spot.

Bundles of heroin are being smuggled out along the river from this area.

Trafficking into the sex trade

Trafficking of women and girls from Burma into the Thai sex industry has many routes, and they change according to “conditions”. Often there are problems passing through Tachilek with police or intelligence. Many traffickers now travel from Kengtung to Ta Lerh by van and then travel down the Nam Lone River to the Mekong. According to interviews with girls at a crisis center in Chiang Mai, they then take a long boat into Thailand during the night, and a truck or van picks them up on land.

Every year Thailand and Burma issue stricter laws against trafficking - but business continues. Since 1997, the SPDC ordered that no girl younger than 25 could journey to a border town without a certificate from military intelligence. Far from curbing the flow

of women, it seems to have just given the military another source of income. In the past, a young girl had to pay a 5-8,000 kyat bribe to travel from Kengtung to Tachilek.

In 2004 a new, stricter law against trafficking was issued. Apparently its biggest impact has been an increase in travel “fees”. There has been a huge increase in the cost of the Kengtung-Tachilek trip, now costing around 5-6,000 baht. Fees continue to increase on the Thai side too. For example, to travel from Mae Sai to Bangkok used to run from 5-8,000 baht and is now over 10,000.

The high cost of transport is not a deterrent. On November 7, 2003 twenty-one women, twelve of them under the age of eighteen, were pleading their cases in a Chiang Mai court after being taken from brothels. During that month alone, forty women and girls, nearly all from Burma, had been seized by Thai police.

Sold down the river - one Lahu girl's story

My name is xxxx. I am 14 years old. I am Lahu, from xxx village in Mong Piang Township. I studied to the seventh standard in Mong Piang. My father is a pastor. My mother had a chronic illness and a couple of peddlers often came to our village and gave medicines to her. I'm not sure if they were Chinese or Shan. I thought they were very generous. I didn't know that my mother died heavily in debt to those peddlers. After her death, my father sent me to their home in town to be a nanny. We thought I could also go to school easily in town.

When I finished my second test exam my householders arranged for me to visit their relatives in Kengtung. They are rich and have a beautiful car. A woman from the neighborhood came and told me, 'we can visit Tachilek as a day trip, going by van.' She invited me to follow with them.

I was willing to go and one evening a van came. It took us first to Ta Lerh. There were five girls, including me, in the van. There was one Akha girl who was also 14; she could speak Lahu and Shan, but she looked uneducated and like me she knew nothing about the journey.

We traveled during the night and we weren't happy about that. At every checkpoint the driver stopped and left the van, telling us to stay silent inside. After talking for a few minutes with someone, we continued again. We reached Ta Lerh in the early morning.

We changed into a bus which drove to the bank of a river, where some other girls were waiting for us. We waited there until dusk, when we got on a boat that floated down the river. Then we changed again to a big boat, which had an engine. It seemed that the river was bigger than the first one.

A Shan-Chinese woman who could speak Lahu and Akha quite well traveled with us to Ta Lerh but had then returned. Another man led us along the river. There were twenty of us in all in the boat. I didn't know who they were and where they came from. A big car was waiting for us on the land at midnight. I never saw the Akha girl again.

After the girl went missing in October, 2003, her father asked help from friends, who traced her to a brothel in Chiang Mai. Fortunately, two months later, she was helped to escape and has now been reunited with her family.

Irreversible Changes

In addition to the social changes that accompany the increased trade on the Mekong, environmental changes, some of them irreversible, are impacting the area. A LNDO water survey at Keng Larb in 2004 found that the Mekong had dried up in April nine feet lower than the mark from last year. After sudden heavy rains at the end of June, the water level measured four feet higher than ever before. The surveyor and his father had never seen such fluctuation of the river in their lives.

The mountain ranges surrounding Nam Khin tract north of Tachilek – where lie the source of many rivers – are deforested. This situation lends itself to flooding, soil erosion, and landslides. Flash floods destroyed many paddy fields in this area in 2003. Until recently, villagers were self-sufficient in rice, but now, due to

the destruction of riverbank fields, they must purchase it from further away at an increased price of 180-200 baht per basket.

Water pollution caused by sewage from hundreds of unregulated boats traveling up and down is having a great impact on the riverine ecosystem, fish and livelihoods. The lucrative nature of the free-for-all logging and mining environment is rapidly depleting resources.

Meanwhile, upstream, China is planning to construct eight dams on the Mekong. Two, Manwan and Dachaoshan, have been completed. Further consequences from these dams are yet to be seen, but locals insist that already there are fewer and fewer fish and other aquatic life. ■

¹ *The Navigation Channel Improvement Project of the Lancang-Mekong River From China-Myanmar Boundary Marker 243 to Ban Houei Sai of Lao, Supplement Design of Khrai Rapids*, The Second Harbour Engineering Investigation and Design Institute, China Transport Engineering, Inc. (December 2003).

² *Interim GMS Assistance Plan 2000-2002*, Greater Mekong Subregion Economic Cooperation Program (October 1999).

Ar Sawn (age about 40) is from Bu An village, upstream from the Nam Yawng rapid on the Burmese side of the Mekong. The village has about 30 households; all are Akha animists. He described the changes happening under the Mekong “development” scheme:

“In the past a thick jungle surrounded our village. We walked two days distance into evergreen forests on hills and in valleys. Various species of wild animals were living abundantly. Gaur and deer were living in groups of more than one hundred each. We were happy although living a poor life. We could go freely and get meat or fish or seasonal fruits in the forest easily. Health was the only thing we were worried about.

Now unfortunately, more and more troubles are coming to us. The forest is

disappearing rapidly. The number of fish is also decreasing year after year.

‘If navigation is better, then your place will become developed in a short period of time’ they said. I personally don’t need development because other foreigner bosses will come and take all our resources. And they will destroy our environment soon.

We didn’t know when, where and how they were going to blast the rapids. Sometime ago the headman gave us a warning not to go into the river. We heard loud noises like thunder very often in the dry season.

Still we get no benefit – except that some villagers go and work in the logging business. They said they can get 50-70 Thai Baht a day.”



Lord of Burma's Mekong

A profile of the shadowy drug kingpin who controls the eastern reaches of Shan State

Above: General Khin Nyunt presents Sai Lin with an “Outstanding Social Activist Award” after declaring his territory a “Drug Free Zone” in 1997. This photo was hung on the wall in Sai Lin’s head office in Mong La. After the recent fall of the general, however, photos and billboards like this one have been hastily taken down.

Lin Ming Xian a.k.a Sai Lin, now in his late fifties, was born of Chinese parents in Panghsai, on the Shan-Chinese border. After schooling in Lashio, he went to China during the 1966-69 Cultural Revolution and served as a Red Guard.

In 1971, when the Chinese-backed Communist Party of Burma (CPB) was expanding territory along the Shan-Chinese border, Lin organized Akha villagers from eastern Shan State and Tai Lue villagers from southern China to form a new armed division of the CPB.

