Committee Representing the People’s Parliament (CRPP)

Commemorating the completion of one year since the establishment of the Committee Representing the People’s Parliament elected in the 1990 Multi-Party General Elections

Report

16th September 1999

(Unofficial translation compiled by NCGUB)
Contents

Volume A

Foreword by U Aung Shwe (Not translated in this document)
Forward by U Aye Tha Aung (Not translated in this document)
Forward by Daw Aung San Suu Kyi (Not translated in this document)
CRPP Notifications Nos. 1 to 7 of 1998 (Not translated in this document)
CRPP Notifications Nos. 1 to 16 of 1999 (Not translated in this document)

Volume B

Chapter 1 - Report of the Committee for Finance, Economy and Trade
Chapter 2 - Report of the Committee for Farmers’ Affairs
Chapter 3 - Report of the Committee for Workers’ Affairs
Chapter 4 - Report of the Committee for Education
Chapter 5 - Report of the Committee for Health and Social Welfare

Annexes to volume B

CRPP Notification 24 (4/99)
ILO Resolutions on Burma

Volume C

Chapter 1 - Report of the Committee for Parliamentary Affairs
Chapter 2 - Report of the Committee for Foreign Relations
Chapter 3 - Report of the Committee for Ethnic Nationalities Affairs
Chapter 4 - Report of the Committee for Defense Affairs

Annexes to volume C

CRPP Notification 4/98
CRPP Notification 2 (1/99)
CRPP Notification 11 (2/99)
CRPP Notification 59 (10/99)
CRPP Notification 144 (10/99)
Volume B

Chapter 1

Report of the Committee for Finance, Economy and Commerce to the Committee Representing the People’s Parliament

ECONOMY

Part A

Preface

1. The economy of the Union of Burma got into difficulties because of isolationism and policies based on centralized socialist economic plans, and began to disintegrate in the early 1980s. The pressure from economic and social hardships increased because of the collapse of the market and high inflation created by a shortage of manufactured goods and government budget deficits. The democratic uprising of 1988 followed the demonetisation of the Kyat in 1987. The military crushed the 1988 uprising and the State Law and Order Restoration (SLORC) took over power.

2. The SLORC declared that it would adopt a market-oriented economy and announced an open trade policy with foreign countries. When isolationism and the centralized economic plans of the Burma Socialist Program Party (BSPP) were abandoned, Burmese traders, farmers and the general public were given a chance to exhibit their abilities and the economy acquired momentum. They also had a chance to enjoy the benefits of international trade and investment.

(a) SLORC/SPDC Economic Practices and Their Effects
1. Change of Gross Domestic Product (GDP)

GDP increased by an average of 4.2 percent from fiscal 1990 to 1994. This seems to be an improvement over the annual deficits of the socialist era from 1986/87 to 1988/89. Compared to the deficits of the late ‘80s, the situation in the early ‘90s seemed better. However, it was not favorable compared to 1985/96, the last year of the socialist economy that was about to break down, a year that showed a surplus in GDP. The GDP was Kyat 52,989.4 million in 1985/86. Only in 1992-93 did it again return to the Kyat 54,756.6 million level. Per capita income in 1985/86 and 1996/97 were Kyat 1,510 and 1,549, respectively. In 1997, Burma’s per capita income was less than that of Laos, Vietnam or Cambodia.

We will analyze policies and practices in the production sector. Finance and production are two interrelated factors in an economic system. This is summarized as follows.

(b) Macro-economic Situation

The economic factors that influence and change a country’s economy extensively and effectively are the Government expenditure, money supply, lending interest rates, employment and wages, external trade, and foreign exchange rates. The macro-economic practices of the State Peace and Development Council (SPDC) are defined by laying down its policies on State Budget and Finance, interest rates, external trade and foreign exchange rates for stabilization of the market, an increasing investment and economic development.

2. Financial Sector

All of Burma’s financial problems are created by the Government. The difference between the Government’s expenditure and income generation directly affect Burma’s economic situation. The SLORC/SPDC’s annual expenditure exceeds its income, as shown in the Appendix (Table A). The Union Bank usually prints more currency notes to provide loans to the Government as a remedy for the budget deficit. Printing more and more currency notes whenever required causes inflation, bringing down the value of the Kyat and causing a rise in commodity prices.

Prices cannot be stabilized by increasing imports because of insufficient foreign reserves. The government fixed the foreign exchange rate at about Kyat 6 equivalent to one US dollar while the market rate is over Kyat 300 to one US dollar.

Expenditure under the Government’s budget shows an increase of 13.5 times from fiscal 1987/88 to 1996/97. The budget deficit in 1997/98 is higher than that of 1996/97. It was on the average 6.5 percent of GDP for 1993/94 and 1995/96 and 7.0 percent in 1997/98. One of the main reasons for the increase in budget deficits is due to the income decline of the State-owned Economic Enterprises (SEEs).

The deficit in the SEEs’ funds rose from 1.9 percent of GDP in 1993/94 to 9.1 percent in 1997/98. In 1997/98 the total government budget deficit was Kyat 69.2 million out of which Kyat 41.1 million was that of the SEEs. It is obvious that the deficit of the SEEs is more than half that of the total deficit.

The percentage of GDP gradually decreases every year because the Government cannot collect revenue from taxes effectively. It is absolutely nowhere near international standards.
Tax revenues covered 61 percent of government expenditure in 1993/94 and only 48 percent in 1997/98.

It is a measure of governance for the Government to secure a budget needed to run the country. In the early ‘80s the Socialist government’s income was 16 percent of GDP. In 1997/98, SLORC’s income was only 6.5 percent of GDP. In the early ‘80s the tax revenue of the Socialist government was 9 percent and plunged to 3.9 percent in 1997/98. While the SLORC’s income was 6.5 percent of GDP, it was on the average 15.5 percent for the Laos Government for the fiscal years 1995-96 and 1997-98. For the Vietnamese, it was 22.2 percent during 1995-97. The ability to collect tax revenues as supplementary income for Burma, Laos and Vietnam were 50.8%, 82.0% and 84.5% respectively for the above-mentioned years. It is found that the SLORC/SPDC’s ability to collect revenue or in other words, the SLORC/SPDC’s management and administrative ability is obviously inferior to that of neighboring low-income countries.

As income declined, so did expenditures. In the early ‘80s government expenditure was 16.4 percent of GDP and declined to 9.3 percent in 1997/98. The total expenditure of Laos was 22.3 percent of GDP in 1995/96 and 1997/98, while that of Vietnam was 24.6 percent. The spending power of the SLORC/SPDC was just half of those low-income neighboring countries.

The Government’s expenditure decreased due to lesser income. Although expenditure for other sectors declined, the proportion of the defense budget increased. During Socialist rule in the early ‘80s, the defense budget was 20.7 percent of the Government’s total expenditure. During the SLORC/SPDC era, it was 30.6 percent for fiscal 1997/98. Low-income countries in South [East?] Asia and the peninsular countries spend only 16.8 of government income on defense. Vietnam, although a military power, spends only 20.5 for defense. Burma is not a military power nor does any other country threaten it. Moreover, it has declared that there is internal peace in the country. And yet its defense budget is very high. This means that it is aiming towards stability of the Government rather than of the nation. It is natural that countries where sovereignty is assumed by dictators have a high rate of defense spending in order to oppress opposition forces. This is a normal occurrence under a dictatorship.

Expenditure on intelligence surveillance is heavily inflated. Moreover, it is not [unreasonable?] to assume that expenditure on the Government’s auxiliary forces such as the Union Solidarity and Development Association (USDA), the Red Cross, the Fire Brigade and the Women’s Association are incurred under the Government’s security account. It can be seen from the budget account that the deficit is causing inflation and great disorder to the market economy. In order to achieve economic stability, expenditures and deficits must be reduced. Due to excess budget deficits, Vietnam took control of the country’s economy and made economic reforms with effect from 1989. In the manufacturing sector, it allowed wider reconstruction including exemptions and flexibility of prices. It also reduced its defense budget allocation. After modernizing its army, it retrenched 500,000 soldiers and 800,000 civil servants. The party, government and the military gave priority to the interests of the nation and reduced its defense and administrative expenses. Vietnam’s rate of commodity prices increased 70 percent per annum in 1990 and declined to 5 percent in 1993, within a three-year period. This is a good example to learn from.

3. Inflation
Money supply has risen ten times between 1988 and 1997. Consumer prices have increased six times according to official statistics, while unofficial statistics show a much higher figure. The value of the Kyat declined due to inflation. The market rate for the US dollar has risen eight-fold between 1988 and 1997.

4. **Balance of Trade**

In 1987/88 the trade deficit was Kyat 2410.5 million, increasing to Kyat 2927.1 million in 1994/95. Although the average value of exports grew 20 percent each year between 1990/91 and 1994/95, there was a trade deficit as the value of imports also increased. The value of exports declined from 1995/96 as the tonnage of rice exports decreased. In 1994/95 the value of rice exports was 20 percent of total exports and declined to 1 percent in 1997/98.

The value of pulse and bean exports rose from 15 percent of total exports in 1994/95 to 24 percent in 1997/98. The value of teak and rubber exports are stable. The value of imports gradually rose in the market-oriented economy. In 1997-98 it rose 13 percent. Imported luxury goods such as food, beverages and cigarettes were a large proportion of total imports.

(5) **Balance of Payment**

In 1994/95, there was a surplus of Kyat 406.3 million. There has always been an annual deficit in other years. In 1995/96 and 1996/97, the deficit was Kyat 211.1 million and Kyat 300.00 respectively. There is a probability of 1997-98 showing a deficit.

Annual budget and trade deficits, inflation, skyrocketing commodity prices and insufficient foreign exchange reserves are the SLORC/SPDC’s regular annual economic scenario. Burmese academics, experts from the World Bank, IMF, Asian Development Bank (ADB) and intelligentsia from other countries have given frank advice and suggestions on how to handle the macroeconomic problems of Burma.

However, the SLORC/SPDC has neglected to take their advice and suggestions for various reasons. These reasons include lack of understanding of the advice given, because the leaders and decision-makers may have unrealistic views of the lives of the people, and lack of political strength to face the people.

(c) **Production Sector**

1. **Agriculture**

As the Government released its monopoly on the agricultural sector, agriculture grew from 47.2 percent of GDP in 1989/90 to 51.2 percent in 1997/98. The Burmese people not only consume rice but also export it so as to be able to purchase commodities and construction materials. Although production GDP in the agricultural sector has risen, it is insufficient to fulfill the basic needs of an increasing population. Rice production was 5.5 percent of GDP in 1995/96 compared to the previous fiscal year but only about 2.9 percent in 1997/98. Although the Government declared the policy of giving priority to the agriculture sector, it was found that positive results have not been achieved as mentioned above.
2. Paddy
Drought and floods affected paddy cultivation in 1997/98 and 1998/99. Although agriculture relies on weather, there are also many other factors hindering it, the major obstacle being village administration. There is no discipline, rule nor law in managing the farmers at the village level. The rural authorities treat villagers cruelly and rudely either in implementing demands from higher authorities or in fulfilling the wishes and aspirations of those holding local authority. Under these conditions the hapless farmers face a bleak future but they continue to farm because that is the only livelihood they know and the only source of their income. They have to be content with what they can produce and cannot develop other investments to supplement their income and to improve their lives. Hence they cannot attempt to increase production. This is the basic and major problem of Burmese rice production. Farmers would be able to concentrate on their livelihood only when a peaceful, pleasant and stable village management is established.

In addition to mismanagement and a bad social environment, the Government’s economic policies and the local authority treatment of economic issues are also factors exacerbating the problems with production of rice. i.e.:

1. Non-ownership of land and annual requirement of permit to farm;
2. Quotas demanded by the Government and local authorities at lower than market prices;
3. The monopoly of rice export by the Government;
4. Lack of fertilizers and fuel; and
5. Lack of modern agricultural credit system

1. There is no production growth because farmers do not have the right to own, transfer or to sell land. The requirement for permits needed for farmers for the right to farm every year causes them to lose interest in the land after a year. This leads to neglect in long term nurturing of the land to increase yields. Since there is no right to transfer ownership, a farmer cannot raise money to invest in his farm by mortgaging his land.

2. There has been no change in the rice quota system of the Government although the Government declared in 1997 that they would make necessary changes. Local authorities and auxiliary organizations of the Government also demand quotas at lower prices. This collection of 20 to 25 percent of the yield is another factor that reduces production power. Moreover, the procurement price is far below the world price. The government-purchasing price is currently about K. 300 per basket of paddy. Purchase for export on the domestic market is around K. 500 per basket. At that price a ton of rice would fetch US$ 112.00. In the world market, a ton of rice would fetch over US$ 200.00. The difference is plain to see. If the private sector including entrepreneurs and farmers were permitted to export rice, there would be freedom for competition, which would allow the producers to enjoy the differences in the domestic and the world prices. The more they earn, the more they will be able to concentrate on their work and the better the production, the better the control on the market prices. This would also promote exports and speed up the country’s economy and would successfully raise the management, livelihood and economy of the farmers. The government’s internal and external income will also rise. The history of Burma’s economy proves that the whole country can be self-sufficient based on the agricultural expertise of the
farmers.

3. Other Crops

Output volume and export tonnage as well as income has soared since free trade of pulses and beans was permitted in 1990-91.

Export Tonnage of Pulses & Beans
Ton (in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>1109</td>
<td>1337</td>
<td>1329</td>
<td>1522</td>
</tr>
<tr>
<td>Export</td>
<td>425</td>
<td>610</td>
<td>595</td>
<td>661</td>
</tr>
</tbody>
</table>

In 1988/89, the output of pulses and beans was 370,000 tons. In contrast, 1 to 5 million tons was produced in 1997/98. For the same year the export figure rose from 17,000 tons to 661,000 tons.

