

NAI SHWE KYIN IN RANGOON

On 5 Sep, Chairman Nai Shwe Kyin, 86, of the New Mon State Party (NMSP) met with State Law and Order Restoration Council (SLORC) Chairman Senior General Than Shwe. Details were not available but intelligence chief Lieut-Gen Khin Nyunt reportedly discussed development plans and the repatriation of Mon refugees along the Thai-Burmese border. Nai Shwe Kyin arrived in Rangoon in late August. The NMSP signed a military cease-fire agreement with SLORC in June [B950912],

SLORC SPLITTING KARENNIS

Karen National Progressive Party (KNPP) Foreign Affairs Minister Abel Tweed said that SLORC is using the influential Bishop of Loikaw, to divide the mainly Roman Catholic Karen people. The Bishop is reportedly urging Karennis to lay down their weapons and return to the 'legal fold'. Last year, SLORC orchestrated a mutiny by 'Buddhist' Karen soldiers against the mainly 'Baptist' leadership of the Karen National Union (KNU). SLORC is also suspected of having used the resentment between Shan and Chinese elements of the Merga Tai Army (MTA) to instigate the recent break away of Shan troops from the MTA. The KNPP signed a cease-fire agreement with SLORC in Mar.95 but it broke down almost immediately when SLORC broke the terms of the Agreement and moved troops into Karen territory. Tweed is not optimistic that another cease-fire agreement can be reached. "They just want to wipe us out," he said and warned that the situation could get critical next year because SLORC did not release water for irrigation from Loikaw dam during this year's rice planting season. "They are planning to flood the area in November during harvest time and wipe out what crops have been grown. People are very afraid that next year they will starve"[N950901].

CIVILIANS EVACUATE HOMONG

According to Thai Army sources, civilians are being evacuated from Homong, headquarters of the Merga Tai Army (MTA), in anticipation of an assault by SLORC and Wa forces. "About 100 elderly civilians, mainly family of our party's executive committee, have been evacuated to Mae Aw," said an MTA official. Fresh Burmese

troops recently moved to positions on the approaches to MTA headquarters and observers expect that an offensive will begin as the rainy season draws to a close [N950912].

ALBRIGHT VISITS RANGOON

Madeleine Albright, 56, US Ambassador to the United Nations and a member of US President Bill Clinton's cabinet visited Burma 8-9 Sep.95. She is the highest US government official to visit since SLORC took power in September 1988. She met with Daw Aung San Suu Kyi and SLORC Secretary 1 Lieut-Gen Khin Nyunt. She quoted Khin Nyunt as saying that a dialogue with Daw Suu "will have to come after internal consultations" within the SLORC leadership. Albright cautioned countries in the region not to misinterpret her visit as a signal that the US is preparing to improve relations with Burma. She said that her visit had two primary objectives: to call for democratization in Burma and support the role of Daw Aung San Suu Kyi as a pro-democracy leader [USG950909] - see Page 2.

KARENS RE-ORGANIZED

The Karen National Union (KNU) held its 11th Congress in southeast Burma 21-31 Aug.95, to re-organize following the fall of Manerplaw. 106 delegates and 79 observers attended the long-awaited Congress. 35 were elected to the KNU Central Standing Committee and 11 to the Central Executive Committee (CEC). A major decision was made to discard the previous Cabinet system and the party system was reinforced. General Bo Mya was re-elected President of the KNU and Chief of its Bureau for Alliance Foreign Affairs. Sixth Brigade Commander Gen Shwe Saing was elected Vice-President and Chief of the Bureau for Defence. Pado Saw Ba Thinn retained his position as party General Secretary. Bo Mya's personal secretary, Mahn Sar Lar Pan, was elected First Joint General Secretary and Saw TU Tu Lay, former head of the KNU Justice Department, was elected Second Joint General Secretary. Other CEC members are Kaser Doh (Financial Affairs), Aung San (Economic Affairs), Gaw Soe (Organization), Maung Maung (General Administration), San Lin (Social Affairs), and Baw Yu Paw (Discipline). *Continues on Page 4*

Statement of
Madeleine K. Albright
 U.S. Ambassador to the U.N.