Lin’s group, known as the Red Akha Army, Division 815, made invasions southwards as far as Tachilek. During the rainy season of 1981, his troops captured Mong Yawng town. After five days of fierce fighting in which thousands on both sides were killed, the Burmese Army took back the town.

With CPB backing, Lin took control of the illicit drug trade in northeastern Shan State, wielding a position of influence that continued after the CPB collapsed in 1989, when he signed a ceasefire agreement with the regime. After the ceasefire, he had eight of his Akha

field officers executed for an alleged coup plot against him.

Lin was given administrative control over a 100 km stretch of territory along the northeastern Shan border. A shrewd businessman, during the 1990s he developed the border villages of Eu Si Lin and Mong La into booming gambling towns for Chinese tourists.

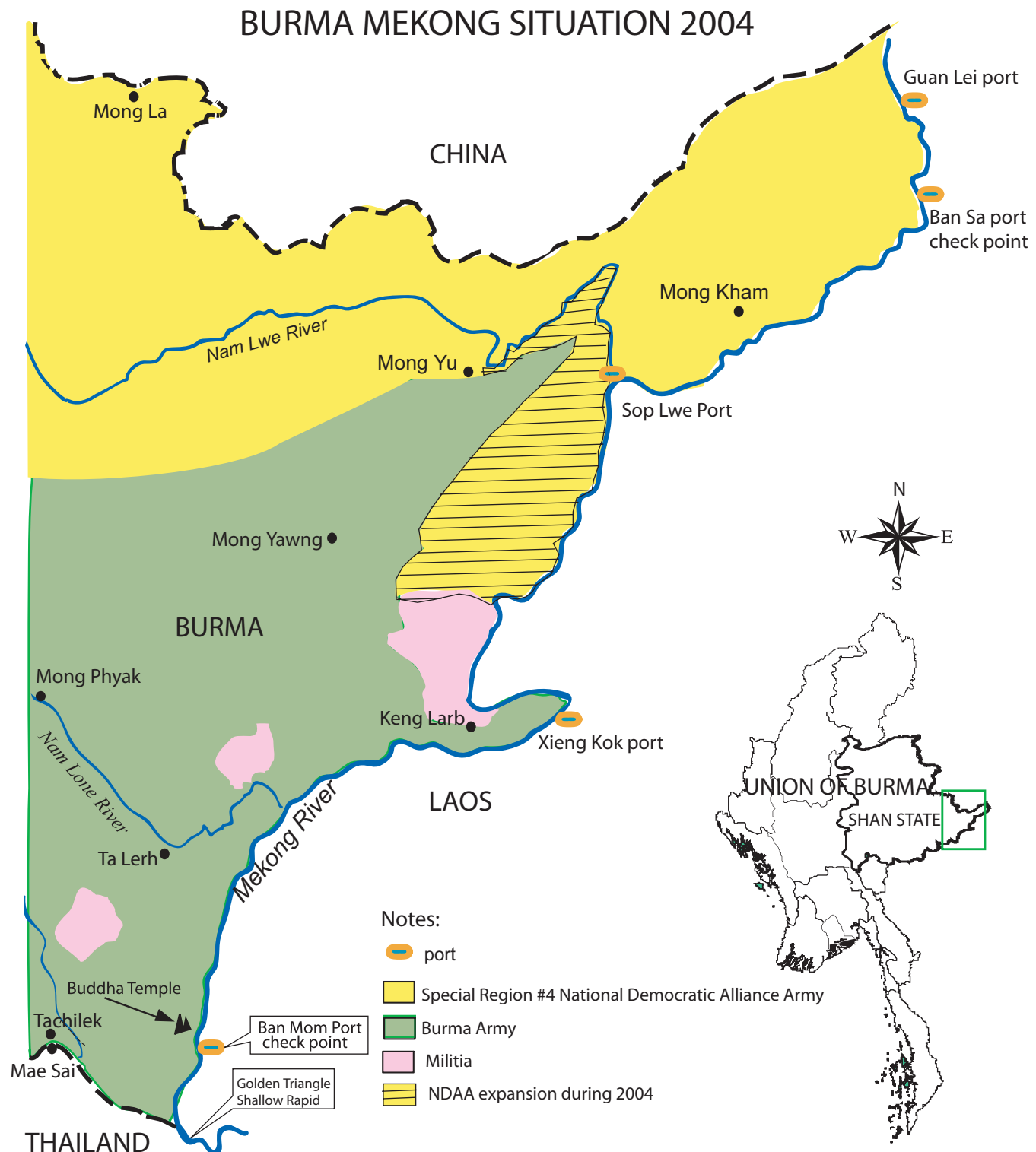
The remoteness of Lin’s territory and strategic position close to the Chinese, Lao and Thai borders were ideal for trafficking of all kinds: not only of drugs, but weapons, unlicensed vehicles and Chinese immigrants. Lin’s close links with other ex-CPB ceasefire armies, including the Wa and Kokang (he is the son-in-law of prominent Kokang leader Pheung Kya Shin), as well as with high-ranking officers in the junta, enabled him to expand his business empire, opening offices throughout Burma.

To cloak their involvement with a notorious drug trafficker, the junta did a PR makeover of Lin, giving him several high-profile awards for “narcotics suppression” in his area. Lin was especially close to former Prime Minister General Khin Nyunt.

Lin has profited directly in recent years from increased trade in logging, mining and tourism in eastern Shan State. Today, one of Lin's legal business fronts, the Shwe Lin Star Company, has agents as far afield as Singapore, Malaysia and Hong Kong and is often favored for government construction contracts in Burma. His army, now named the National Democratic Alliance Army (or NDAA), has expanded to over 2,000 men, who control the entire northern half of Burma's Mekong, otherwise known as "Special

Region #4". Since 2003, Special Region #4 has expanded south along the Mekong bank (see map).

Yet Lin's empire may be under threat after the junta's recent power shuffle. Pressure appears to be mounting against the ceasefire groups to relinquish their arms and their fiefdoms. It will be interesting to see how the artful pragmatist Lin maneuvers his way through the current crisis. ■



*Nobody knows what will
happen to her as her home-
town is made into a casino
resort*

Sop Lwe – the next Mong La?

Drug lord Lin Ming Xian stakes Sop Lwe as his next casino resort - with uncertain consequences for the local population

“It is a great paradise.” So say some of the more than 1,300 tourists a day that flock to Mong La, a small village turned haven of vice in northern Shan State on the border with China. The infamous resort – now a city – was set up under the control of Lin Ming Xian’s Special Region #4 forces after a ceasefire with the SLORC (now the SPDC) in 1989 and offers all manner of entertainment to its visitors. Prostitutes from east and west sell their services, while illicit drugs, ranging from amphetamines to opium and heroin, are available at all times.