4. Establishing an “Entrepreneur’s Agricultural System”

Since the SLORC came to power, agriculture acreage has increased for various reasons. There is no increase in wheat and oil crops output because of imports. The government’s agriculture policy is aimed at export of surplus paddy, production of pulses and beans and industrial crops for self-sufficiency and export, and self-sufficiency in edible oil. These targets have yet to materialize. During early 1999, the highest officials of the SLORC/SPDC personally led the reclamation of land with slogans to make use of free, virgin and fallow lands and the wetlands. This is to promote current rice exports and to prevent future rice imports. Relying on investment and management abilities of entrepreneurs’ agriculture, activities began on reclamation of a vast acreage of land throughout the country to produce paddy, perennial and other crops, livestock, fish and prawns. Regarding these activities the CRPP issued an announcement 24(4/99) dated 25/4/99. After analyzing Burmese social issues it is hereby declared again that only parliament has the right to resolve the rice/paddy issue in Burma.

The agricultural activities of the SPDC are:

1. An extensive plan aimed at changes in the agricultural sector, which is the basic foundation of Burmese society, a plan with major impacts on land ownership, other modes of production and social relations in general.
2. This would overturn the very basis of the agricultural economy, namely the right of the majority of the nation’s farmers to own and cultivate the land.
3. This policy could lead to a farmers’ revolt, similar to that of 1300 BE (Burmese era) resulting from the disparity between, on the one hand, the poor and the farmers, and on the other, and the rich who enjoy the right to cultivate vast areas of lands, eliminating the rural middle class farmers. Hence the SPDC’s programs are not acceptable at all.
When the independent Union of Burma was first established, the forefathers of the nation, thoroughly understanding Burmese as well as world history, laid down a policy to insert an agricultural system that was led by the farmers in the plains as well as in the hilly regions into the 1947 constitution. All consecutive governments after independence, in accordance with the 1947 Constitution, preserved the production system of the farmers that they had inherited for almost 50 years. The program of the SPDC was an autocratic establishment of an agricultural system that gives the right to cultivate on vast land to national entrepreneurs who have management abilities and a large amount of investment capital. Changing Burmese traditional ways of cultivation means uprooting the Burmese traditional social system. This great, deep, and retrogressive offence to Burmese national tradition would change the history of the nation, pushing the country into the backwater. This concerns the majority of the people. Therefore, it is a matter of national politics. The Burmese government and political organizations have, without fail, sought the wishes and inspiration of the majority of the people, no matter how greatly they differ in political views, leadership, and attitude in various levels of actions starting from seeking opinions to laying down and implementing detailed procedures. In the process of eliminating the traditional production system of Burma and of introducing a new economic system, that is in other words, in the process of deciding a national issue, the SPDC dominates the rural areas without seeking the people’s wishes and aspirations. Hence, the transformation of a village economic and social system is not acceptable.

If observed from a professional angle, the program currently implemented by the SPDC is a declaration of a whimsical procedure. It is not a national rural development project, not a national agricultural development project and not a national rice production development project. According to the Government’s information services, it is but a declaration that investors and entrepreneurs would cultivate paddy, oil crops, rubber as well as vegetables in Irrawaddy, Tenasserim and Magwe Divisions and Shan State by developing wide tracts of agricultural land by the year 2010. It is not a vital project of acceptable standards. Hence it cannot be accepted as a national project. Moreover, in order to resolve the Burmese agricultural problem, the authority has to ensure increased production, make the agricultural system viable, create a good environment through good management, increase input and give farmers the right to work peacefully on lands in terms of revenue, and educate and provide loans to farmers. The system of allowing capitalists and entrepreneurs on wide tracts of farming land is an inaccurate remedy stemming from ignorance and a misguided view of Burmese agricultural and rice production problems. Hence this is not accepted.

The SPDC’s scheme is to replace the traditional system accepted by all (past) governments and the people, which is cultivation of land by farmers, with one by investors and entrepreneurs. It is unacceptable because it is a great social, economic and political blunder.

5. Upgrading the Livelihood of Farmers

The following will have to be carried out to establish a modern agricultural system for the farmers, instead of marching along a path of using investors in rural areas following the military leadership, if there is a genuine wish to improve the livelihood of the farmers and Burmese agriculture.
In order to know and be in touch with the social, economic and political situation and views as well as the rural administrative situations:

(a) (1) Farmers associations must be formed;
(2) The associations must have the right to hold meetings;

(b) (1) Domestic and foreign rice traders must be able to hold meetings;

(c) (1) Conferences of agricultural experts should be convened, and
(2) Conferences of agriculturists, economists, and social scientists should be convened.

6. National Paddy Plan

A national paddy development plan should be drafted and submitted to the people after convening a paddy development conference based on findings and proposals obtained from the meetings and conferences of farmers, traders and specialists. Hence, it is a matter to be carried out only by the representatives duly elected by the people in accordance with democratic principles. The representatives, after having thorough discussions on the issue at the Hluttaw, should lay down the National Paddy Plan.

7. Industrial Sector

In the industrial sector, rice mills, edible oil mills and sawmills contribute to most of the production portion. 28 percent of the industrial sector’s production is by the State-owned industries. During the past five years, there was a 7 percent increase in imports in this sector. In 1996/97 and in 1997/98, because of the import problems of raw materials, spare parts and fuel energy, annual growth decreased by 5 percent.

8. Construction

Private and public construction activities declined visibly in 1997/98. In 1995/96 and in 1996/97 annual production values rose 27.2 percent and 24.5 percent respectively from year to year. However, due to slowing down of the tourism industry, the Asian economic crisis and cessation of foreign direct investments and joint-ventures activities, the development of the construction sector declined 9 percent in 1997/98.

9. Transport Sector

The regime understands the importance of transport and is constructing roads, bridges, harbors, airports, and waterways. It is beneficial to the economy, administration and welfare. It is in conformity with the duties of a government. However, the people suffered greatly because they have to contribute “voluntary” labor as well as quotas of funds for these constructions.
(d) Status of the Burmese Economy

By observing and analyzing the household consumer index, commodities and services, production and types of exports, the following facts were found to determine the status of Burmese economy.

1. Status of Household Consumption

According to statistics prepared by the Central Statistical Organization, 65 percent of household expenditure in Rangoon was for food and beverages and 35 percent for other items in 1996, whereas in Mandalay it was 71 percent and 27 percent respectively. The household consumer index in Rangoon in 1986 is the same as that in 1996. It has not changed for a decade with 65 percent spent on food and 35 on other expenses. However, expenses on specific types of food have changed. In 1986, 9.8 percent of the food expenses were on rice but in 1996 the percentage had risen to 15.5 percent. Expenses for meat, fish and edible oil were 30.2 percent of total expenses in 1986 but it declined almost half to 16.9 percent in 1996. It is found that the consumer index of the people has deteriorated, as they become poorer and poorer during the 10 years of the market oriented economic system. In general it can be observed from the consumer index that according to income ratio the number of the poor has grown. The total proportion of income spent on food by the poor is higher than that of the rich. The higher the income, the more the consumption grew on others items such as durable and movable household goods, house rent, transport charges, education, health and entertainment expenses. One average household in Rangoon is spending 65 percent of its total expenditure on food. The people consumed less fish, meat and edible oil in 1996 compared to 1986.

2. Comparison of Production Indices

When surveying the status of production index of a country, the volume and form of production from agriculture, industrial and service sectors are normally determined. The table below shows the production index in the changes of GDP in three groups of countries for the years 1970, 1980 and 1994 -- Singapore, Malaysia, Thailand and Indonesia; Sri-Lanka, China, India and Vietnam; Bangladesh, Bhutan, Nepal, Cambodia, Burma and Laos.

Singapore is a service rendering country, with little agriculture production as it lacks land for cultivation. Thailand’s agriculture sector contributed 30.2 percent of GDP in 1970. Nearly 25 years later in 1994, it declined to 11.1 percent. However, it was found that industrial production rose from 25.8 percent in 1970 to 42.1 in 1994. Also in Sri-Lanka, China, India, Bangladesh, Bhutan and Nepal, GDP from agricultural production clearly declined while other sectors increased. The index of production by sector in Burma has shown only a slight change in nearly 25 years from 1970 to 1994.

In 1994, number 8 to 13 of table (B) shows that among the group of the six Least Developed Countries-LDCs Burma’s industrial sector was 14.4 percent of GDP. This figure is even less than that of Laos for the same year, which is 17.9 percent. The industrial sector indicator was 24.8%, 19.0% and 19.6% for Bhutan, Nepal and Cambodia respectively, all higher than that of Burma.
3. **Comparison of Terms of Trade**

As there is no change in the role of manufacturing in Burma there is no change in exports. During the colonial days in 1938-39, statistics showed exports of rice, metal, timber, other basic agricultural products and minerals contributed 70 percent of the total exports. According to the statistics, even after 50 years in 1990, these produces still make up 65 to 75 percent of total exports.

In table (c), the percentages of the total volume of export for the six developing countries are shown by sector. Country export figures are shown in the following table. \((53.4 + 28.9 = 83.3\) percent of the total export of Burma is earned from the agriculture and livestock breeding sectors. Industrial finished goods contribute only 10.9 percent whereas they contribute 21.3 percent in Bhutan. If compared with under developed neighboring countries, the industrial finished goods value of exports of Burma is at the bottom. Hence it will have to work very hard to become a modern nation.

According to a consumer, production and export indexes survey, it is obvious that the status of the Burmese economy is extremely low. It is the poorest LDC in Asia. Hence to reach the current economic status of neighboring countries, Burma needs to work very hard.

4. **Comparison of Investments**

Investment is necessary for GDP growth. The current average investment volume of Burma is only 12.4 percent of GDP per annum. The investments volumes of the neighboring Least Developed Countries are 18.4 and 20.6 percent in Cambodia and Nepal, respectively. In 1993/94, Malaysia’s investment volume was 38.0 percent of GDP. Burma would have to seek necessary investment capital not only from domestic but also from foreign sources. The government as an organization cannot alone successfully find sources of investment capital. This can only be achieved if an independent economic system is established that allows the masses to participate. Only then will the prestige of the people and their country be secured and fulfill the lives of the people.

(c) **Forecast of Future Economic Developments**

Burma’s consumption volume, status of production and export commodities is discussed above compared with the neighboring countries. It is found that the country is below the standards of the world’s economy. We will have to evaluate the possibilities in striving to reach the world standard. The 1994 Human Development Report of the United Nations Development Program (UNDP) stated the following. Based on 1994 figures, the GDP of Burma and Malaysia was calculated by employing the Purchasing Power Parity Dollar-PPP$ method. After establishing the 1994 GDP of Malaysia as the target GDP for Burma, they calculated when Burma would reach this target.

In 1994 Burma’s GDP was PPP$ 1051, whereas Malaysia’s was $8865. In calculating how long it would take Burma to reach Malaysia’s figure and to increase the growth of Burma’s
current 1994 GDP, the calculation must be based on the annual growth rate used in planning and the population growth rates. The estimated GDP growth in the Five-Year Implementation Plan is 6 percent for 1994. Population growth is 1.9 percent. Therefore, per capita GDP growth is 4.0 percent. Burma with PPP$ of 1051 in 1994 would take 53 years to reach Malaysia’s level. A different method of calculation of UNDP was with a fixed foreign exchange rate. In this method Malaysia’s per capita GDP in 1993 was $ 2,905. Burma’s per capita GDP was $ 268 and it would take another 56 years to reach Malaysia’s level of 1993. Here it is found that Burmese people are 50 years or half a century behind Malaysia.

**International Relations**

In the above paragraphs the following are discussed:
1. To establish a new economic system after abolishing an economic network system monopolized by the military dictatorship in order to stabilize the deteriorating economic system; and
2. To implement a free democratic system through macro-economic and production sectors.

Tasks to be carried out are proposed in Part B. It is essential to face economic adversity simply with transparency, honesty and courage to handle the wide and serious issues that concern stability, longevity, and successful economic development. The government is misinterpreting and implementing a self-reliance policy. It is true that one should be self-reliant in any kind of undertaking. What is wrong is the use of ‘self-reliance’ as ‘only I myself can be relied on.’ The consequences of these wrong ideas can be seen in the consecutive economic sufferings from 1962-88. As the people opposed its earlier policy, the SLORC declared an open door policy and a market-oriented economy. However, military leaders who have been trained to rely on themselves could not adopt a genuine independent market-oriented economic system. Although the daily press covers meetings between various levels of authorities and foreign firms, they are not using an open door policy but practicing a military-monopolized economic network. The ‘self reliance’ economic policy of the military causes disarrays in the economy. The world economic lesson is that a country becomes rich only when it can join in the world market. Therefore, the Union of Burma should join in the world market not only for the purpose of trade but also for loans, investment and financial matters. Burma must learn to practice and accept the concepts on a wide variety of subjects, other arts & sciences, and knowledge of the world and apply them to the Burmese system, mentally and physically. We are currently facing a lack of required technology, know-how and expertise, skilled workers, communications, transportation, and factories for economic stability and development, and these shortfalls have accumulated throughout years. There would never be successful achievement in the three main objectives if foreign countries do not join in to address the need for these human resources, expertise and materials. The volume of work needed to attain economic stability and development is extremely high. Regarding these matters domestic and foreign professionals have submitted their proposals. However, the SPDC cannot handle the stability of the economy let alone achieve the three main objectives. This is due to (1) lack of political leadership and (2) inability to gain international support due to lack of friendly nations. Therefore, to successfully obtain economic stability, the first requirement is to discuss the stability of the economy with the Members of the Parliament elected by the people and its organizations. The second
requirement is to develop a normal relationship with those countries that provide Burma
with Official Development Assistance-ODA. The Development Assistance Committee’s 21-
member countries are Australia, Belgium, Denmark, Finland, France, Germany, Ireland,
Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden,
Switzerland, United Kingdom, and the United States. There is also a need to be in alliance
with the International Financial Institutions and organizations such as the IMF, BRD, ADB,
UNDP, UNICEF, UNESCO, UNHCR and WFP. Then we need to stop name-calling like
referring to ‘the neocolonialists and its followers’ and obtain billions of dollars in support.
This is a practical and sincere patriotic policy. According to a 1997 UNCTAD publication,
the current Least Development Countries situation is that Bangladesh, which is three times
more populated than Burma, has an ODA assistance of (15) dollars per person while Burma
has (3.4) dollars. Although classified in the same category of poverty, Bangladesh received 15
times more support than Burma for 1995. According to the ODA report, Burma gets the
least assistance among the 48 ODA recipient countries, which shows the SPDC’s weakness
in international relations. The Burmese military government’s relationship with the world is a
failure.