Following are excerpts from Albright's statement at a press conference in Bangkok, 9 Sep.95:

"I had meetings with Lieut-Gen Khin Nyunt, ... U Ohn Gyaw, the Foreign Minister, and representatives of UN agencies active in the country. I was also honored to be hosted at a breakfast by Aung San Suu Kyi...the leader of Burma's pro-democracy movement. In all my meetings, I affirmed the strong support of the United States for progress towards genuine freedom and democracy in Burma and respect for human rights of the Burmese people. While welcoming the release of Aung San Suu Kyi and some other political prisoners, I said that fundamental change in U.S. policy towards Burma would depend on fundamental change in the SLORC's treatment of the Burmese people. Towards this end, I urged SLORC officials to begin a meaningful dialogue with Aung San Suu Kyi and other democratic leaders for the purpose of reconciliation and broadening the base for political discussion within the country.

In my two-hour meeting with Gen. Khin Nyunt, I delivered a tough message, telling him that his country's isolation would only deepen unless concrete steps towards political freedom were taken. I urged the SLORC to choose the path of true democracy, rather than continued repression and dictatorial control. I said that the democratic path may seem harder and more risky, but a bright future for Burma cannot be shaped without the participation of the Burmese people. I urged repeatedly that a dialogue be initiated with Aung San Suu Kyi and did not accept Khin Nyunt's characterization of the National Convention as a meaningful process for dialogue. In this regard, we were modestly encouraged to hear that the SLORC is now considering the possibility of engaging in a political dialogue with Aung San Suu Kyi. But my government does not believe that such a dialogue should be delayed.... As Aung San Suu Kyi put it later, 'the sooner the dialogue begins the better.' Khin Nyunt expressed ... that SLORC had broad public support, and observed that the Burmese people smile a lot. I said that it has been my experience, in a lifetime of studying repressive societies, that dictators often delude themselves into believing they have popular support... people often smile not because they are happy, but because they are afraid. The future of Burma must be built on hope, not fear.

I was particularly pleased to exchange views on the situation in Burma with Aung San Suu Kyi, in her role as representative of democratic forces in the country. Aung San Suu Kyi welcomed the news

of my straightforward discussion with Khin Nyunt on the importance of beginning a dialogue ... as the first step to bringing the country back to the community of democratic nations. She reiterated to me her well-known readiness to begin that dialogue quickly. The international community did not call for her release from house arrest simply so that the gate to her compound could be opened and friends could visit. It was on the assumption that she would then be allowed to begin work on the goals that she has so bravely pursued as representative of the democratic opposition.

We also discussed the continued importance of keeping the attention of the international community focused on the situation in Burma. We agreed on the particular importance, as the 50th United Nations General Assembly (UNGA) opens this month, that the resolution on the situation on human rights in Burma reflect accurately the situation on the ground here. The government's release of Aung San Suu Kyi was just one of many steps the UNGA called on the government to take. It is now time to take the many other steps necessary to restore democracy in accordance with the will of the people as expressed in the democratic elections held in 1990. I promised Aung San Suu Kyi that I would work toward that goal upon my return to New York.

In summary, I believe this was a successful visit in making fully clear America's position with respect to the future of our relations with Burma. America stands ready to develop friendly and constructive relations with the Burmese government, but that can occur when and only when fundamental progress towards democracy and respect for basic human rights is achieved. The SLORC faces a choice between its present isolation and reintegration into the international community. As a result of my visit, the SLORC leadership can have no doubt about what it must do. The choice is theirs.

At the press conference, Albright said that she thought the Burmese military and democracy leaders were 'quite far apart' regarding their views on what democracy means. But she believes that some of the differences can be worked out through a direct dialogue. Albright also said that she is considering the possibility of making this year's UN resolution more specific and having a timeframe attached to democratic progress in Burma. "I plan to speak out a great deal when I get back on the importance of the Burmese people having the ability to move the democratic process forward under the UN resolution," she said.