Mong La is perhaps best known for its grand casinos. Chinese gamblers cross the border in droves seeking fortune and luck. Unfortunately, they don’t often find it. Last year, some Chinese officers gambled away their entire wealth in Mong La, some of them incurring huge debts. Lin’s men were even seen seizing an officer’s car. The Chinese government did not approve of this turn of luck; it commanded Mong La casinos to shut down and all men from China to return home.

The command did not stop activities in Mong La. As one observer noted “Lin’s men have shut the casino’s front door but the rear door is still open for customers.” Still, profits are lower and lower than before. It seems Lin had to stake out a new site.

Sop Lwe is on the bank of the Mekong, at the mouth

of the Nam Lwe River. This is a strategically important site since now that big three-storey ships can travel the Mekong, it is becoming an increasingly desired route for contraband smuggling of drugs, cars, guns, cattle, timber and wildlife. Burmese MI (Military Intelligence) in this area have less power as Lin’s soldiers call the shots, which makes black market trade all the more easy - and of course, profitable. Column 911 of Lin’s group is based in Sop Lwe to collect taxes.

Last year Sop Lwe was merely a small village; the only access to it a dirt road. This summer a paved road was constructed all the way to the China border. Vans, trucks, and passenger buses from China are now traveling there day and night. Brand new cars are also seen in town. Still, it is not easy for strangers to pass through this area because of the tight security under Lin’s men.

A local man in Sop Lwe is happy about the changes. “It’s true that money makes everything,” he said. “I couldn’t have dreamed of this situation before. In the past there was only a dirt road; nobody liked my homeland. Then Chinese bosses tried again and again to buy my land. I didn’t want to sell it but I’ve rented the space.”

A Chinese businessman built a restaurant on his land and “Bu Su”, his 13-year-old daughter, now works

there. Her salary is 200 yuan per month. Bu Su's father hasn't gotten any money for his "rented" land, but he has to be satisfied with his daughter's wage because it's the most money he's ever earned. It seems, for now, he is. "This Chinese boss is very generous. He said 'This port will become great soon; the restaurant will be extended as a resort and your daughter will earn 500 yuan a month.' So I'm very happy now."

New houses have already been built in Sop Lwe; a six-storey building is also planned. Stakes mark the location for casino buildings. And just down the street from where Bu Su works, a karaoke bar is under construction. Her future may be less bright than her father expects. All the makings of another Mong La are coming to Sop Lwe, and fast. ■

Road Construction in Shan State:

A Lucrative Way to Turn Illegal Drug Profits into Legal Revenues

Two prominent drug lords and their respective companies are the main road builders in Shan State today. Wa financier Wei Hsueh Kang's Hong Pang Company has constructed roads north from Tachilek, while Lin Ming Xian's Green Light Company is busy in the east. Both businessmen cleverly use profits from the drug trade to construct roads and in

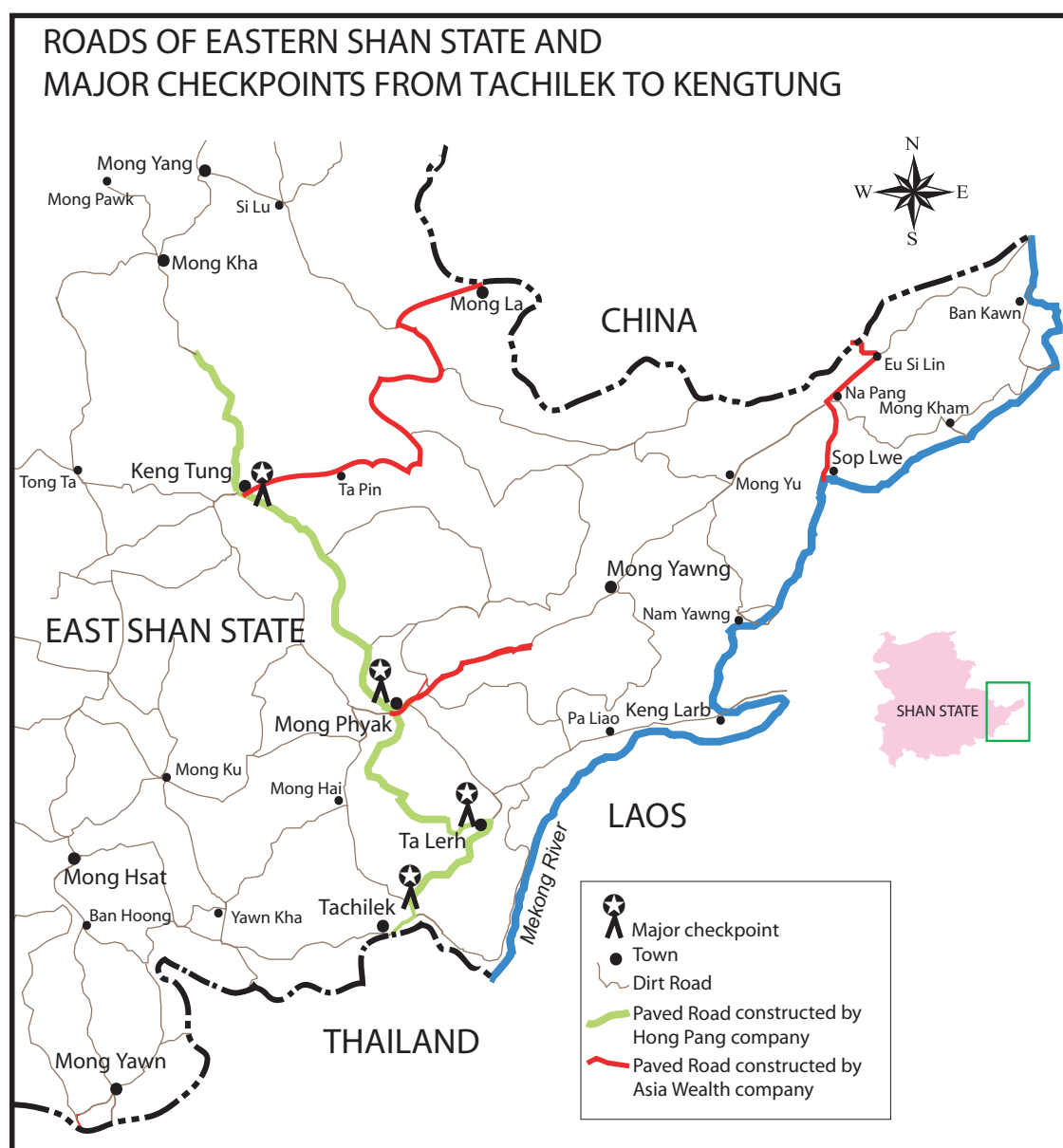
turn generate income from road taxes. The military-controlled government benefits as well, setting up numerous checkpoints to charge their own "fees".