Foreign Funds

In laying down a new economic policy for the Union of Burma we need to build up foreign
funds as follows:
(1) A Stabilization Fund to normalize the deteriorating economy;
(2) A Transformation Fund to develop a new system; and
(3) An Economic Development Fund to develop.

The Union of Burma needs to work jointly with Financial Institutions such as the IMF,
BRD, ADB, investment organizations, and the 21-member countries’ Development
Assistance Committee that can provide expertise and financial assistance and with other
institutions and governments calculate the funds for maintaining and developing the
economy.
## Appendix

### Table A: Figures relating to Inflation

<table>
<thead>
<tr>
<th>SN</th>
<th>Year</th>
<th>Finance &amp; Revenue Ministry Budget Deficit (Million Kyat)</th>
<th>Union of Burma Central Bank money volume (Million Kyat)</th>
<th>Central Statistics Consumer Price Index 1986=100</th>
<th>Annual statistics book 1997 Foreign Import-export (Million Kyat)</th>
<th>Market Rate Dollar exchange rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1987-88</td>
<td>-4021.6</td>
<td>9713.0</td>
<td>12653</td>
<td>-2410.5</td>
<td>43.0</td>
</tr>
<tr>
<td>2</td>
<td>1988-89</td>
<td>-6314.7</td>
<td>15937.0</td>
<td>155.00</td>
<td>-1274.1</td>
<td>53.8</td>
</tr>
<tr>
<td>3</td>
<td>1998-90</td>
<td>-8019.7</td>
<td>21536.0</td>
<td>191.00</td>
<td>-560.9</td>
<td>62.3</td>
</tr>
<tr>
<td>4</td>
<td>1990-91</td>
<td>-12204.0</td>
<td>32333.0</td>
<td>133.73</td>
<td>-2570.2</td>
<td>88.0</td>
</tr>
<tr>
<td>5</td>
<td>1991-92</td>
<td>-12311.4</td>
<td>43737.0</td>
<td>301.80</td>
<td>-2410.8</td>
<td>105.5</td>
</tr>
<tr>
<td>6</td>
<td>1992-93</td>
<td>-12094.9</td>
<td>60200.0</td>
<td>369.09</td>
<td>-1775.3</td>
<td>119.3</td>
</tr>
<tr>
<td>7</td>
<td>1993-94</td>
<td>15517.4</td>
<td>74982.0</td>
<td>492.99</td>
<td>-3695.5</td>
<td>113.4</td>
</tr>
<tr>
<td>8</td>
<td>1994-95</td>
<td>-29647.2</td>
<td>98323.0</td>
<td>643.66</td>
<td>-2927.1</td>
<td>120.4</td>
</tr>
<tr>
<td>9</td>
<td>1995-96</td>
<td>-38819.5</td>
<td>121800.0</td>
<td>735.51</td>
<td>-5259.5</td>
<td>159.1</td>
</tr>
<tr>
<td>10</td>
<td>1996-97</td>
<td>-54469.8</td>
<td>176865.0</td>
<td>882.80</td>
<td>-6100.0</td>
<td>430.0</td>
</tr>
</tbody>
</table>
Table B: GDP percentage - Changes in 3 Production Sectors 1970, 1980, 1994

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>22</td>
<td>1.1</td>
<td>0.2</td>
<td>38.8</td>
<td>38.8</td>
<td>37.4</td>
<td>61.4</td>
<td>60</td>
<td>62.4</td>
</tr>
<tr>
<td>Thailand</td>
<td>30.2</td>
<td>20.2</td>
<td>11.1</td>
<td>30.1</td>
<td>30.0</td>
<td>42.1</td>
<td>44.1</td>
<td>49.7</td>
<td>46.8</td>
</tr>
<tr>
<td>Malaysia</td>
<td>-</td>
<td>22.9</td>
<td>14.8</td>
<td>35.8</td>
<td>35.8</td>
<td>45.4</td>
<td>-</td>
<td>41.3</td>
<td>39</td>
</tr>
<tr>
<td>Indonesia</td>
<td>35</td>
<td>24.4</td>
<td>16.6</td>
<td>41.3</td>
<td>41.3</td>
<td>43.6</td>
<td>37.1</td>
<td>34.3</td>
<td>39.8</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>31.7</td>
<td>26.6</td>
<td>20.5</td>
<td>27.2</td>
<td>27.2</td>
<td>30.1</td>
<td>42.2</td>
<td>46.2</td>
<td>49.4</td>
</tr>
<tr>
<td>China</td>
<td>42.2</td>
<td>25</td>
<td>21</td>
<td>51.7</td>
<td>51.7</td>
<td>54.0</td>
<td>13.2</td>
<td>22.7</td>
<td>25</td>
</tr>
<tr>
<td>India</td>
<td>44.5</td>
<td>38.1</td>
<td>29</td>
<td>25.6</td>
<td>25.6</td>
<td>27.0</td>
<td>40.3</td>
<td>43.8</td>
<td>49</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>-</td>
<td>49.4</td>
<td>34.9</td>
<td>14.8</td>
<td>14.8</td>
<td>18.9</td>
<td>-</td>
<td>35.8</td>
<td>46.2</td>
</tr>
<tr>
<td>Bhutan</td>
<td>-</td>
<td>56.7</td>
<td>42.4</td>
<td>12.2</td>
<td>12.2</td>
<td>24.8</td>
<td>-</td>
<td>31.1</td>
<td>32.9</td>
</tr>
<tr>
<td>Nepal</td>
<td>-</td>
<td>61.8</td>
<td>43.3</td>
<td>11.9</td>
<td>11.9</td>
<td>19.0</td>
<td>-</td>
<td>26.3</td>
<td>37.7</td>
</tr>
<tr>
<td>Cambodia</td>
<td>-</td>
<td>-</td>
<td>44.8</td>
<td>-</td>
<td>-</td>
<td>19.6</td>
<td>-</td>
<td>-</td>
<td>35.6</td>
</tr>
<tr>
<td>Burma</td>
<td>49.5</td>
<td>47.9</td>
<td>47.1</td>
<td>12.3</td>
<td>12.3</td>
<td>14.4</td>
<td>38.5</td>
<td>39.8</td>
<td>38.5</td>
</tr>
<tr>
<td>Laos</td>
<td>-</td>
<td>-</td>
<td>57.4</td>
<td>-</td>
<td>-</td>
<td>17.6</td>
<td>-</td>
<td>-</td>
<td>24.8</td>
</tr>
</tbody>
</table>


Table C

<table>
<thead>
<tr>
<th>Country</th>
<th>Food</th>
<th>Agricultural</th>
<th>Energy</th>
<th>Minerals products</th>
<th>Manufactured products</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nepal</td>
<td>0.4</td>
<td>15.7</td>
<td>-</td>
<td>-</td>
<td>83.8</td>
<td>-</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>13.5</td>
<td>9</td>
<td>0.8</td>
<td>-</td>
<td>76.5</td>
<td>1.2</td>
</tr>
<tr>
<td>Laos</td>
<td>3.6</td>
<td>7.7</td>
<td>24.5</td>
<td>2</td>
<td>61.9</td>
<td>0.3</td>
</tr>
<tr>
<td>Cambodia</td>
<td>35.4</td>
<td>14.9</td>
<td>-</td>
<td>-</td>
<td>49.7</td>
<td>-</td>
</tr>
<tr>
<td>Bhutan</td>
<td>13.3</td>
<td>9.8</td>
<td>28.4</td>
<td>18.5</td>
<td>21.3</td>
<td>8.6</td>
</tr>
<tr>
<td>Burma</td>
<td>53.4</td>
<td>28.9</td>
<td>1.5</td>
<td>5.1</td>
<td>10.9</td>
<td>0.2</td>
</tr>
<tr>
<td>Developing countries</td>
<td>24.9</td>
<td>12.9</td>
<td>7.7</td>
<td>18.4</td>
<td>33.4</td>
<td>2.7</td>
</tr>
<tr>
<td>Developed countries</td>
<td>11.2</td>
<td>2.9</td>
<td>24.8</td>
<td>3.8</td>
<td>56</td>
<td>1.3</td>
</tr>
</tbody>
</table>

ECONOMY

Part B
Proposals submitted to the Committee Representing Parliament for Resolutions

(a) To build a free economic system with perspectives
   1. To implement clauses concerning a free economic system in the Constitution
   2. To endorse laws that will preserve and enhance the free economic system and to
      revoke the laws that hinder its progress.

(b) To create necessary organizations that will build and preserve a free economic system
   1. To form a democratic government
   2. To remove the exploitative economic network of the military junta
   2(a) To remove all nationalized economic ventures
   2(b) To remove the State-owned Enterprises-SOEs and economic enterprises of governmental departments and organizations
   2(c) To remove the State co-operatives and its related ventures
   2(d) To remove economic ventures related to State connected social organizations

(c) Macro-economics
   State Budget
   1. To increase National Income
   2. To systematically reduce expenditures
   3. To reduce deficits
   4. To stop supporting the State Economic Enterprises-SEEs from the State Budget
   Financial
   1. To systematically align the official exchange rate to the prevailing market rate
   2. To control inflation by raising bank interest rates
   3. To increase the volume and export commodities amount
   4. To form the State Budget and Finance Advisory Board

Balance of Payment
   1. To practice proper payment system in border trade
   2. To limit import of luxury goods
   3. To effectively increase the volume and amount of export commodities
   4. To effectively promote Foreign Direct Investment and foreign financial aid

(d) Production
   1. Agriculture Sector

Farmland Sector
   1. Land Ownership
   2. Freedom in the choice of cultivation
   3. To promote free trade and eliminate the quota system and price control
   4. Freedom to export
   5. Establishment of modern agricultural banks
   6. To stop reclamation of wetlands, fallow and virgin land and its related activities
   7. To develop rural road transport
8. To explore the development of a national paddy plan
9. To form Farmers’ Associations

Forestry Sector
1. To maintain rural environment
2. State to preserve, protect and reclaim forests
3. To permit free export of teak and other related woods
4. To permit private sector participation in domestic sawmills and other forest products services

Livestock and Fishery Sector
1. To promote and increase permits for private sector

Industrial Sector
1. Privatize state industries to promote export and exclude from State Balance of Payment
2. To encourage the expansion of small businesses and cottage industries

Energy Sector
• To develop a national energy plan

Transportation Sector
• To develop a national transportation plan

Communication Sector
• To allow private sector participation in communications services

Construction Sector

Workers Sector

International Economic Relations
Part B

A summary of the current economic situation, its status and future economic prospects of the Union of Burma under the State law and Order Restoration Council (SLORC)/State Peace and Development Council (SPDC) was shown in Part A.

Gross Domestic Product (GDP) was described under the heading “Economic Practices and their Effects”. Although there was moderate change in the national GDP, the per-capita GDP reached the 1985/86 level only in 1996/97. State financial situation with regards to macro-economic situation, inflation, and balance of payment, foreign funds and the standard of living were also reflected. Production Sector such as agriculture, industrial, construction, transport, communication were also covered. In summary, it may be concluded that the country’s current economic situation is in chaos because although the Government holds the power, it does not have the political and administrative qualities of a good government. Not only is the Government unable to handle the macroeconomic problems, it cannot effectively attract and lead the private enterprises to success in the respective sectors although it declares that it would build a market economy.

As it is the bounded duty of any analyst, critical appraisal of the weaknesses of the economy, followed by suggestions and proposals for improvement to stabilize the economy is duly presented to the Committee Representing Parliament (CRP).

Proposals for Economic Stability and Progress in the Union of Burma

Economics affects everybody. A stable and supportive environment is necessary for economic growth just as much as a stable and constructive environment is necessary for human development. Organizations that have proper perspectives are essential for such free economic environment.

Political leaders should lay down liberal economic perspectives, which are in line with the democratic political ideals in order to establish free and innovative views. Accordingly, the old ideas of the undemocratic governments be replaced by liberal economic perspectives acceptable by the people and included in the New Constitution. We propose that the CRP include perspectives of a free economy in the constitution.

The perspectives of a free economy should be endorsed as national laws. Therefore, the laws related to economic policy should be those that nurture a free economy. Laws that hinder a free market economic system should be revoked. Therefore, we propose that the CRP decide to endorse economic laws that will nurture a free economy.

Forming an Organization

Organizations must be formed to implement and maintain those free economic perspectives. Establishment of a democratic government is the first step towards formation of those organizations.
(1) A Democratic Government

Economics and politics are mutually related and beneficial. The current Burmese economy is in deterioration owing to the political situation. This paper shows that a democratic government is basically needed to contribute towards today’s economic condition of the people and the nation. In brief, a democratic or good government means a government, which avoids doing the unnecessary and doing something, which is necessary. As an example, as an individual needs to earn enough to balance its income and expenditure, so it is for the good government. The SLORC/SPDC government does the contrary. To curb inflation caused by deficit for years in succession, it tries to cut expenditures rather than find ways to get more revenue. This was done heavily in the education and health sectors. According to tax revenue collection norms, SLORC/SPDC is not an able government.

Although the Government claims to invite foreign direct investment by promulgating new laws and regulations, in actual practice mistrust, secret dealings, cronyism prevails and contracts materialize only after obtaining approval from several upper levels. If required by the higher level at anytime, the approved contracts, licenses, Memorandum of Understandings (MOU), agreements are likely to be dishonored. As there is no rule of law, the investors just have to leave the country or wait rather than make a move for litigation. These led to hesitation by investors in entering the country after their proposals being accepted and approved. There is uncertainty for new investments with such an uncertain investment environment. This is due to SLORC/SPDC’s lawless rule according to its whims and tactics.

The Burmese government is blacklisted in international relations because it does not practice equal and mutual negotiations but always wants the upper hand. The world sees this government to be immature, as it does not solve domestic political problems with sound and firm strategies. For fear of disintegration of the military, it anxiously and wrongly adheres to the ultra nationalistic policy while chanting anti neo-colonialism slogans. The SPDC administers the economy by orders based on military views and system.