Investments:**AUSTRALIA:**

PACIFIC ARC EXPLORATION, together with **EAST ASIA GOLD CORP (US)**, signed a contract with the Geological Survey and Mineral Exploration Dept to develop a gold mine in Block 8 (Popa) and copper in Blocks 13 and 14 (Thabeikkyin) [WPD950819].

CANADA:

INTERNATIONAL PANORAMA GOLD CORP on 25 Aug.95 signed an agreement with the SLORC Ministry of Mines for the exploration and development rights to Block 9, a 1,400 sq.km property in the Pyinmana region. Block 9 is situated on the Shan Scarp Fault structure, considered to be the most important structure related to gold mineralization in Burma. The agreement provides for a future 50/50 joint venture with the Ministry of Mines. **INTERNATIONAL PANORAMA RESOURCE CORP** President is Kenneth MacLeod. Information - CORPORATION X INC, Communications: 1 (604) 682-1991 or 1 (800) 270-3024.

IVANHOE MYANMAR HOLDINGS LTD, an affiliate of **IVANHOE CAPITAL CORP**, together with **SUM CHEONG RESOURCES (S)** signed a contract with the Geological Survey and Mineral Exploration Dept [WPD950819].

WESTLEY TECHNOLOGIES On 10 Aug.95, President Victor J E Jones signed an agreement with **EAST ASIA GOLD CORP** to explore for Gold in Block 14 (Thabeikkyin) over a 2-year period. Westley paid a \$125,000 signing bonus and will fund 60% of the \$750,000 exploration budget [BW950810].

ISRAEL:

TELRAD TELECOM & ELECTRONICS INDUSTRIES LTD 1995 Extending telephone network in Rangoon, Pyin-Oo-Lwin, Sliwebo, Sagaing, Pa-an and Loikaw.

JAPAN:

BANK OF TOKYO 1995 Licence granted to open office in Rangoon.

DAIWA SECURITIES 12/94 Memorandum of Understanding signed to set up a capital market in Rangoon. On 18 Jul.95 DAIWA announced that it will set up a brokerage house by the end of 1995 to facilitate over-the-counter trading of Burmese companies before a Stock Exchange is established. Initial capitalization of the firm will be US\$3.6 million [B950718].

MITSUI & CO delegation led by Akira Utsumi, adviser to the president, is negotiating with SLORC to build Mingaladon Industrial Park in exchange for supplying 5 million barrels of crude oil a year. SLORC at present produces 15,000 barrels of crude oil a day. The Mitsui deal will double the amount available bringing it to the 1988 production level. Burma has a refining capacity of about 60,000 barrels of crude oil a day at three refineries, including one built by Mitsui at Mann, Central Burma. The US\$700-million venture will use natural gas from fields off Burma's southern coast and will involve construction of a 200 MW power plant and a fertiliser factory with an annual production capacity of 570,000 tonnes. A 250-km pipeline will be built from the Yadana fields to the plant sites. The gas is being developed under a production sharing contract between SLORC, TOTAL SA of France, UNOCAL Corp of the US and the PETROLEUM AUTHORITY of Thailand. 60% of the gas will be sold to Thailand and 20% used by MITSUI. The delegation met with Lieut-Gen Khin Nyunt, the chairman of SLORC's Investment Commission, the minister for National Planning & Economic Development, and various officials of the Construction Ministry. The joint venture handling the Industrial Park will be capitalized at US\$18.5 million with Mitsui owning 60% [N950829/31, AWSJ950828].

SINGAPORE:

SUM CHEONG RESOURCES PTE LTD together with **IVANHOE MYANMAR HOLDINGS (Can)**, signed a contract with the Geological Survey and Mineral Exploration Dept [WPD950819].

UNITED STATES OF AMERICA:

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UNIVERSITY OF NORTH CAROLINA and the **U.S. INFORMATION AGENCY** are helping to set up a Master of Business Administration program at the University of Rangoon. Associate Professor Bob Hornaday and his wife, Joanne, visited for six weeks from 10 Jun.95 [Charlotte Observer 950612].