The 102-mile road from Tachilek to Kengtung was paved by the Hong Pang Company and the 56 mile road from Kengtung on to Mong La was paved by Lin

Ming Xian's Asia Wealth Company in 2000.

The companies collect a tax of 20 baht per bicycle, 50 baht per motorbike, 200 baht per van, and 500 baht per truck using the roads. They also collect taxes for transported goods by weight.

From Tachilek to Kengtung there are four strict checkpoints, one between Tachilek at Man Yang, one at Ta Lerh, one at Mong Hpyak, and one at Kengtung. Every checkpoint has two gates; one is a government gate and one is a toll gate operated by the drug lords' business fronts. Both gates collect



fees. At the government gate there is a fee for numerous government departments, including: police, army, immigration, transportation, narcotics control, customs, military intelligence, and the *Na Sa Ka* (see box). Before its recent disbandment, the *Na Sa Ka* was the most important department which controlled all others. Every vehicle, including bicycles and motorbikes, must also pass through the toll gates belonging to Wei Hsueh Kang at each checkpoint. The weight of transported goods is calculated by computer and taxes collected accordingly. Not even the government authorities can avoid this tax.

At each checkpoint all passengers must get down from their vehicles and display their identity cards or any documents and at each customs point the driver must sign papers. If a driver or passenger does anything to upset the checkpoint officer, they will suffer some consequence. Sometimes authorities take the car by force and drive it away or demand free labor.

Mong Yawng, about 100 miles from Tachilek, is the most fertile land of eastern Shan State where rice and soybeans are grown in abundance. However, few people visit this town because of the poor road access. The Green Light Company is now constructing a paved road from Mong Hpyak east to Mong Yawng. Thirty miles of the forty-seven mile road are already completed. The road will facilitate resource extraction from the Mong Yawng area, particularly timber, and provide further infrastructure to accommodate Lin Ming Xian's expanding contraband network. ■

The Fall of *Na Sa Ka*

General Khin Nyunt, in an ambitious expansion into the area of border trade, established a new unit of the Military Intelligence named *Na Sa Ka* (Border Area Work Inspection and Disciplinary Unit) in 2001 along Burma's borders. He said bribery and corruption had been rampant and it was his aim to put an end to it.

Soon after *Na Sa Ka* began its operations, taxes collected in Tachilek increased from roughly 100,000 baht per month to nearly 100,000 baht per day. Within a year, it was clear that *Na Sa Ka* had become a center for bribery and corruption itself.

On October 19th, General Khin Nyunt was 'permitted to retire due to health reasons'. His followers were sent to jail and their properties confiscated. Some reportedly fled into neighboring countries. Five days later, Joint Chief of Staff General Thura Shwe Mann, in a speech to businessmen in Rangoon, blamed Khin Nyunt not only for bribery and corruption but also insubordination that had threatened the integrity of the Army Forces. Khin Nyunt's intelligence apparatus, including the *Na Sa Ka*, was disbanded.

Eastern Shan State Erupts Again

Movements by the SSA-S prompt increased persecution of civilians by the regime

Almost ten years after the surrender of Shan warlord Khun Sa's army at the end of 1995, Shan resistance forces are again operating in easternmost Shan State, turning the western banks of Burma's Mekong once more into battlefields.

Since late 2003, the Shan State Army-South (SSA-S) has expanded its area of operation from southern and central Shan State, to the eastern Shan townships of Kengtung, Mong Phyak, Mong Yawng and Tachilek, leading to repeated clashes in these areas between Shan and Burmese Army troops.

Between November 2003 and January 2004 alone, the Shan Herald Agency for News reported eight skirmishes between Shan and Burmese troops in Mong

Phyak and Tachilek townships. In one incident, nine villagers lost their lives. In another, 127 houses were burned down.

Burmese Army convoys traveling on main roads between Tachilek and Mong Yawng have also been attacked. There were two ambushes by SSA troops during April 2004.

The regime has responded to the renewed operation of Shan troops in these eastern townships by deploying further troops in the area. By April 2004, the Burma Army had formed three new infantry battalions, bringing the total number of Burmese battalions in eastern Shan State to 43.

---continued on page 18



New bridge planned across the Mekong

Big changes in Keng Larb as a new bridge linking Burma and Laos is considered

On March 2, 2004, two helicopters landed in Keng Larb, eastern Shan State, and representatives of Burma, Thailand, China, Laos and Cambodia stepped out. The SPDC has recently upgraded Keng Larb from a village tract to a township, fit with bureaucratic accoutrements: departments of education, health, agriculture, forestry, immigration and police have all been established in the town itself. A state high school was built, although it has no students above the sixth standard. The government has confiscated most of the land surrounding the town center in order to eventually build office buildings. Local people are powerless to protest. The entire village tract census reports only 700 households, but big changes are coming to Keng Larb.

The representatives had come to discuss the building of a bridge across the Mekong River. Laos and Burma disputed the location of the bridge; Burma wants it built at Keng Larb directly across to the Lao bank. Laos wants it three kilometers further downstream of Keng Larb, at the Xieng Kok port on the Lao side.

There is one big obstacle to Keng Larb's development, however, even if the bridge is built there. Right now there is but a 50-mile-long dirt road that connects it to Ta Lerh, an important crossroads. From Ta Lerh, one can travel directly to Tachilek on the Thai border, or north to Kengtung and on to the Chinese border. A good road between Keng Larb and Ta Lerh, therefore,

would open (trade) access all the way to the Mekong, linking Burma, Thailand, China and Laos.

Today, buses can travel the road only in the summer. Not even four wheel drive trucks can manage the deep mud in the rainy season - only tractors made in China are successful. In order for the road from Ta Lerh to Keng Larb to be passable and thus take advantage of a new bridge across the Mekong, it must be upgraded and six bridges, some of them likely to be more than 300 meters long, need to be built. One, Pang Peng Bridge, was finished in April 2003. Even though it's finished, it's not certain how useful the bridge will be, as the SPDC have to check the area around it for landmines day and night.

Above: A newly constructed bridge at Pang Peng. Five more like it will be needed to make the road from Ta Lerh to Keng Larb passable.



How useful is it? Soldiers check the area near the bridge for landmines night and day.