The country is being governed in a military manner. In a country, there exists an area where oppression is predominant that people either cannot express themselves or face danger if speak out. The lives of people in such backward and remote areas are uncertain, their belongings unsafe and have to live in constant fear. Not only for the people who are assigned official duties from above, but people at grass roots level who are being reassigned for duty by these people, torture, insult and murder are practiced as of right. As the life of the people in such areas are so harsh an unstable it has become abominable and their political and economic lives destroyed. Farmers have to survive on what is being left after meeting the quota demands from their harvests. For the country’s economy or agriculture to grow a democratic government is essential.

Therefore, we propose that the CRP decide to convene the Pyithu Hluttaw as soon as possible and work for the emergence of a democratic government in order to achieve stability and growth in the free economy.
Market economy network under the military monopoly

The military neither understands nor trusts and accepts the fact that unlike quota systems the economy can run smoothly without any supervision through mutual fulfillment of needs. Therefore, they form Military owned enterprises to plan and implement their own projects without clearing up the State-owned Enterprises SOEs or government-run businesses. They form their own economic ventures from the Central, down to all levels of command. Initially, subsistence and welfare are the excuse but soon they monopolized by removing or restricting other private businesses in their respective areas, divisions for the benefit of their own businesses. Other businesses cannot compete with those of the ruling government. The fundamental rule of a free market economy is freedom and equality; any business that does not have those qualities does not belong to the free market economy. Apart from the historic State Economic organization and the military backed economic enterprises, the following are also part of the Government economic network:

1. Economic ventures owned by various government offices and departments
2. Union Solidarity and Development Association owned economic enterprises
3. The economic ventures owned by government auxiliary forces such as the fire brigade and nurses association
4. All cooperative ventures owned by the Ministry of Cooperatives
5. Various economic ventures of the City Development Committees
6. Economic ventures of those who hold social and political influences over the ruling authorities and their organizations

All the above businesses form part of the Government’s economic network. They control and hold the key to the country’s economic system.

The economic ventures of the State, military, social and political organizations formed by the Government and those nurtured by the Government, friends and joint venture partners enjoy more privileges than other businesses. They have the following privileges:

1. Permits
2. Capital, loans and foreign currency
3. Trade with fixed rates
4. Priority given
5. Mutual inter-relations

Government owned and related businesses monopolize and lead the Burmese economy. The true private entrepreneurs become second-class in business and are ignored. The military monopolized economic network has to be removed for the sake of economic freedom. Therefore, we propose that the CRP adopt the following resolutions:

1. To systematically remove all SEE’s
2. To remove economic ventures owned by government departments and organizations
3. To allow cooperative ventures that strictly aim at economics and that are free from government control
4. To allow economic ventures of social organizations that are free from government control
In building a free economic system there is a need to include necessary laws, which allow enacting, revising and revoking laws in the State constitution. There is also a need to remove the monopoly of the military in the Government machinery and to introduce executive and judiciary in building a constructive society for a democratic free economy system to emerge. The international financial trade will grow with firm foundations only when the Asian economic crisis period is over that the Asians will consider Burma a worthwhile country to invest.

Macro-economic Conditions

The basic economic factors for widespread and meaningful change in a country’s economic system are the Government’s balance of payment, money in circulation, lending rates, employment, wages, foreign trade and foreign exchange rates. The government must lay down national monetary and fiscal policies, interest rate policy and foreign trade policy to stabilize prices, increase investment and economic growth. The SPDC’s macroeconomics is as follows.

Finance

There is budget deficit in the Government’s balance of payment almost every year. Therefore, to increase income, expenditure cut is necessary.

Income

The government’s income for 1982/83 was 16.0% of GDP. In 1997/98 it was only 6.5%. The plunge was due to decrease in revenue, which was 9.8% of GDP in 1982-83 and only 3.3% of GDP in 1997-98. For 1997-98, in the neighboring Laos revenue was 10% of GDP and in Vietnam 17.7%. Therefore, effort must be made to increase income. Therefore, we propose that to get more income, the CRP hold productive discussions at the Pyithu Hluttaw taking advice from the from national and international experts, the IMF, the World Bank and the Asian Development Bank-ADB and would be donors to all possible resources.

Expenditure

State expenditure for 1982/83 was 16.4% of GDP and declined to 9.3% in 1997/98. Current expenditure was 78.6% of the total expenditure in 1982/83 and declined to 52.3% in 1997/98. Capital expenditure was from 21.4% to 47.3% of total expenditure in 1982/83. This could be due to the fact that it is not possible to cut capital expenditures in some projects. Sector wise, for defense expenditure increases from 20.7% of the total expenditure in 1982/83 to 30.6% in 1997/98. There was a changed from 10.6% to 12.8% in the Education Sector. In the Health Sector it declined from 6% in 1982/83 to 3.3% in 1997/98. Other expenditures declined from 62.8 in 1982/83 to 5.3% in 1997/98. Expenditures with no significant change are the defense and capital expenditures.

As mentioned in Part A, Vietnam being a true democratic government, reduced expenditure and taking into consideration the people welfare, retrenched a total of 1300,000 from its employees, where 500,000 are military personnel and 800,000 civil servants. Although it was a difficult task, nevertheless it was carried out for the sake of the country and the majority.
Therefore, by controlling its serious commodity price problems and winning the confidence of the international community by proving its economic prowess, the country’s development situation improved. This is the common international practice. Although difficult, being tactful in applying methods beneficial to the people, the country economy will improve. The government and nationalistic democracy party at a risk in democratic countries apply this method. There were times of success and times when the Government has to step down.

Governments which do not have confidence in its political ability and the country’s potential dare not take the risk and avoid taking the bitter medicine and wish to prolong their inevitable death. Therefore, it is proposed that the CRP re-assess the State budget increase spending in the education and health sectors while cutting the Defense and Home Affairs Ministry and its related security spending.

**Government Income and Expenditure**

Economists with fair judgment have not defined that there should not be a budget deficit or that it is only right if there is a balance in the income and expenditure. It is said that in practice it depends on the situation and time. Today, Burmese government is facing a budget deficit for several years. The only way to counter the high commodity prices caused by this deficit during times of scarce foreign exchange reserves is to control the successive deficits. Therefore, it is proposed that CRP adopt the resolution to address the deficit problem in the soonest possible time.

There are two components in the Government expenditure indicator, one that of the Government and the other that of the State-owned Economic Enterprises-SEEs. SEEs have been showing deficit almost every year, which is supplemented by printing more currency. This in turn causes commodity price rise, inflation and people improvised. If the responsible personnel really love the country and consider the people, they should drop the idea of promoting the national economy based on SEEs and remove these enterprises from the State Budget allocations. Therefore, it is proposed that the CRP resolve to remove all State-owned factories, industries and enterprises from the State Budget.

**Monetary**

**Foreign Exchange Rate**

In the Union of Burma, the Government’s exchange rate and the open market rates are separate two rates of exchange. The government’s rate has been for decades fixed at about Kyat 6.00 to one U.S. dollar. This rate does not match the internal external trade and the requirement of today’s currency market. Therefore, the open market rate covers four fifths of the foreign currency market while the Government rate used by SEEs covers one fifth only. The government issuance of Foreign Exchange Certificate-FEC as a substitute for foreign currency complicated the foreign currency market further. The market rate for US$1.00 is equivalent to approximately Kyat 300. The economic situation remains unstable and the Kyat unreliable due to these two rates and because some of the SEEs bidding process of goods and services are in dollars. It is also hard to calculate trade and value. The foreign currency problem fuels economic instability. To uproot from this economic plight, a gradual and systematic realignment is needed to adjust the official and the parallel exchange
rates of Kyat 6 to 300 Kyat. The realigning of the Kyat would bring about a crisis in trade and commerce. Taking this into consideration only one fourth of the foreign currency market will be affected. Regarding prices of imports, the consumer index for those with minimal income would suffer little impact but pharmaceutical related products and other essential commodity would need a separate survey. However, the exchange rate should be rectified for the sake of the nationals’ current problem and for the country economic development. This is to be determined by discussing with the people even though this is a political risk. The IMF and the World Bank has proposed suggestions to the Government concerning the Burmese Kyat realigning. However, the Government has still fixed the official rate of about Kyat 6.00 (to a dollar). Therefore, the CRP should adopt the proposal to realign the official exchange rate systematically to a more realistic figure of the prevailing rate.

Interest Rate

People are keeping cash in hand to gain swift proceeds in trade, which created a rise in commodities prices and boosted currency inflation. Similarly, trading currencies brought about unstable US dollar-Kyat rate and deflated the Kyat. Therefore raising bank interest rate would control inflation, stabilize the currency and halt its flow into foreign land. Therefore, the CRP should adopt the proposal to raise and adjust the bank interest rate in line with inflation.

Finance and Monetary Management Mechanism

Currency in circulation Survey

One of the reasons for economic disarray is the Government’s uncontrolled spending. Annually, the Union of Burma Bank should administer a currency survey to find the cause of currency changes and how to control currency, during the period of the State Budget estimation. The Union of Burma Bank should directly submit this annual report to the Government so that the Government could study the trend to control the prevailing currency situation. Therefore, the CRP should adopt the proposal that the Union of Burma Bank should directly submit the annual report on currency in circulation survey and report to the Cabinet at the end of each fiscal year.

The Ministry of National Planning and Economic Development with its responsibility of developing Burma’s economy, the Ministry of Finance and Revenue with its responsibility of administering monetary and the State Budget, and the Union Bank with its responsibility of administering currency market are direct macroeconomic advisors to the Government of the Union of Burma. Each of these government organizations has its own responsibility to secure the nation’s economic development. These three organizations should consolidate to take the whole responsibility of stabilizing the State economic situation to be most effective. Therefore, the CRP should adopt the proposal to form a Budget and Finance Advisory Board with the Minister for Economic Planning, Minister for Finance and Revenue and the Central Bank Governor.

Foreign Expenditures
Burma’s balance of payment always shows a deficit. There is a need to reduce imports and increase exports. Firstly, to dominate and control the land, sea and border trade. The majority of border trade is smuggling, illegal and unregistered trade. It drains foreign currency and boosts the need for more foreign currency. These matters are needed to be under better and more systematic control. Therefore, we propose that the Committee Representing Parliament adopt to handle border trade more systematically. Although there are various restrictions on imported goods, the bulk of the imports are luxury goods and consumables for the rich. There is a possibility to reduce imports. Therefore, the CRP should adopt the proposal to restrict the import of luxury items for the time being.

**Increase Export**

The main constraint for export is the Government’s monopolization of export of nearly all items. In reality, there are various government red tapes and restrictions even for permitted private sector export items. The government monopoly and restriction on export must be stopped. Therefore, the CRP should adopt the proposal to drain government monopoly and allow the private sector freedom of export in order to increase export.

We need more Foreign Direct Investment-FDI and financial aid to open up Burma’s economic blockage. Therefore, there are reasons to assess and analyze the existing law, rules and regulations, to reduce centralization and to expand management to concerned personnel for a smooth flow in procedure. Therefore, the CRP should adopt the proposal to review the existing law to encourage foreign direct investment and foreign aid into Burma, to relax Central control and to affix a strategy to increase levels of decision-making management.

**Production of Commodity**

(1) **Cultivation**

**Agriculture**

**Farmland Ownership**

In the Union of Burma, the State owned land. The government allocates state-owned land. The government representatives allocate farmland in village tracts on an annual basis. From the production analytical point of view, these two factors discourage farmers to upgrade the land because they do not own the land and for the right to cultivate, it is in the hands of the village authorities. Therefore, the farmers grow yearly cash crops because they do not have the incentive, the time, the labor or cash to develop the soil it reduces or ceases production. In this way land productivity decline. Therefore, the CRP should adopt the proposal to grant land ownership—to mortgage, to sell and to inherit – to all farmers who work the land.

(2) **Freedom of Cultivation**

Although the Government does not have the policy or program to authorize which crops to cultivate, subordinate to the authority are issuing directives to farmers to grow crops of their
liking. Farmers have no freedom to decide. Therefore, the CRP should adopt the proposal to provide farmers and other landowners the freedom of cultivation.

(3) Quota and Price Reduction

Quota and price reductions are imposed on agricultural produces of the farmers. Commodity rations are collected as tax. This taxation system is not fair and promotes corruption and is outdated. Buying lower than the prevailing market price destroys the free market. Therefore, the CRP should adopt the proposal to bring an end to the quota system and to buy paddy from the farmers at the prevailing market rate.

(4) Freedom in Rice Export

The government monopolizes rice export. Therefore, the farmers are not able to enjoy the benefits leaning on the world market price. Moreover, the rice brought in quota system is of the lowest quality and not of export standard; therefore, Burma rice is not conspicuous in the world market. For the farmers’ benefit of enjoying the world market price and to cultivate better quality seeds, the CRP should adopt the proposal to remove government monopoly over agricultural produces and allow freedom of export.

(5) Establishment of Agriculture Banks

There will be a need to provide logistic support such as land development, buying quality paddy, mechanical and production support for the farmers’ improved production as changes in the right to ownership, cultivate and freedom to trade and export are carried out. Investment capital becomes essential for these matters. Therefore, banks similar to economic banks that facilitate production and returns are required to assist the farmers. Therefore, the CRP should adopt the proposal to encourage the establishment of modern agriculture banks.

(6) Virgin and fallow lands and the wetlands

At the end of 1998 and the beginning of 1999, the Government leaders stating the need to be self-sufficient in rice for the Union of Burma by the year 2000 visited the lands with possibility for reclamation. Land reclamation to grow rice and oil crops, cotton, kitchen crop such as pepper, onion, perennial crops such as rubber and coconut palm were arranged in Irrawaddy, Pegu, Magwe, Sagaing, Tenesserim Divisions and in the Shan State, etc. The feasibility of this land reclamation is neither an economically planned project nor the result of agricultural methodical findings. This is just a sudden government concern, a trump up card to prevent future rice crisis or the danger of revolt because of its consequences. Therefore, they need to be stopped immediately together with loans provided to the entrepreneurs from the peoples’ budget creating inflation. The special program of rice export by those entrepreneurs who participate in land reclamation should also be stopped. Transferring the rural life of the people into the hands of the entrepreneurs by order of the SPDC military regime must be stopped. Therefore, the CRP should adopt the proposal to stop all activities on wetlands, fallow lands and virgin lands; and to bring a halt to all financial support from the peoples’ budget to the entrepreneurs and immediately prohibit rice export by these entrepreneurs.
(7) Rural Transport

There is a need to develop road facilities in rural areas for the betterment of transporting produces to other parts of the region at the least possible cost. Therefore, the CRP should adopt the proposal to develop National rural transport and communications.