VISIT MYANMAR YEAR -1996

According to SLORC, 100,000 tourists visited Burma between 1 Apr.94 and 31 Mar.95. In the two previous years, the figures were 63,000 and 26,000 (disputed by analysts who claim the figures include repeat business visitors). In fiscal 1995, tourism earned SLORC US\$30 million, making it the largest source of foreign exchange. Recognizing the potential, SLORC has proclaimed 1 Oct.96-30 Sep.97, 'VISIT MYANMAR YEAR'. The target is to attract 500,000 tourists. Hotel and Tourism Minister Lieut-Gen Kyaw Ba said in a recent interview, "We hope to get a windfall from the campaign." Will SLORC succeed?

"It is impossible for the coming year. "

Lieut-Col Khin Maung Latt
Director General, Hotels and Tourism

Some reasons why Khin Maung Latt [F950914] does not think SLORC's VISIT MYANMAR YEAR will reach its target are:

- Insufficient Airline Capacity
- Only 6,000 hotel rooms will be available
- New hotels are luxury ones @ US\$300/night
- Highways are pot holed
- Trains are unreliable and dangerous
- Domestic air service is limited
- Air travel is unreliable & dangerous
- Air passengers are bumped for VIPs

Still other reasons [SAIN, BRC-J] why tourists should not visit Burma, apart from not supporting the military, are :

- The doctor: patient ratio is 1:12,500 people
- Hospitals have beds, but no medicine
- Black market medicines are usually fakes
- Blood for transfusion is not available
- Purchased blood supply may be tainted
- 400,000 people in Burma are HIV positive
- Fastest rate of HIV infection in Asia
- Needles may not be sterile
- Rabies vaccines are not available
- Malaria is endemic throughout Burma
- 'Bottled water' is taken from the tap

The "Burma Alert" is published monthly by ADDB Inc to provide data for the Burmese democracy movement. In 1995, grants were recieved from the International Centre for Human Rights and Democratic Development, Canada; the Evangelisches Missionswerk, Germany; and the National Endowment for Democracy, U.S.A. "BURMA ALERT" SUBSCRIPTIONS: Institutions - US\$100.00 (or C\$100.00) per annum and Individuals US\$25.00 (or C\$25.00) per annum. Readers are also invited to become 'Associates' and participate in helping to promote democracy in Burma by contributing US\$100.00 (or C\$100.00) per annum. All cheques and money orders payable to ADDB Inc, c/o Harn Yawnghwe, RR.4, Shawville, Quebec J0X 2Y0, Canada. Fax: 1 (819) 647-5403, lei. 647-5405. E-mail: yawnghwe@hookup.net

Note: The doctor to patient ratio is more serious that it seems. Burmese doctors are not authorized to treat foreigners. Only a select few can do so without risk of arrest and interrogation - Ed. O

Testimony U.S. CONGRESSIONAL COMMITTEE

"As the SLORC has moved to attract international investment and tourism, at least two million Burmese citizens since 1992 have been forced to iwork for no pay under brutal conditions to rebuild the country's infrastructure. "

Holly Burkhalter, Sept 7,1995
Human Rights Watch, Washington DC

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KNU continued from Page 1:

General Tamalabaw, who replaced Bo Mya as Chief-of-Staff of the Army, was re-elected to the position. Bo Mya's return to the KNU leadership surprised observers who had expected him to step down. The 11th Congress urged the Karen people to unite and promised to 'further strengthen', the Karen National Liberation Army and the Karen National Defence Organisation to better serve the Karen people. The Congress also issued a fresh call for a dialogue with SLORC to achieve the KNU's objectives of the establishment of genuine peace, democracy and a genuine federal union [B950906/10, KNU950901, N950903/06, Reu950902].

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NEWS SOURCES THIS ISSUE: A = Asiaweek, AWSJ = Asian Wall Street Journal, B = Bangkok Post, BW = Business Wire, NET, BRC-J = Burmese Relief Centre (Japan), CO = Charlotte Observer, North Carolina, USA, F = Far Eastern Economic Review, N = The Nation, Bangkok, Reu = Reuters, SAIN = Southeast Asian Information Network, USG = United States of America Government, and WPD = New Light of Myanmar, Rangoon.

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