Nang Naw, a Shan villager in Nam Khin tract near Paliao heard the news of the coming changes at a mandatory meeting in the village headman's house in November 2003. The leader told villagers:

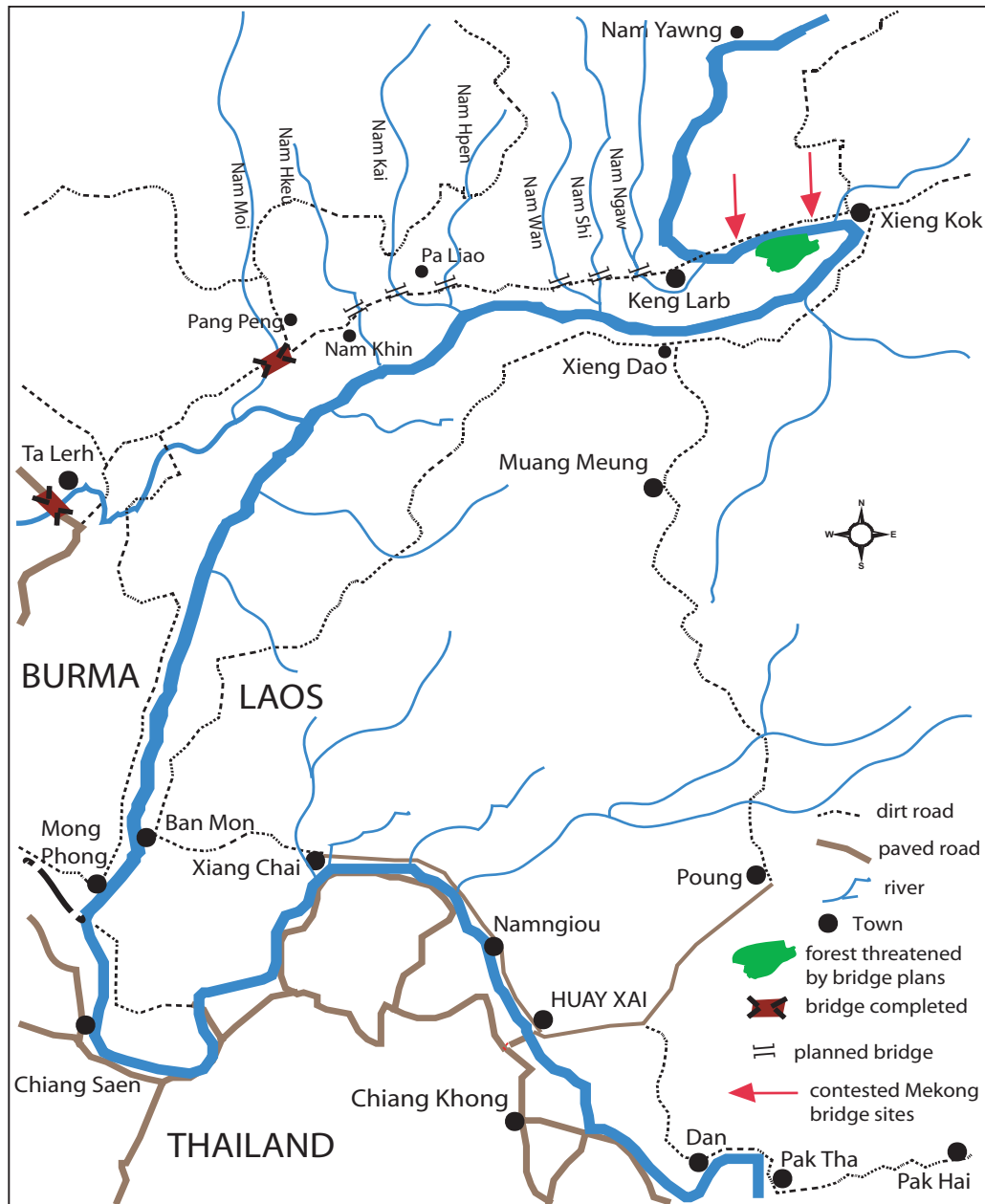
"I had a meeting with the Township authority. Our chairman gave a message to all of you. We have to develop by ourselves. Don't rely on another country. Don't look to America to help you. After a short time our land will develop. From Ta Lerh to Keng Larb a paved road will be finished in 2005. A bridge from Keng Larb to Xieng Kok across the Mekong River will also be constructed next year.

One person from every house must be a voluntary worker. Tomorrow, we will start and everybody must bring a mattock, a pick axe, an axe, a chopper or a basket. We will build a new road to the northern mountain range. We will take timber from that forest to construct the bridge and develop our village."

According to Nang Naw, villagers from Nam Khin did not ask questions about the "voluntary" work, but joined work crews set to build the road by hand, because as she says: "They want to be developed instantly, because they need medicine for malaria, they need good communication; they want their children to obtain a high education." They may not see "instant development" soon, however. Progress on the road is not surprisingly slow, as Nang Naw explains "Sometimes it is not going forward but backward because it (the road) collapses here and there."

It seems Laos is also preparing for the changes ahead, particularly for possible tourists if Xieng Kok is

PLANNED BRIDGES



developed as a bigger town. Between 2002 and 2004 a 100 km dirt road from Ban Mom to Xieng Kok was hurriedly constructed. It is now completed but as of yet no bus is running. The road will continue on to Muang Meung and then circle back to Ban Mom. ■



Nang Naw, a Shan villager in Nam Khin tract near Paliao heard the news of the coming changes at a mandatory meeting in the village headman's house in November 2003. The leader told villagers:

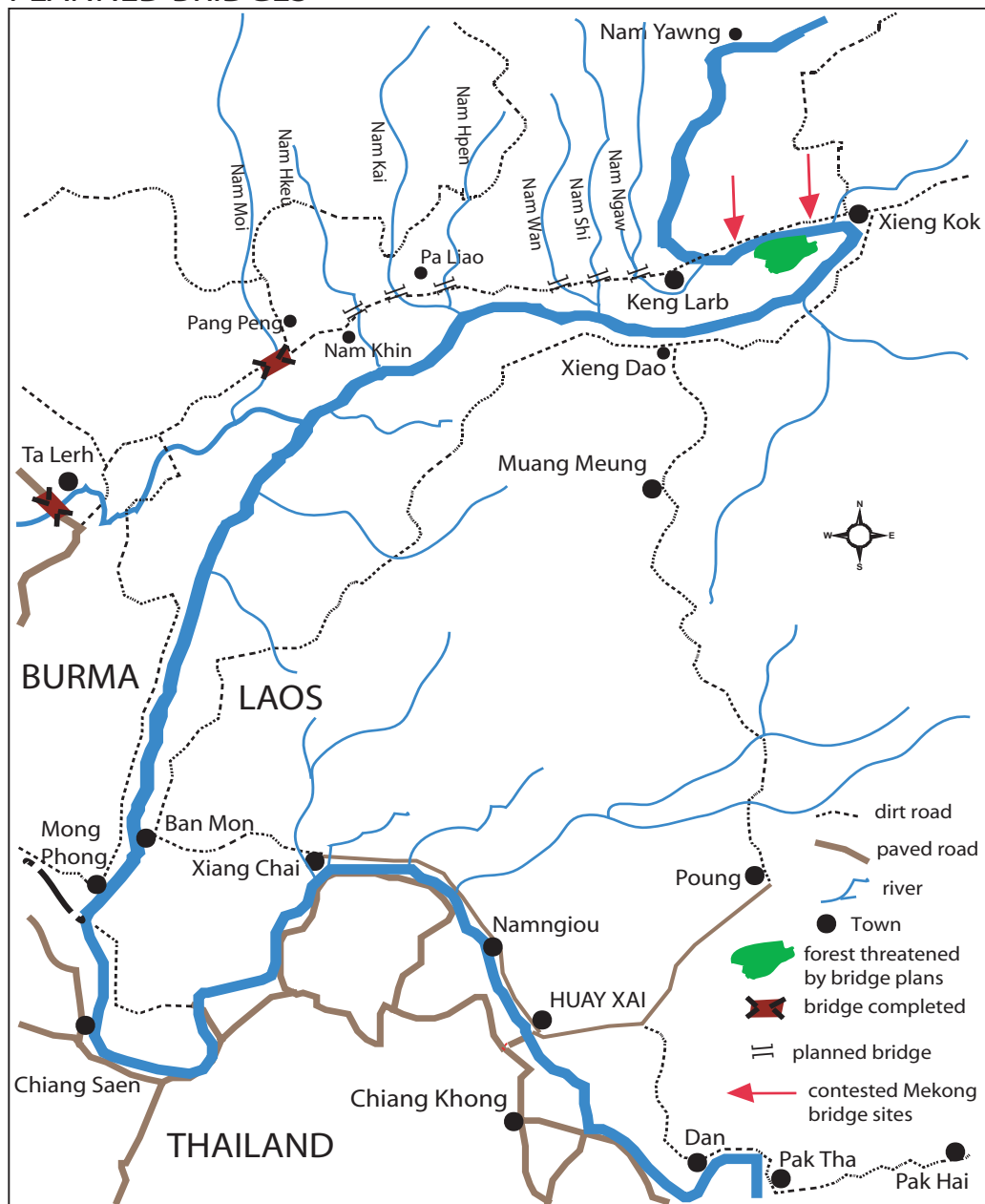
"I had a meeting with the Township authority. Our chairman gave a message to all of you. We have to develop by ourselves. Don't rely on another country. Don't look to America to help you. After a short time our land will develop. From Ta Lerh to Keng Larb a paved road will be finished in 2005. A bridge from Keng Larb to Xieng Kok across the Mekong River will also be constructed next year.