National Paddy Plan
The Government warned that there is a possibility of a national rice crop crisis in the year 2000. The Intelligentsia and experts also predict the same. Therefore, paddy must be given special priority to prevent a national crisis. Firstly we need a National Paddy Plan. Therefore, the CRP should adopt the proposal of a National Paddy.

Farmers’ Associations
The main strata of people necessary to participate in prevention of the national paddy problems are the farmers. Therefore, it is necessary to systematically determine a process for the farmers to officially express their genuine problems, their livelihood overall situation and their production. Therefore, the CRP should adopt the proposal of promoting legal formation of farmers’ associations.

Forestry
(1) Trees provide protection for the environment. There must be a national foreign conservation plan for the growing population and scientific development in production and marketing. Therefore, the CRP should adopt the proposal to draft a rural environment ecological equilibrium program.
(2) To protect depletion of forests, to maintain earth and soil, to cultivate and to reserve forests systematically, the CRP should adopt the proposal ensuring that the State would take responsibility to expand forest reserve and conservation.

To demolish State monopoly over teak and other hard wood and promote export earning by innovating competitive bidding and direct marketing of forest products for private entrepreneurs. Therefore, the CRP should adopt the proposal to enact a policy for private entrepreneurs to export teak and other related hard wood and moreover, to allow private sawmills, producers and finish wood and wood products producers to work permits, distribution freely market forest products.

Livestock and Fishery

The government would encourage growth in the private sector for fishing concessions, breeding and marketing in internal coastal and inland areas. The private sector would enjoy the right to deal in the fishery and related products such as dried fish, fish paste, fish sauce and canning. The government would provide environmental friendly economic logistic support. Therefore, the CRP should adopt the proposal of the vast expansion of fishery sector for sufficient local consumption and support the private sector to raise the standards of catching, breeding, drying, storage, canning, etc.

Industry
The foremost requirement is to change and reduce the State-owned industries and cronyism. The government needs to create an environment to promote environmental friendly private based industries. Therefore, the CRP should adopt the proposal to separate the State industries from the State funds soonest and find ways for improving its performance on its own by further more, consideration of liquidation, dissolution and transfer, as necessary.

**Cottage Industries and Small Businesses**

The majority of the Union of Burma production of goods and services are from cottage industries and small businesses. To develop the national economy, there is a need develop small businesses to be in balance with large services. Small businesses have limited work environment with a confined market, modest capital and little management. Therefore, it needs the Government’s guidance and leadership to enlarge its vision and capabilities. Logistic support is needed to provide small businesses with modern economic perspectives, scientific technology, education in management, loans, etc. Therefore, the CRP should adopt the proposal to endorse in necessary legal amendments, structures, loans and technical expertise that will encourage small businesses to grow in trade, industry, transportation, services and other sectors.

**Energy**

Agriculture and industrial sectors depend on the Energy Sector. In some countries, there is a separate plan for rural electricity project. The condition of today is such that we barely receive adequate electricity even for residential consumption. There is a constant cutting and rationing of electricity in production services. The majority of the people and the producers know that there is no sufficient production and import of fuel. This sector consumes a lot of capital and hard currency. It is absolutely necessary to find funds and loans from the United Nations lending agencies, financial institutions, banks, governments and other non-economic organizations. Therefore, the CRP should adopt the proposal to develop a plan including provisions for possible foreign loans and aids for domestic energy consumption project.

**Transportation**

The majority of the people are aware that the lack of infrastructure, vehicles and fuel is the main constraint in transporting agricultural produces from rural areas to the various markets. All city dwellers are aware of the inadequate transportation of rural areas as well as the burden of the Rangoon-Mandalay transportation system. Therefore, the CRP should adopt the proposal to draft a National Transport Plan that considers transportation plans for Rangoon City, Mandalay City, each States/Divisions, rural areas, especially border areas and to seek foreign funds and aid in support of the plan.

**Communications**

Personal as well as economic and financial matters require a valuable and never ending source of the fastest means of communications which is circulating round the world by corresponding, telegraphs, telephones, fax, telex, etc. The need is great in transferring a swift communication system for all nationals, merchants, and entrepreneurs from the backwaters
of not receiving letters and unanswerable telephones. These problems can be quickly upgrade with international support allowing private entrepreneurs participation and end the Government’s monopoly in the communication sector. Therefore, the CRP should adopt the proposal allowing private local and foreign investors’ participation in the communication projects to modernize Burma’s communication system.

Construction

SLORC/SPDC, as their responsibility of a government, build roads, bridges and dams. However, these were built with lack of consideration of the economic consequences in inflation, high-rise of prices and unnecessary spending of foreign currency. It worsened the macro-economic system and moreover, there have been reports of misusing the funds meant for building these roads, clock towers, bridges and dams for personal gain. The economic benefit is little compared to the imposed force labor. An individual or in a group providing voluntary labor for the sanitation of the neighborhood and community is traditional. All countries have this tradition and it is not any single nation’s practice.

Egypt Pharaoh’s pyramids and China Emperors’ Great Wall are evident examples. It is also true that Burma has a tradition of voluntary labor. However, behind the truth lies a ruthless force labor. This is a well-known fact and there is no need to further expand this subject. One of the reasons the public dislikes the military government is forced labor. Another drawback concerning the Construction sector is the Government’s force relocation program. The government relocated many in order to use the land for their construction projects. The relocated families faced economic and social problems and transportation and education difficulties in resettling. In the end the majority of the people defined the military leaders’ public announcement of ‘from hut to house’ program as a lie. Therefore, the CRP should adopt the proposal to legally announce forced labor as a criminal offense and promulgate such a law and totally revoke any existing law that allows such actions concerning force labor. The CRP should also adopt the proposal to issue the announcement that amendments would be made on land ownership and government confiscation; and that forced removal of land tenants and confiscation of land is a criminal offense.

Workers

The National League for Democracy’s objectives in the economic, social and political issues are to work together to create a program for the benefit and welfare of all, to achieve a strong and secure life for each individual from all strata. This would outmode supposition based on the wrong beliefs and unjust persecution and eliminate the narrow outlook of one group one class system repression on another. It would develop and widen a system for each individual to be able to decide one own live and right. The CRP should adopt the proposal practicing this concept in finding solutions to address the national economy.

Workers mean individuals joining a work environment. Therefore, to have life security it is necessary for the employers and the workers to negotiate. The employer is one individual-one organization and has more variety of rights than each worker. In a democratic society, workers’ representative(s), a responsibility leading body is needed to speak on behalf of all workers. Therefore, the CRP should adopt the proposal promulgating a law that will encourage and allow the formation of Workers’ Associations/Unions.
Apart from Workers’ Associations/Unions, for today’s working class, the needs to earmark appropriate National Minimum Wage and minimum salaries for independent entrepreneurs are widely understood. Moreover, there is a need to formulate an environment of fair working hours and social welfare such as ensuring medical benefits. Therefore, we propose the CRP to adopt revision of the National Minimum Wage, a special work plan for all workers including civil servants and armed employees after reviewing and making adjustments. Moreover, we propose the CRP to adopt promulgation of laws that would ensure workers’ benefits such as fair working hours and social welfare benefits after reviewing and making adjustment.

It is necessary for the employers and the workers to be in constant touch with each other for the production of goods and services to grow in the respective sectors. Therefore, the CRP should adopt the proposal to have the formation of joint committees for employers and employees for the benefit of the national economy.

**International Relations and Economic Funds**

Addressing the Union of Burma’s stagnant economy would be a vast and complicated process in many ways. A large amount of financial and logistics support are needed to achieve economic stability, strength and growth. Therefore, a variety of international supports are required to boost the Union of Burma’s economic ability. The CRP should adopt the proposal to strengthen international relationships for economic purposes and to work jointly with the UN organizations such as the IMF, IBRD, ADB, UNDP and the (Development Assistance Committee) 21 nations and other powerful countries and governments. We wish to submit a proposal to CRP to adopt a joint implementation program for the stability, strength and growth with the concerned countries and to develop a

1. Stabilization Fund,
2. Transformation Fund, and

---

**Chapter 2**

**Report of the Committee for Farmers Affairs**

**Part 1**
1. Rural dwellers and cultivators form eighty percent of the population of Burma. Rice is the main produce, earning 40% of the country's income. Therefore our prosperity is largely dependent on the growth of the agricultural sector.

2. The prosperity and stability or otherwise of a state is closely associated with the prosperity and social welfare of the majority of its citizens. Farming being the occupation of the majority of its citizens, and agriculture being the mainstay of its economy, its development and advancement are dependent on the political, social and economic stability of Burma.

3. However, the majority of the people in Burma today are retrogressing. This is especially true of the cultivators and farmers. They are facing very bad times. Consequently there is no stability in the political, economic, social and educational spheres. And it is crumbling.

4. In the colonial period a shift from the feudal system was introduced and agriculture was developed from self-sufficiency to surplus production for export. The rights of landowners and tenant farmers were recognized and laws were enacted for the regulation of loans relating to agricultural lands and demarcation of pasturelands.

5. But the colonial administrators brought in recipients of their patronage and protected by the rules and regulations, introduced a system of tenant farmers which eventuated in the creation of rich landlords. Farmers whose ownership was established by being the first to clear the land and cultivate it lost their lands, their crops, their cattle and livelihood. A class of rich landlords and chettyars emerged.

6. In the period of parliamentary democracy after Burma gained independence new laws were enacted, old laws were revised and reviewed for the benefit of the farmers and cultivators.

7. The Agricultural Land Nationalization Act 1953 was passed to eliminate the ownership of agricultural lands by rich landowners, and the Tenant Farmers Act 1953 contained rules and regulations for its implementation.

8. However, due to the unstable political conditions within the country, the implementation of those laws for the full advantage of the cultivators was hindered.

9. The laws passed by the Revolutionary Council in 1962 and later were socialistic in principle and government control of all cultivation and sale of agricultural products was introduced.

10. The 1963 Tenant Farming Law and Rules, and the 1965 Tenant Farming Law were decreed. The 1965 law abolished the fixed rent for tenancies.

11. These laws deprived the farmers of the advantages they had gained as provided in the 1953 Agricultural Land Nationalization Act. The kind of crops and the method of cultivation depended on the Government's orders. This amounted to the Government becoming the landlord and the cultivator, the tenant.
12. In the same year (1963) though a law to protect the rights of the farmer was passed, it contained so many exceptions and provisos that the farmers were in a situation where they “were given but never got”.

13. Order 4/78 issued on 18 September 1978 stipulated that permission for cultivation would be revoked should there be default in cultivation of prescribed crops in accordance with prescribed rules and regulations; failure to cultivate for a successful production; failure to sell prescribed crops at a prescribed price within the prescribed time. Furthermore, the lower rung of administrators were empowered to decide who should be permitted the right to cultivate. All these were the causes of loss of land and livelihood for many farmers.

14. When the State Law and Order Restoration Council (SLORC) seized control of government in 1988, it declared that the economy would be changed from a socialist to the open market system. But this was not applied to the farmers. The advantages of the open market system are not available to the farmers and they are still being deprived of the right to cultivate the soil.

15. SLORC continues to use the laws made during the Parliamentary Democracy era and the Myanma Socialist Lanzin Party era. Therefore the farmers’ status remains as one who tills the soil. But what is worse is that the authorities violate the provisions of the law, go beyond the authority that they have and unjustly take punitive action against the farmers by arrests and imprisonment, sun-baking, revoking grants, prosecuting and sentencing them.

16. The farming population is suffering agonizingly because of the impositions by local authorities and unjust and inequitable demands for such things as “quota paddy” (Khwe-tan sa-ba) for the civil servants, “charity paddy”, “military welfare paddy”. Whether a good yield is obtained or not, 8 to 12 baskets per acre is forcibly taken through the exercise of excessive power and is termed “compulsory delivery”.

17. The price paid is always about half of that in the open market. All methods are employed to make the farmer’s life miserable and unbearable both physically and mentally. Permission to cultivate is revoked and the family is ruined.

18. Water in sufficient quantity is necessary for a successful summer crop. Despite the inadequacy of water, the farmers are compelled to sow the crops. Resulting failure or shot falls have to be borne by the cultivator. He looses money, crops, labor, and his farm animals. The government does nothing to compensate them for the alleviation of these losses.

19. The farmers are required to plant a variety of lentils and beans after harvesting the usual crops but without the necessary fertilizers, the know-how about suitability of soil for the required bean, money to defray additional costs they meet with failure and losses which they have to bear.
20. Some farmers who fail to plant the required second summer crop, the additional beans and lentils and other in-between crops have had their land resumed by the Government under Order 4/87. Thus they loose the right of ownership through inheritance as original cultivators.

21. Farmers in the rural areas have to give forced labor to the authorities as and when demanded. Neglecting their own farms, they are forced to cultivate lands owned by the military without payment. Virgin lands have to be cleared for the military. In some regions they are uprooted and are forced to forsake their gardens and farms and build new settlements because the army alleges that the land is close to or within the rebel area.

22. Those who hold power are not assisting the farmers who need fertilizers, insecticides, seeds, water etc. Increase acreage of land is denied them. Instead, a select class of elite entrepreneurs is being favored. In a haphazard manner, private entrepreneurs and the Government are entering into the field to reclaim vacant, virgin, wetlands, lakes etc. and forcing the cultivators out.

23. In summarizing the situation as it stands today it must be said that the life of a farmer and/or cultivator is in turmoil and prospects for stability in the agricultural sector are dim. The system, which empowers irrevocable village authority and the application of wrong business methods, is enhanced through force and brutal persecution.