One person from every house must be a voluntary worker. Tomorrow, we will start and everybody must bring a mattock, a pick axe, an axe, a chopper or a basket. We will build a new road to the northern mountain range. We will take timber from that forest to construct the bridge and develop our village."

According to Nang Naw, villagers from Nam Khin did not ask questions about the "voluntary" work, but joined work crews set to build the road by hand, because as she says: "They want to be developed instantly, because they need medicine for malaria, they need good communication; they want their children to obtain a high education." They may not see "instant development" soon, however. Progress on the road is not surprisingly slow, as Nang Naw explains "Sometimes it is not going forward but backward because it (the road) collapses here and there."

It seems Laos is also preparing for the changes ahead, particularly for possible tourists if Xieng Kok is

PLANNED BRIDGES



developed as a bigger town. Between 2002 and 2004 a 100 km dirt road from Ban Mom to Xieng Kok was hurriedly constructed. It is now completed but as of yet no bus is running. The road will continue on to Muang Meung and then circle back to Ban Mom. ■



No Place Left for the Spirits of the Yellow Leaves

Intensive logging leaves few options for the Mabri people

The mountaintops of Loi Phalang forest have been rapidly deforested

In the Lahu homeland of Shan State, every hunter has heard about the Mabri – the “wild jungle people” called *pi tong luang*, or “spirits of the yellow leaves” in the Shan language. However, little is known of the customs and history of this tiny band of people. Small populations exist in Laos and Nan province of Thailand, but there is no documentation of their numbers in Burma.

Before World War II, many *pi tong luang* stayed in the Sam Tao forest east of Kengtung as it was a thick jungle at that time. During the War, though, soldiers shot and killed them. Consequently, perhaps hundreds of *pi tong luang* migrated out of the Sam Tao forest and separated into four groups. One group went to Mong Hpyak, southwest of Kengtung, another went to Monghai, northwest of Tachilek, one group stayed in the larger Mong Yawng forest area, and a final group fled to Laos.

“Several times we tried to photograph them but failed,” say villagers in the Mong Hpyak area, “because they have no village and no house. Usually, they live in shelters made of banana leaves. As soon as the

leaves turn yellow, they transfer to a new place and build a new shelter.” (Hence the name ‘spirits of the yellow leaves.’) “We have never seen their women and children. But we saw signs of children playing around the old shelters, so we knew that they had wives and children.”

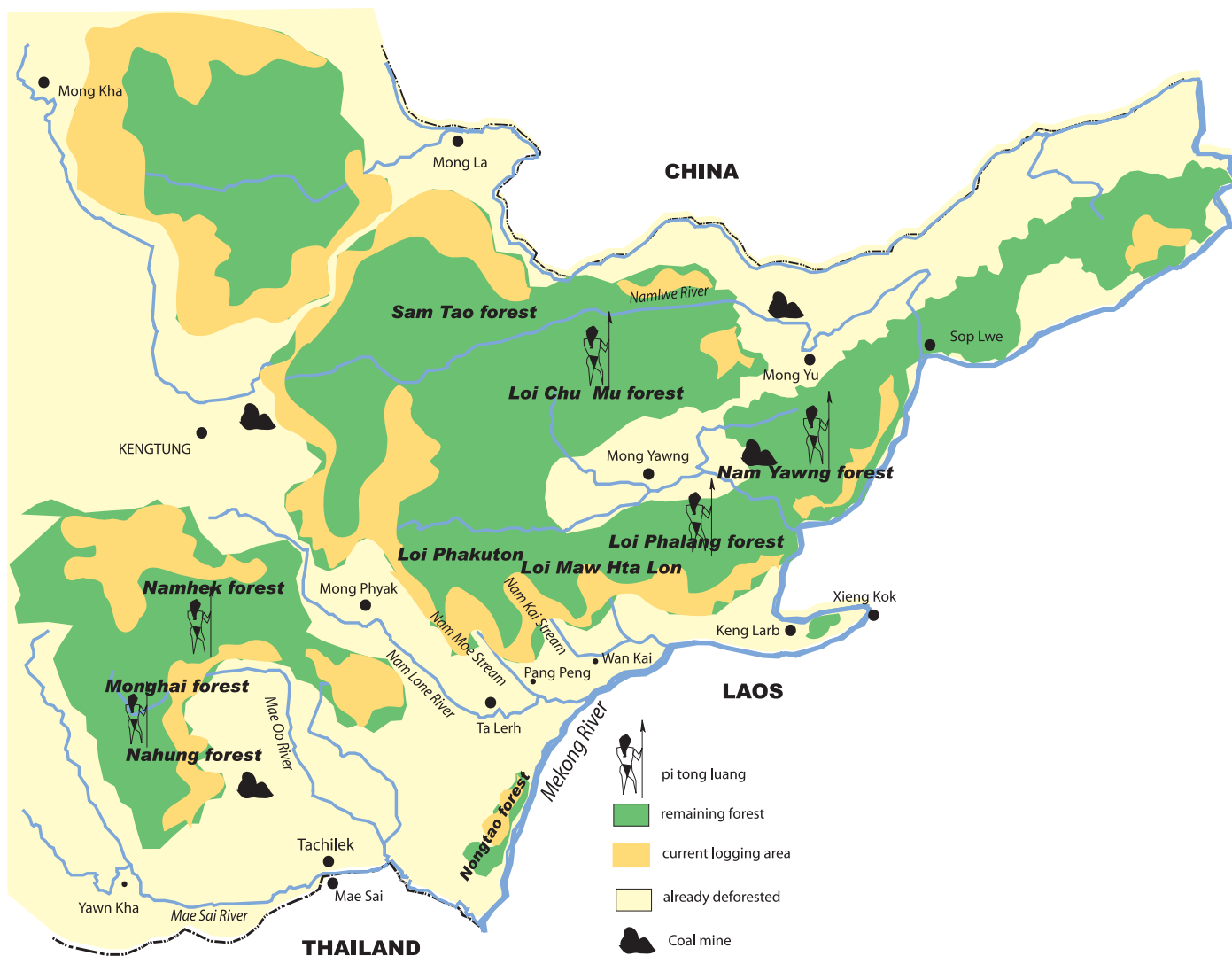
“Thirty years ago, every year before the rainy season, *pi tong luang* would come to our village casually at noon and ask for a piglet in exchange for woven cane mats. They said that a piglet was very important to sacrifice to the thunder spirit. They are most afraid of the thunder spirit. When they got the piglet, they tied its mouth and legs with a string and then one of them took it, hanging the string on his neck and carrying it on his back.”

The skill and deftness of the *pi tong luang* in the forest is widely respected. “We wanted to see how they went back, so we followed closely behind them.



Eastern Shan State

Pi Tong Luang sanctuary forests



When they reached outside the village, they jumped behind a bush and suddenly they all disappeared. To our amazement, they made no sound at all. They can climb a high tree skillfully to get honey. And they are very clever at digging out holes for guinea pigs or wild yam."

Villagers seem to think that the *pi tong luang* are quite strange, but harmless. Said one: "We knew

only that they act differently from us. They are thin and only about four feet tall. Their hair is cut over the shoulder and it is full of guinea-pig oil. Their body odor is strong, their skin rough with many scars on the whole body. My father had told me about these people. He said they are never hostile to humans; if they want to talk with you they will come close. We heard that they never made any trouble with hunters."



Just thirty years ago Sam Tao forest was still a beautiful and thick jungle, providing good sanctuary for various birds and wildlife. Some *pi tong luang* depended on this jungle and lived in peace. The forests were thick enough that they could hide from any clashes or battles in the area. However, the cooperation between the SPDC military, cease-fire groups and Chinese businessmen in the timber trade is exploiting the thick forests throughout eastern Shan State and chain saws ring out. For the past twenty years the forests have been gradually thinned, forcing the *pi tong luang* to seek new sanctuary. They have fled to Nam Henk forest (west of Mong Hpyak) and Mong Hai forest (northwest of Tachilek). Now there are more *pi tong luang* living in Nam Yawng forest (east of Mong Yawng along the Mekong River).

Today, hunters think there might be not more than five Mabri left in eastern Mong Hpyak forest. According to Pang Peng hunters of Ta Lerh township, there are an estimated 200 of them in north and south Mong Yawng forest. Nam Henk forest was destroyed by logging between 2000 and 2004 and the fate of the *pi tong luang* who were there is unknown. Mong Hai forest is also gone. There are some woods remaining in Nam Yawng forest, but if the Mekong River becomes better to navigate, logging will surely increase. An entire people, who the world knows so little about, are at risk of extinction due to the rapid changes to the forests. One local observer asks: "Who thinks about and cares what will happen to the *pi tong luang*? Will there be any spot of forest remaining for their survival?" ■

continued from page 13

There has also been increased persecution by Burmese troops of Shan civilians in these areas. In March 2004, Burmese troops arrested three Shan village headmen from Mong Yawng township, accusing them of supporting the Shan resistance. The three men were tortured in various ways, including electric shocks and suffocation, and remain in jail today. At the same time night curfews were imposed in villages in Mong Yawng, and local people were restricted from leaving their villages without official permission.

In villages in Mong Lane, Paliao and Keng Larb tracts along the Mekong, units of Burmese soldiers have been stationed to stay together with local militia and guard each village. Villagers have also been made to dig bunkers surrounding each village. Two or three villagers have to watch the village day and night, and no one is allowed to stay outside the village at night. Farmers are not allowed to take food for their lunch when they go to their fields.

Male villagers throughout eastern Shan State are once again being recruited as porters to serve the Burmese troops. On January 7, 2004, a 47-year-old villager from Mong Hai tract in Tachilek lost his leg when he stepped on a landmine while being forced to work as a porter.

There has been an alarming increase in the laying of landmines around villages by Burmese troops. During

February and March 2004, eight villagers collecting grass for brooms were killed by landmines in the area north of Ta Lerh.

Apparently to curb the growing influence of the Shan resistance in the Mong Yawng area, the Burma Army has allowed the ceasefire army of drug warlord Lin Ming Xian, the National Democratic Alliance Army, to expand its territory 30 kms further south from Sop Lwe along the Mekong (see page10). The regime is also allowing members of a Lahu armed group which surrendered from Thailand in June 2004 to operate at Paliao on the Mekong, joining the Lahu pro-government militia already based there.

This represents a reverse in strategy by the Burma Army this year. During 2003, the Burmese troops had disarmed several militia groups along the Mekong, and had forced Wa ceasefire troops to withdraw from the area. The regime had clearly hoped to consolidate direct control of the Mekong in anticipation of the increase in trade and tourism that would result from the navigation improvement project.

However, as usual, festering political instability has erupted to upset the regime's plans, and it is again employing divide and rule tactics with the local militias to maintain tenuous control of eastern Shan State. ■

Kya Ko tries to survive in volatile eastern Shan State by making charcoal

Living in a War Zone

Many people like twenty-year-old orphan Kya Ko resort to charcoal production in order to eke out an income and survive the harsh reality of life in eastern Shan State. The region is in constant flux, erupting into a war zone according to the movements of armed groups and the reactions of the Burmese military. Local people suffer the loss of family members, health, land, and crops. Most of all, they suffer the loss of security.

“My father died as a forced porter for the Burmese Army when I was a baby,” explains Kya Ko, “and my mother died of malaria when I was 13. After that, a Burmese sergeant very often came to me and gave me sweets or milk or something to eat. He told me to join the army. I didn’t want to be a soldier. I hated the Burmese soldiers because of my father’s death. My mother told me that soldiers surrounded our house by night and seized my father without a coat.” After bursting into tears, he continues: “My friend told me ‘Soldiers need you to become a soldier so you should be careful of them.’ After he told me that, whenever the dog barked at night I left my house secretly.”