Part 2

Analysis of the law relating to Agricultural Land

1953 Agricultural Land Nationalization Act

24. At the 1953 Agricultural Land Nationalization Act seminar, the then Prime Minister made the following statement in his speech (23 July 1957, sa 7) “The State resumed to itself agricultural lands for the purpose of uprooting the system of ownership by rich landowners and to distribute the land equitably amongst the cultivators who work on the land and depend on the land for their living. Moreover, it was intended to raise the standard of living for the village dwellers so that their status would be equal to that of others in keeping with the changing times.”

25. His speech revealed that the objective of the 1953 Agricultural Land Nationalization Act was to wipe out ownership of agricultural land by rich landlords so that farmers could own the lands they cultivated.

"We do not accept the contention that the Agricultural Land Nationalization Act is abolished by
the provisions of the Land Tenancy Act. 
Notifications of exemptions granted under Section 6 are still being published in the Gazette as
required by section 5(2) of the Agricultural Land Nationalization Act. 
It is evident that the Agricultural Land Nationalization Act is not a dead Act. 
Though the Land Tenancy Act overrides the Agricultural Land Nationalization Act, matters that
are contained in it but do not pertain to the Land Tenancy Act still continue to have the force of
law" was the observation that was made.

But, the objective of the Agricultural Land Nationalization Act was obliterated.
Instead of ownership rights, the cultivator only had tenancy rights. The Government
stepped in as the landlord.

1963 Land Tenancy Law

28. The Revolutionary Council's Central Land Committee explanation of the purpose
and authority as set out in Part 2 of the law (sa-1) states: -
"The objective of the 1963 Land Tenancy Law is to prohibit owners from renting one's land for
cultivation. The revolutionary government alone will supervise and administer the tenancy of
agricultural land."

29. Whereas the 1953 Agricultural Land Nationalization Act abolished ownership of
land by rich landlords, cultivators were granted ownership rights to the lands they
were actually cultivating. The 1963 Land Tenancy Act took those ownership rights
away from cultivators on the land and transferred them to the Government.
Cultivators became tenants who were permitted to cultivate the land.

30. This change of status was a loss to the cultivator. Acreage lost in this manner can be
estimated as follows: -
(a) xxx
(b) xxx
(c) xxx
(d) After the Agricultural Land Nationalization Act came into force, exempted and land
distributed - 3345984 acres
(e) xxx
(f) xxx
(g) Area cultivated by owners themselves - 1960-61 - 8990146 acres.

(Revolutionary Council’s Central Land Committee 1963 explanation pertaining to the law,
rules, regulations and notifications. Part 2, page 2, Schedule of area cultivated)

From the said schedule it is estimated that ownership rights to 12336130 acres of agricultural
land was lost.

31. Section 3 of Land Tenancy Law 1963 very clearly takes away the rights of ownership
that existed before.
Section 3 - The Government by notification can declare the date on which it will rent out agricultural land for cultivation, which will take away the right of ownership from holders of the said land with effect from the said date.

In so doing, the Government took over ownership of all types of agricultural land to rent out for cultivation to whomever it wanted. All farmers were reduced to the level of agricultural workers and lost all ownership rights.

Notification 4/78

32. Ministry of Agriculture and Forest published Notification 4/78 dated 18 September 1978 and Notification 1/160(a) dated 19 September 1978. They declared that Government had the right to withdraw the permits issued to tenants:

- If they failed to abide by instructions issued for cultivation of prescribed crops to obtain desired outcomes;
- If they failed to sell prescribed quotas of the crops at prescribed prices within the prescribed time.

33. According to the provisions of Sections 38 and 39 of the 1953 Agricultural Land Nationalization Act any kind of agricultural land can be utilized according to a prescribed method for the cultivation of crops that will be beneficial and rules and orders can be made for the said purpose. Sections 11 and 12 of Chapter 6 refer to exempted and redistributed land. The provisions apply only to mortgage, sale, and renting out. Contravention of those provisions could result in confiscation of the land under Sections 29, 30, 31, 32. They do not contain the kind of clauses for confiscation as contained in Notification 4/78.

34. Section 6 of the 1963, Tenancy Law sets out the conditions of tenancy. Should the tenant fail to cultivate the land for insufficient reasons, or sub let the said land to another. Section 10 prescribes the penalty as 6 months imprisonment or a fine of Kyat 300/-. This prescribes a punishment unlike Notification 4/78, which takes away the right to work the land.

35. In Notification 4/78 government has the right to revoke the permit to cultivate the land for failure to sell the full quantity of prescribed crops within the prescribed time at the prescribed price. When natural disasters such as excessive rainfall, drought, infestation by insects etc. occur, the farmer finds it impossible to fulfill the conditions. Then he suffers because he loses the permit to cultivate.

36. Over and above this, the farmer is cursed, threatened, sun-baked, beaten, arrested and imprisoned by the authorities that abuse power. These indignities make his living miserable.

37. The farmer is not given sufficient resources or suitable land for the second crop (summer paddy) that he is expected to grow. Under Notification 4/78, government has the right to confiscate the land from those who fail to grow the summer paddy. Thus farmers who have inherited the right to cultivate suffer. Therefore, this Notification 4/78 is injurious to the farmers and should be abolished.

1907-08 Village and Urban Act
38. Using the provisions of Section 8 (1) (g) (Act 6 of 1907 Village Act), and Section 7 (k). (Act 3 of 1907 Village Act), dwellers in villagers and urban areas including farmers and cultivators are all having to provide forced labor for construction of canals, embankments, bridges, departmental and military works without payment while neglecting their private duties. Heavy loads have to be carried and jungles and virgin lands have to be cleared for the military.

Section 8(1)(g) reads: -
“On receipt of money at rates prescribed by the township council, provisions and supplies such as guides, porters, food, carts, workers, elephants, horses, donkey, mules and boats etc. must be collected for any military or police outpost stationed in, or near or passing through the vicinity.”

Section 7(k) reads: -
“On receipt of money at rates prescribed by the township council, every assistance must be given to civil servants and town and city development committees in their task set out in Section 7((l) of collecting provisions and supplies such as guides cum porters, food, and vehicles for transport for the military or police stationed in or near the area.”

39. The laws referred to are out of date and violate basic human rights and ought to be abolished. Most adversely affected are the farmers and cultivators.

1963 Law for defending the Rights of Farmers and Cultivators

40. Section 3(1) of this law provides that notwithstanding anything contained in any prevailing Act or Law, no court has the power to
(a) Attach and sell any agricultural land or produce, any cow or buffalo used for cultivation or any instruments used for the same purpose.
(b) Prohibit the cultivation or the entering into any agricultural land.
(c) Prohibit the transfer or sale of cows and buffaloes, implements used for agricultural purposes and or any produce of the land.
(d) No farmers or cultivator can be arrested and imprisoned in connection with matters relating to the above (a), (b) or (c).

Section 3(2)(i) provides that the above is not applicable in
(a) Matters in which moneys are due to the Government or
(b) Where disputes arise relating to inheritance or
(c) Action is taken for security reasons.

41. The farmers suffer most because the authorities always shelter under the cloak of “security reasons”.

42. This law does nothing to protect the rights of the farmer. It only gives him protection relative to money lent or borrowed.

43. What is really needed are laws that will protect the farmer from being exploited and all the laws that have taken away their rights should be abolished.

Protection of grazing grounds
44. Section 41(2) of the 1953 Agricultural Land Nationalization Act reads: -
“The President of the Union or any other authority so designated may make any order or rule for
the preservation of grazing grounds for cattle and buffaloes and village common ground.”

Then again grazing ground was protected as stated in Revolutionary Council’s Central Land
Committee’s letter Number (5) ha pa (9) hta -64(203) dated 11 March 1964:-
Paragraph 1 – “Under no circumstances will trespassing and cultivation of grazing ground be allowed” and
Paragraph 4 – “Trespassers who violate the prohibition orders and carry out cultivation of crops will be
severely dealt with according to law and all the produce will be confiscated”.

45. Now, these grazing grounds are under cultivation by henchmen of the authorities,
which has resulted in shortage of pasture for cows and buffaloes. The numbers of
cattle have been reduced through insufficient food and disease and production has
been curtailed. It is necessary that effective measures be taken to comply with the
law in force and for the restoration of grazing grounds.

Alluvial Land for agricultural purposes.

46. When rivers subside, islands of alluvial land become suitable for cultivation
periodically. There is much confusion with regard to cultivation of such lands.

47. Section 16 (4) of the 1963 Tenancy Law prescribed that:
(a) xxx land of this nature is cultivable periodically therefore the Government will rent
out such lands annually.
(b) xxx selection of tenants will be by the lower authorities.
(c) xxx cultivators who have inherited tenancy rights and cultivators who are currently
holding tenancies will be debarred. Only those who have no land to cultivate, those who
farm hands and laborers will be selected.

48. The village and township authorities are not complying with the regulations set out
in the Tenancy Law. Close associates, relatives, retired military officers, members of
administrative authorities are being issued with permits. Some individuals have the right
to many acres and they sublet some of the land. Therefore, cultivators, farm hands and
coolies loose out.

Part 3

Stability of cultivation rights of farmers and
Promotion of animal husbandry in rural regions

49. Basic policy for Agriculture
1. The state is the original owner of all land.
2. In acknowledgement of the right to private ownership of agricultural land the following principles be adopted which are just and equitable and will promote the dignity of the farmers and cultivators.
   (a) The right to freely cultivate agricultural land.
   (b) The right to hold and possess agricultural land.
   (c) The right to sell agricultural land.
   (d) The right to transfer and divide agricultural land holdings.

50. **Work Schedule and Methods**
Two stages are set out below. The first is short term while the second is long term. A committee to solve agricultural problems, a committee for cultivation and animal husbandry and a committee for rural development to be formed under the auspices of the *Pyithu Hluttaw* and to perform theses tasks.

51. **First Stage - Work Schedule**
1. Alter the provisions contained in Section 3 of the 1963 Tenancy Law.
2. Expunge the words “exemption in cases where the Government acts for security reasons” in Section 3 (2)(c) of the 1963 Law to Protect the Rights of the Farmers.
3. Abolish Notification 4/78 to prevent systematic unjust persecutions.
4. Expunge Section 8(1)(g) from Act 6, 1907 Village Act and Section 7 (k) and (l) from Act 3, 1907 Township Act.
5. Resumption of Grazing grounds for cows and buffaloes and taking of suitable action against those who have violated the provisions of the law and notifications with regard to grazing grounds and common village grounds.
6. Resume agricultural lands wrongfully acquired by public servants and government departments and return them to those original cultivators from whom they were seized.
7. To continuously and repeatedly create incentives for investments that will work to bring about prosperity and development in the agricultural sector of the country.
8. To encourage the knowledgeable cultivation of suitable crops and cereals.
9. To eliminate factors disadvantageous to farmers and to explore suitable markets for their produce.
10. To explore and arrange how farmers can be financed to meet costs.
11. To study and eliminate the difficulties farmers have in obtaining loans from the agricultural banks.
12. To facilitate the cultivating, transporting, milling, manufacturing and storing process.
13. To encourage and allow the formation of a non-political based farmers union so that they can be represented and participate in discussion and planning for their benefit.
14. In relation to lands that were exempted and/or divided and settled on under the 1963 Agricultural Land Nationalization Act, inquiries be held to systematically expose the loss of land resulting from the 1963 Tenancy Law, the Law to Protect the Rights of the Farmers and Ministry of Agriculture Notification 4/78 and to correct the same.
15. To systematically inquire into the loss of land rights as a result of the 1963 Tenancy Law, the Law to protect the rights of farmers and cultivators and
Notification 4/78 of the farmers and cultivators who at the time were working their own fields.

16. To define alluvial lands that have become useless for cultivation as garden lands and to examine how best to utilize them. Also to make appropriate laws to rectify the haphazard use of such lands.

17. To give priority to preventive medical treatment for draught buffaloes and cows.

18. Due to shortage of draught buffalo and cows to first introduce small-scale mechanization for farming.

52. **Second stage for long term planning**

1. Legislation necessary to safeguard the right of farmers to own agricultural land, the right to work their land, the right of transfer by sale, mortgage or otherwise and to ensure that the old system of rich absentee landlords is not revived.

2. Free trade system to be adopted for sale of agricultural produce.

3. Agricultural Banks to provide short term and long-term loans.

4. Facilitate the creation of a Farmers Bank.

5. Emphasize quality rather than quantity in the production of crops.

6. Prepare charts showing how different grouping patterns according to soil types can be utilized and advise and instruct farmers.

7. Full utilization of present mechanization facilities.

8. Special attention to promote growth of draught cows and buffaloes.

9. Implement plans for soil conservation.

10. Encourage a shift from shifting terrace cultivation to permanent terrace cultivation.

11. Restructure the Land Record and Settlement Department to obtain accurate figures regarding plantation, production, rates, cultivable land, non-cultivable land, arable and virgin lands.

12. Study the 1948-49 Agricultural Workers Wages Law and make adjustments as appropriate in the present day.

13. Stress the importance and need for education in modern agricultural methods to reach the high international standards.

14. Completely ban the cultivation and manufacture of marijuana, opium, drugs producing plants and develop cultivation of suitable substitute crops.

15. Protect the environment from pollution.

16. Assist cultivators in rural regions to develop skills in animal husbandry as a second means of earning a livelihood.

17. Undertake effect research for develop with government funds.

18. Provide sufficient water for agricultural purposes and for farm animals.

19. Maintain and strengthen existing embankments of canals and dams and examine whether or not they are effective and find ways and means for improvement.

20. Assist farmers in situations that cannot be managed individually.

21. To assist farmers in the rural areas encourage and give guidance in the formation and development of

   (a) Services cooperatives
   
   (b) Ancillary economic work such as small-scale industries
   
   (c) Electricity for use in all rural regions.
53. **Rural Development**

Carry out the following for the societal and cultural development of the rural population.
1. Further develop and increase primary and middle school education.
2. Further develop and increase health services.
3. Clean and beautify the countryside.
4. Give importance to traditional cultural activities in regions occupied by ethnic groups.
5. Install government libraries in regions where communication is good and develop projects to increase and promote knowledge of the rural population.
6. Give special attention to develop the standard of living of ethnic groups in undeveloped regions.