Conscription into the army for boys even younger than Kya Ko at age thirteen is not uncommon, so he was wise to be careful. After being beaten severely by the village headman for not taking care of his cattle properly, Kya Ko turned to making his own charcoal

in the woods in order to survive. It took him some time to learn how to do it properly, but eventually he was able to earn between 30 and 50 baht per day, selling the charcoal to middlemen that come from Tachilek.

“We can get opium, amphetamines or heroin everywhere” says Kya Ko, “but unlike my friends, I don’t use drugs, smoke or drink. I was able to save 20-30 baht per week.” Life is uncertain in this area, however, and Kya Ko soon lost something more important than his savings – his sole inheritance from his mother.

“On Saturday, March 13, 2004, I went to carry charcoal. A Burmese soldier was on my way in the jungle. He pointed his gun at me and said, ‘you’ve done illegal work. You cut trees for charcoal.’ I replied, ‘No, I took only some branches from your logging.’ He searched my bag and robbed me of money accusing me of earning it from selling drugs. When I said no, he punched me on the face.”

I kept two purses in my bag. One was my savings and it was 215 baht (about \$5). Another one was 475 baht (about \$12) which my mother left for me as my heritage. I would never spend it. This soldier took away that purse. He didn’t see the one which had 215 baht. I was very sad to lose it; I felt the great waste of it.”

“He searched my bag and robbed me of money....When I said no, he punched me on the face.”

Kya Ko immediately sought justice. “I rushed to the headman and told him all about what happened, but he dared not complain to an army officer. So I went to the army officer by myself.” Unusually, he was able to point out the thief and retrieve his money. The soldier

was beaten “to near dead” in retaliation. However, when Kya Ko returned, the villagers warned “You shouldn’t have gotten back the money. You did nothing wrong but in the future a bad reaction may come upon us.” ■

Lack of Education – Is Development Really Coming?



A decrepit village schoolroom on the Mekong

Every village with more than thirty households along the Mekong in Burma has a State Primary School. But most of them don’t have teachers, chairs, tables, desks or a blackboard. According to local villagers, the authorities have said, “*You* fill them up with whatever you need.”

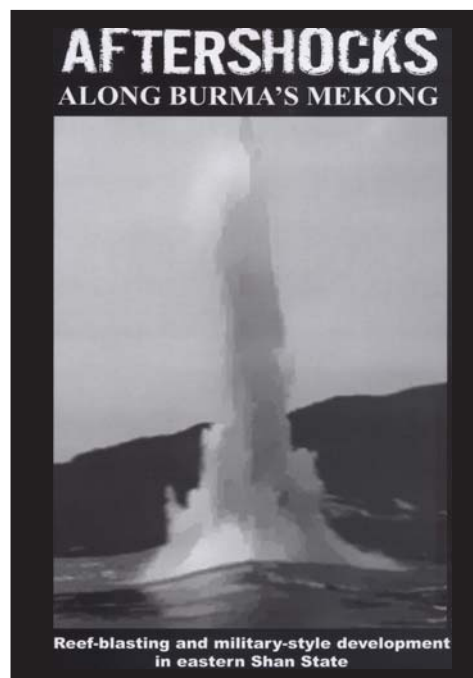
The government is far from providing education for the people. According to a village leader in Mong Lane tract, the Burmese Army is forcing villagers to pay the salaries of schoolteachers. Village headmen have been collecting funds for government school teachers since 2000. The commander of 316 infantry battalion of Ta Lerh issued the order to do so during a meeting with local authorities and village headmen. Once a teacher is chosen, villagers must also build a house for him or her, and provide firewood and rice.

Collecting provisions is a serious burden to those that simply want an education for their children, as each household already has to provide a monthly or yearly quota of firewood and rice for militia and SPDC soldiers. If anyone fails in this duty they are fined a large amount of money or even tortured.

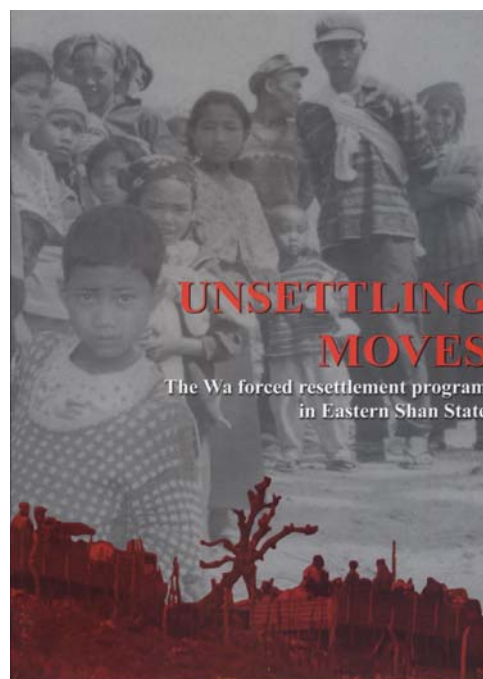
A common speech given when the Burmese military holds an operation in a village area or when an army officer arrives in a village declares ‘We must not receive foreign aid, or foreigners will exploit our blood and brain.’ The reality of this self-reliance rhetoric has left ordinary villagers dismayed at their own development prospects. Not only do they face reprisal if they fail to provide for the military; now they must also provide for teachers’ salaries and fill up the empty schools. ■

Previous publications by LNDO

Aftershocks Along Burma's Mekong: Reef-blasting and military-style development in eastern Shan State (2003) lays out the background and implementation of the Mekong Navigation Improvement Project in Burma. The report analyzes the political and socio-economic context of the project, showing how it fits into the Burmese military regime's plans to expand control over the remote regions of eastern Shan State thereby increasing their exploitation of the people and resources there. Includes several maps and survey information of villages along the river. <http://www.shanland.org/Environment/After%20Shock/contents.htm>



Unsettling Moves: The Wa Forced Resettlement Program in Eastern Shan State 1999-2001 (2002) details the forced resettlement of over 125,000 villagers from Wa areas of northern Shan State down to the Thai-Burmese border during 1999-2001, allegedly as part of a drug eradication program. It documents the severe abuses inflicted not only on those who were resettled but also on the villagers in southern Shan State who lost their lands to the new arrivals. <http://www.shanland.org/HR/Publication/wa/contents.htm>



For printed copies, please contact: P.O. Box 227, Chiang Mai GPO, Thailand 50000
email: Indorg@yahoo.com



"We didn't know when, where and how they were going to blast the rapids. Sometime ago the headman only gave us a warning not to go into the river...."

....Still we get no benefit [from development] – except that some villagers go and work in the logging business. They said they can get 50-70 Thai Baht (less than \$2) a day."