54. Two committees should be formed to perform the tasks for the first and second stages. They should report on the disadvantages that the farmers face and suggest how to make amends by way of new legislation and revision of old laws and orders which should then be placed before parliament.

---

**Chapter 3**

**Report of the Committee for Workers’ Affairs**

1. The Committee for Workers Affairs has prepared this report relating to future policies to be adopted on Workers Affairs as resolved by the Committee representing the People's Parliament on the 27 May 1999 (the ninth anniversary of the multiparty general elections).

2. After the Union of Burma gained independence and became a sovereign state in 1948 it joined the United Nations (UN) as a member state and became a member of the International Labor Organization (ILO) which is a special organization of the UN.

3. The Union of Burma acceded to the ILO Conventions and laws were made embodying the ILO standards in matters affecting workers such as workers unions, minimum wages, working hours and working conditions, disputes between employers and employees, health and safety of workers etc.
4. But in 1962 when the Revolutionary Council removed the parliamentary government and passed the 1964 Workers Basic Rights and Responsibilities Law, the following Acts were repealed and construed to be rules under this new law.

   Laws relating to Workers enacted between 1948 and 1962
   1. Occupational Training Act
   2. Employment Restrictions Act
   3. The Apprentices Act
   4. The Employment of Children Act
   5. The Dock Workers Employment Regulations Act
   6. The Emigration Act
   7. The Dock Laborers Act
   8. The Mines Act
   9. The Oilfield Act
   10. The Oilfield Workers Social Welfare Act
   11. The Factory Act
   12. The Payment of Wages Act
   13. Agricultural Workers Minimum Wages Act
   15. Leave and Holidays Act
   16. Shop and Workplace Act
   17. The Workmen’s Compensation Act
   18. Social Welfare Act
   19. The Trade Disputes Act
   20. The Trade Union Act
   21. The Auditing Authority for Business Act
   22. The Railway Act
   23. The Inland Waterways Transport Act
   24. The Burma Aircraft Act
   25. The Burma Merchant Shipping Act
   26. The Ports Act
   27. The Rangoon Ports Act
   28 The Out Ports Act
   29. The Pilot Act
   30. The Burma Lighthouse Act

5. This 1964 Workers Basic Rights and Responsibilities Law superceded the above Acts which conferred direct rights and remedies. People's Workers Councils were created to manage the affairs of the workers. Therefore the old above-mentioned democratic laws should be reinstated.

6. A Central Workers Union comprising all workers with no political affiliation should be created. This will establish stronger and better unity among all workers who can then promote and make representation to redress their grievances.

7. We are working towards the establishment of a democratic Union of Burma. We also need to be conforming to international standards in every way. Therefore we need to be within the United Nations of the World.
8. For this reason we need to follow the standards set by the International Labor Organization (ILO) and not set ourselves apart from them. This way we learn from them and can approach them for assistance.

9. For the Union of Burma to develop into a modern democratic country it will be necessary to adhere to the rules set down by the ILO and make suitable laws for the country.

Chapter 4

Report of Committee for Education

Education of Burmese children

Introduction

The purpose of education is for a fuller understanding of human life, growth and happiness. Culture and education grow side by side. It is not just reading, writing and arithmetic but skills in speaking, handcraft and mechanics have grown. Education of the children is an indispensable factor for the growth of a country. This is why Article 26 of the Universal Declaration of Human Rights asserts:

(1) Everyone has the right to education. Education shall be free at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.
(2) Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace.
(3) Parents have a prior right to choose the kind of education that shall be given to their children.

The Rights of the Child Convention was entered into at the UN on the 20 November 1989 and came into force on the 2nd September 1990 and was ratified by Burma on the 16 July 1991. Article 28/1 (a) reads “Make primary education compulsory and available” and Article 28/1 (e) reads, “Take measures to encourage regular attendance at school and the reduction of dropout rates.”
As a follow up The World Declaration on Education for All Conference was held in 1990 in Jomtien, Thailand where a framework for action to meet basic learning needs was formulated. Education for all (EFA)- 2000 goal was set which meant that the goal was for everyone to be educated by the year 2000. Six areas for action were identified and four goals were set. They were:

- To expand the field of assistance to families of poor and disadvantaged and disabled from infancy,
- That by the year 2000 every child in the world will have had completed elementary education,
- That the number of illiterates be reduced by half by the year 2000, and
- That coeducation be encouraged to reduce the number of uneducated females.

Part 1

We need to first have some basic information about Burma to check if education is free and compulsory.

Basic Education in Myanmar (September 1997)

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Description</th>
<th>Sq. miles</th>
<th>Sq kilometers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Area</td>
<td>261228</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6765777</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Population</td>
<td>46.4</td>
<td>Million</td>
</tr>
<tr>
<td>3</td>
<td>Population density</td>
<td>66</td>
<td>8/Km</td>
</tr>
<tr>
<td>4</td>
<td>Rural population</td>
<td>75</td>
<td>%</td>
</tr>
<tr>
<td>5</td>
<td>Annual population increase</td>
<td>18.4</td>
<td>%</td>
</tr>
<tr>
<td>6</td>
<td>Ethnic groups</td>
<td>135</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Language spoken</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Under 14 year-olds</td>
<td>35</td>
<td>%</td>
</tr>
<tr>
<td>9</td>
<td>Individual income</td>
<td>265</td>
<td>Kyat</td>
</tr>
</tbody>
</table>

Primary, middle and high school education in Burma is managed and supervised by 3 directorates viz. Upper Burma, Lower Burma and Rangoon Division. The academic year (AY) is from June to March of the next year with 199 school days every AY.

Total number of schools, students and teachers in Burma during 1996/1997 AY is tabled below.

<table>
<thead>
<tr>
<th>Level</th>
<th>Schools</th>
<th>Teachers</th>
<th>Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>35,799</td>
<td>154,062</td>
<td>5,153,000</td>
</tr>
<tr>
<td>Middle</td>
<td>2,087</td>
<td>53,959</td>
<td>1,571,000</td>
</tr>
<tr>
<td>High</td>
<td>922</td>
<td>15,510</td>
<td>405,000</td>
</tr>
</tbody>
</table>

1 Labor Dept and UNICEF report on working children and women page 1
2 Labor Dept. & UNICEF report on working children and women page 1
3 Basic education in Myanmar, September 1997 page 5
These figures show that in 1996/1997 the primary school population was 144 per school and the student teacher ratio was 1 to 33.3.

The country's population in 1997 was 46.4 million with 35% under 15 years i.e. 16.24 million. (+) From the above figures 6724000 (6.7 million) attend primary and middle schools. There are 9.5 million (16.24-6.7 =9.5) children unaccounted for. These must be composed of infants (0 to 1 year), under fives pre-school going children, the sick, the children who have never registered to go to school and the drop-outs.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>5919</td>
<td>5896</td>
<td>5531</td>
<td>5337</td>
<td>5153</td>
</tr>
<tr>
<td>Middle</td>
<td>1109</td>
<td>1156</td>
<td>1358</td>
<td>1475</td>
<td>1571</td>
</tr>
<tr>
<td>Percentage of students who continued schooling</td>
<td>19.43%</td>
<td>232.04%</td>
<td>26.48%</td>
<td>29.43%</td>
<td></td>
</tr>
</tbody>
</table>

From primary to middle average was 24.59%

The above table shows that out 100 primary school children only 25 (24.95) go on to middle school. Roughly speaking, 75 (75.41) children do not continue for various reasons.

The figures shown in a joint report by UNICEF and the Ministry of Labor and the Report on Working Children and Women in Myanmar's Urban Informal Sector (page 50) show that only 27% of Myanmar's children complete primary education, while 34% are dropouts and 39% never registered in any school.

The result of a research study of about 1163 children from 700 families that was done in October 1995 jointly by UNICEF and the Ministry of Labor in the townships of South Okalapa and Hlaingthaya townships in the Rangoon division and the townships of Chanmyathazi and Pyegyitagon in Mandalay division is given in the table below.

<table>
<thead>
<tr>
<th>Classification</th>
<th>5-9 years</th>
<th>10-14 years</th>
<th>Total &amp; %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently attending</td>
<td>330 (79.1%)</td>
<td>377 (50.5%)</td>
<td>707 (60.8%)</td>
</tr>
<tr>
<td>Left School</td>
<td>23 (5.5%)</td>
<td>333 (44.6%)</td>
<td>356 (30.6%)</td>
</tr>
<tr>
<td>Not registered</td>
<td>64 (15.53%)</td>
<td>36 (4.8%)</td>
<td>100 (8.6%)</td>
</tr>
<tr>
<td>Total</td>
<td>417 (35.9%)</td>
<td>746 (64.1%)</td>
<td>1163 (100%)</td>
</tr>
</tbody>
</table>

The above figures show that 356 children dropped out (30.6 %)

The Ministry of Labor further investigated why 5-14 year olds dropped out of school and the result is given below.

---

4 Basic Education in Myanmar, September 1997 (Table 5)
5 Department of Labour and UNICEF report on working children (page 51, table 19)
The above figures reveal that of 1163 children, 356 (30.6%) dropped out.
- Out of the 356 who dropped out, 205 (57.6%) were those who could not afford.
- Of the 356 who dropped out afford, 23 were in the 5-9 age group and 20 (87%) could not afford to go to school. The research revealed that schooling costs were for textbooks, exercise books, pencils for writing, parent-teacher association annual fees, and building maintenance fund. Other costs that must be included are for uniforms and private tuition.
- Of the 356 drop outs, 56 (15.7%) had no inclination.

The circumstances of 100 children who never attended school at all are given in the table below. (Though the original report gives the figures for the townships separately, only the totals are given here.)

### Reasons for not registering in a school

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannot afford</td>
<td>57</td>
<td>57%</td>
</tr>
<tr>
<td>Assistance at home needed</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Child caring</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>Family business</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Daily wage earning duties</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Disabled/sick</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td>Commencing business</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No interest in school</td>
<td>9</td>
<td>9%</td>
</tr>
<tr>
<td>School education not practicable</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Others</td>
<td>23</td>
<td>23%</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
</tbody>
</table>

The above table shows that the cause for 57 (57%) children not registering in any school was poverty. Of the 100 there were 9 (9%) who had no interest to study and 1% felt that schooling was of no use to them.

---

6 Department of Labour and UNICEF report on working children and women (page 61, table 28)
Whatever else these figures show it is clear that more than half (57.6%) dropped out and of those who did not register at any school, more than half (57%) could not afford the costs.

Burma’s population in 1997 was 46.4 million. Population annual growth rate is 1.84 %. This means that in 5 years time i.e. in the year 2001 children of age 5 years who should be starting primary education will exceed eight million fifty thousand.

The government passed the 1999 State Fiscal Expenditure Law on the 30 March. Expenditure for the different ministries is given below.

Expenditure for Ministries and Directorates

<table>
<thead>
<tr>
<th>Description</th>
<th>Normal expenditure</th>
<th>Percentage</th>
<th>Capital expenditure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defense</td>
<td>17,538,204,490</td>
<td>40</td>
<td>14,222,999,900</td>
<td>41.1</td>
</tr>
<tr>
<td>Education</td>
<td>6,155,600,000</td>
<td>14.1</td>
<td>2,647,713,000</td>
<td>7.7</td>
</tr>
<tr>
<td>Other ministries and Directorates</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total of Ministries and Directorates</td>
<td>43,633,284,220</td>
<td>100</td>
<td>33,332,321,890</td>
<td>100</td>
</tr>
<tr>
<td>Defense - Education</td>
<td>11,382,604,490</td>
<td></td>
<td>11,575,286,900</td>
<td></td>
</tr>
</tbody>
</table>

The above table shows that 40% of expenditure for all Ministries and Directorates and 41.1% of all expenditure including capital expenditure go to the Defense Ministry.

- Ministry of Education expenditure is 7.7% of expenditure for all Ministries and Directorates.
- The expenditure of the Defense Ministry exceeded its normal expenditure by 11380 million.

Part 2

In view of the fact that elementary education should be free and compulsory we will need to examine how far it has been relevant for the children of Burma.

The academic year (AY) from June to March of the following year consists of 199 days during which a child should receive his/her education in accordance with a prescribed syllabus. If schools are shut down now and again the syllabus cannot be covered and the child would not have received the full education for that year.

The school student ratio is 1:444. The teacher student ratio is 1:3331. Population varies from division to division, state to state and town to town. Though some primary schools may have 40 students, there are others that have 400 to 700. One teacher may have a class of 20 while another may have to teach 60 in a class.
The research conducted by the Ministry of Labor and UNICEF reveal that 57.6% of children between 5 - 13 years drop out because they cannot afford the costs of schooling and 57% have never registered to go to school for the same reason. Under the present circumstances, the percentage could be much higher because children in the rural areas and in the suburban towns are suffering from poverty.

Costs of text books, exercise books, pens and pencils, contributions that have to be made to the Parent Teacher Association Fund, Building Fund for improvement of the school building and furniture make schooling unaffordable.

Exercise books sold by GEC to the schools cost Kyat 250/- per dozen (40 pages) and Kyat 600/- per dozen (80 pages). Packing and handling charges, transportation charges and building fund money are included in the cost, which makes it more costly. Though the cost of 3 textbooks (English, Burmese and Mathematics) if bought from the school costs Kyat40/- they are obtained only after half the school term is over so the students have to purchase them outside and pay Kyat 300/-

The school authorities who are in league with the manufacturers of books and writing materials make it compulsory for the students to buy the more expensive goods.

Though the rule is that elementary education is free and compulsory for every one, an entry fee is required of new students and if one transfers from one school to another, a school leaving fee and an entry fee have to be paid. In the big towns, entry fee to famous schools runs into four to five figures. Entry fees vary in the suburbs and the rural schools. The table and chair for one's child to use at the school has to be bought and donated to the school in addition to other donations for school paraphernalia and lights.

Money for extension to the school building is also demanded. For example, if the estimated cost of the extension is 200 lakhs, the Education Department contributes 20 lakhs and the balance has to be provided by the school authorities and the parent-teacher association. Though the collection is referred to as a donation (in accordance with one's charitable disposition), fixed amounts are set.

The school uniform comprising green pants, green longyi and white jacket costs five to six hundred Kyat per garment. At least two sets are essential. So uniforms alone cost Kyat two to four thousand. When uniforms get wet because of rain and one does not have another set to change into, he/she cannot attend school.

The research report also showed that 15.7% had no inclination to attend school. The data was collected from four towns viz. South Okalapa and Hlaingthaya (Rangoon division) and Chanmyathazi and Pyegyitagon (Mandalay division). Theses regions are “sales” not “cultivation” oriented. Research in the states and divisions where cultivation is the main source of livelihood, the figure would be much higher.

It must be said that the system of education and the pressing need to earn money to survive are the causes for this disinterest. Because of the present education and economic systems there seems to be no opportunities even though one is educated. Passing the 10th standard
has no advantages. An ordinary degree won't get you a job. This is the thought that most parents and children have. What is taught in the schools to day is not relevant to the circumstances of today and has no attraction for the students. Researchers of the situation in India have concluded that the system there is practical and draws students to the schools. We find that teaching methods too need to be modernized and changed.

Another reason why interest in schooling is waning is that every effort has to be made to find food for the table and to clothe the family. Children of primary school age are making and packaging junk food for sale, serving at food stalls, working as house maids, picking plastic, caring for infants while parents go out to work. Herding buffaloes and cows which earn 15 baskets of paddy a year. In the construction industry they have to make bricks, carry bricks, sand and stones. The affairs of the stomach are more difficult than getting education.

In having to assist parents with their occupation, school attendance becomes irregular and keeping up with lessons is difficult which results in loss of interest and failure. In Burma, primary education extends to five years and should be completed at the age of 12.2 years. The UNICEF research showed that this applies to 25% of the rural schools and to 22% in the towns.

Another reason for waning interest is that teachers are given other outside responsibilities apart from teaching in schools. This results in teacher absenteeism.

Electricity is in short supply. Breakdowns are often. Kerosene lamps and candles have to be used for which exorbitant prices have to be paid. Parents say that this interrupts the concentration of the children and is another reason for loss of interest.

The location of schools in distant areas makes it difficult for parents to take them to and collect their children from schools. These make them lazy and lose interest.

Teachers and other civil servants are suffering because of the high cost of living. Their wages are meager and the need to supplement their income is paramount in their minds. So a new industry is flourishing - private tuition. Even primary children take private tuition because they learn nothing in the classroom. Students depend on private tuition and neglect school attendance. Interest in schooling is lost.

How the differences between the circumstances in rural and urban regions effect the education for children is broadly stated here. People living in townships (excluding suburban towns) have the capacity to pay the education costs more than those in the rural areas. This is the reason why there are more children in township schools than in the rural ones.

Townspeople have more general knowledge. They have no landholding problems. They can support and encourage their children in their studies. While children in the towns are attending school daily, children in rural areas besides attending school have to assist their parents in the fields.

Traveling facilities in towns are easy but for children in rural areas distances are great and travel is not convenient.
Tuition is available for towns-children but not for village students.

Towns have electricity but villages do not. So time for homework is reduced for the rural children. All these circumstances account for the differences in educational outcomes that exist.

---

Part 3

Constructive suggestions for implementing the policy of free and compulsory elementary education for all, for the regular attendance of school and for the reduction of dropouts are necessary.

The prescribed 199 school days for one academic year (AY) should be observed. Schools should not be shut down off and on for flimsy reasons.

Calculating the population growth rate at 1.84, the number of five year olds ready for school will reach eight hundred and fifty thousand in the year 2002. If the school to student ratio of 1:144 is applied, we should be prepared for about 6000 elementary schools in the year 2002. The ratio of 1:144 has been worked out for the whole country but in some densely populated regions there are schools with 400 to 700 students. Therefore it is necessary that more elementary schools be built. It may not be possible to build great big schools but some minimum standards should be set. The situation of these schools should not be in places where children will be exposed to danger. Not near marshes and swamps. Playgrounds should be provided. Essential that the buildings have roofs, walls and floors with adequate light and ventilation. Water for drinking and washing should be clean and proper sanitary facilities should be provided.

The dropout rate for 5 to 14 year olds was found to be 34%. Research also showed that 57% of those who dropped out couldn't meet the schooling costs. In such cases, the school authorities should give them some kind of assistance. The Labor Department and UNICEF Research Report's suggestion is that education programs should be cut if students find they cannot attend school because of business pressures.

Books, writing materials and uniforms should be given free to poverty stricken students. These children should be exempted from payment of entry fees, parent-teachers association subscriptions, and contributions to school building fund etc.

Where transport is a problem, boarding facilities should be arranged. Special reduced rates for travel on buses and trains should be considered. Bicycles at reduced prices should be made available.

Insufficient nourishment can cause loss of concentration. Therefore there should be some arrangements for feeding young children at school.
For children who have lost interest in learning, there should be other programs, which involve use of voice, hands and instruments to interest them.

For children who have to assist their parents in their occupations, night schools should be opened or teaching be done in two shifts.

During the AFPFL era, at the Agnes Convent in Kalaw, (Shan State), long vacation was in winter and short vacation was in summer. Likewise, it would be appropriate if school in townships where people are engaged in crops or paddy cultivation, long vacations should be during planting and harvesting time so that the children can work in the fields and the short vacation should be when their labor is not required.

Sufficient and appropriate resource material should be provided to sustain student interest.

Bicycles or other vehicles should be provided for teachers to arrive in time at school. Housing accommodation for teachers should be included in plans for new school constructions. Alternatively rent assistance should be given.

Workshops for instructing teachers on modern teaching methods should be arranged. Teachers from developed countries should be invited to exchange ideas. Also many should be sent abroad for the same purpose. Special acknowledgement should be given to those teachers who make sacrifices to teach in inaccessible and out of the way areas.

Teachers who have a vast store of general knowledge have the capacity to keep their students interested in their studies. Most teachers have no time for research or general reading because of the heavy duties and tasks. Libraries are therefore essential.

Expenditure on defense was 40% of total expenditure of all other ministries, directorates and capital expenditure is shown in the 1999 Fiscal Expenditure Law.

It is proclaimed that peace agreements have been reached with all insurgent groups except one small group. Then why should defense spending be so great?

Ordinary expenditure on education needs to be more than 14.1% and capital expenditure more than 7.7%.

There should be no cut on expenditure for education even if assistance from other sources is obtained. It must be borne in mind that those grants are given to supplement the original amount.

Since 1993, 634 Day Care Centers and 52 Pre-Schools have been established in Burma. They cater for children between 3 and 5 years. There are no childcare facilities for children under 3 years.

Childcare centers cannot be classified under Pre-Schools because these centers are not operated by qualified or experienced personnel. We have found that they are preparing

---

7 Union of Myanmar, education for all EFA year 2000 assessment page 16
children for primary education and such things as health, nutrition, psychosocial care and stimulation are absent.

In caring for children of tender age, such factors as growth in body, mind, congenial association and emotional stability must be taken into consideration.

Education should not be like a heavy burden for recipients of education. It is necessary to balance instruction giving period and examination period and to take into account the age of a child. Educators should consider whether it would be necessary to set maximum and minimum standards.

In the publication “Union of Myanmar Education for ALL EFA Year 2000 (page 16 of May 1999)” it was stated that a system referred to as Continuous Assessment and Progression System (CAPS) had been introduced in 44 schools in three townships since 1991/1992.

With regard to this many questions need to be answered and there should be an urgent debate.

If CAPS is designed so that there are no failures in exams and no repetition, should a student who does not achieve the level prescribed for that class be promoted to a higher class?

If that is not the case, how can one teacher who has to manage a class of 60 -70 (this is the case where population is dense like the TTC, Rangoon) be able to assess the ability of every individual pupil?

If CAPS will reduce dropout rates, what was the outcome in the schools where this project was introduced in 1991/1992?

How can the CAPS system overcome the problem where dropout is caused by high education costs and inability to attend school because the need for earning money is great?

No matter what, if CAPS can produce higher quality and quantity of schools, it should be continued and CAPS for CAPS (assessors for assessing the CAPS system) too is necessary. The teacher student ratio should be a matter for concern. Better-qualified teachers too are necessary.

People need education for their own advancement, happiness, respectability, ability to earn a better livelihood, general knowledge and awareness of life and a host of other reasons.

Conclusion

Educators and Academics are necessary for the advancement of a country. Proclaiming that “high education will lift people high” should not be just words. This must be put into action. Only a pot of gold will give you education is a description of the present system. The value of education is certainly high. Difficulties in business, high cost of living, and inflation have distanced children from schools. As long as the political situation is not stable and there is unrest in the country there will not be money in the treasury for education. Others who are
giving assistance will withdraw their charity if they find it is being wasted. Democracy is the only solution for peace in the country. We need peace and stability in the country.

---

**Chapter 5**

**Report of the Committee for Health and Social Affairs**

This is a report to the Committee representing the People's Parliament about social affairs and the minimum level of health care for hospitals, clinics, rural health departments, maternity and child welfare.

Draft policy

1. In the history of Burma, never before have the people had to suffer such awful social conditions for health and education as under the current military government. Government expenditure on health was reduced noticeably after 1985. From Kyat 18.7 per head in 1985, allocation was reduced to Kyat 6.9. There is extreme paucity in supportive health care programs and the quality has noticeably depreciated. Government provides very few health care facilities. In 1993 there were only 6974 medical clinics to provide for 95238 villages in the country, which works out to 10% or one clinic for every 471 villages. Percentages of death from different causes are given in the 1998 Human Resources Development Indicator Manual. These are

- Undernourishment 493%
- Malaria 20%
- Respiratory diseases 26%
- Dysentery and diarrhea 15%
- Measles 2%
- Others 37%

Figures for death at childbirth in 1980 was 580 out of every hundred thousand. In 1994, the figure was 232 and later years the figure was 100 for the urban population and 180 for rural population.

In Burma today the worst disease that has caused death is malaria. 20% of patients in hospitals are afflicted with malaria. In 1991, one million outpatients were treated for malaria and 152000 were treated as in-patients in hospitals. 22% of deaths in hospitals were malaria patients. More fearful and cause for alarm than malaria are AIDS and HIV, the worst disease in the world. It reached Burma five years ago and is now widespread.
WHO has warned that in two years time, this disease could be as widespread in Burma as in African countries. Similarly, TB is another disease that is growing and needs to be checked. Government’s health program reaches only 60% of the population. The rural population is 47%.

60% of the population has access to clean water. Only 50% of the rural population has access to clean water. While the rural population is 36%, only 43% of the country's population has access to hygienic facilities. Average life span is 58.4, six years less than that of the western countries.

The general health standard is poor and has declined. This is because the Government's health program is inefficient and inadequate. Education and practical experience for health care workers are lacking. Insufficient instruments and paraphernalia and shortage of medicines as a result of reduced funds including foreign exchange are other causes. Figures given above are from records compiled by UN and other aid organisations.

2. Only when a transparent and accountable government is installed, the above baneful situation can be overcome.

There is no quick fix for 10 years of neglect and decline. The remedy will have to be applied in stages and in time. This cannot be avoided. For example, it will take time to produce doctors, specialists, nurses, professors and teachers of medicine. This is inevitable.

However, we must start with setting goals for minimal and essential requirements of absolutely essential works.

3. These minimum health care projects are:
   (a) Health Care expenditure by government to be calculated at Kyat 18/- per every living person in the country.
   (b) Fill every position in every health care unit as already established with special attention to the hospitals for the rural population.
   (c) Give preventative injections for immunity against serious diseases for every individual.
   (d) Work towards eradication of malaria in the whole country.
   (e) Implement projects to the best of our ability to reduce undernourishment of children which has resulted in loss of many lives.
   (f) To the best of our ability take measures to reduce loss of life through respiratory and intestinal diseases.
   (g) Recognizing the dangers and enormous problem of HIV, seek assistance from international health organizations to stop its progress.
   (h) To stop the spread of TB and effectively treat those infected.
   (i) Give priority and importance to the primary need for clean and pure water in rural regions and make this our first task.

4. Minimum level for hospitals, clinics, rural health centers, maternity and infant welfare institutions.
(a) In every village tract there will be at least one medical clinic headed by a qualified person holding both midwifery and nursing certificates who will be responsible for the cleanliness of the clinic and its surroundings. Other duties will involve cooperating with village residents to obtain constant supply of water for drinking and other purposes and obtaining adequate supplies of medicines for the treatment and prevention of diseases as directed by the township medical authorities. The main objective will be to care for the general health of the region with special attention to schools, maternity and child welfare.

(b) In every administrative unit of a township there will be at least one hospital. The number of doctors and nurses should be maintained as already established and work shall be in accordance with instructions by the Chief Township Medical Officer. Basically, there should be preparedness to deal with emergencies like all medical centers. In matters affecting schools, maternity and children welfare, they will be obliged to assist rural regions.

(c) In every township there will be a health director (chief) and township health officers. Every position will be filled as established. Apart from the township hospital, the chief township medical officer's duties will include supervision of hospitals in the administrative units of the township, rural health centers, medical clinics and branches, maternity and child welfare institutions. Also, the Chief Medical Officer (CMO) will need to directly supervise the inspection by women of regional health centers and see that clean and pure water is supplied to the hospitals and clinics. In rural regions where this is not possible, he should submit a report to the Divisional Medical Chief and strive to remedy the situation. He will be responsible for obtaining the full amount of specified medicines in time and keep the hospital well equipped and prepared to fulfill the primary obligation of a hospital which is to care and cure the sick. He must organize and see that the primary service of maternity and child welfare of clinics in the township is administered properly. He will give appropriate instructions to visiting female health workers. Especially important is to implement projects to decrease the number of deaths resulting from undernourishment of children. School health in the townships should be worked out jointly with the education authorities.

(d) Division/States
It will the responsibility of the State and Divisional authorities to ensure that the prescribed minimum requirements for hospitals and health care centers are implemented in their respective regions and to facilitate the successful operation of projects undertaken by the township medical departments. It is very important that the instructions and directions of the Health Minister be followed and for successful outcomes. They will be given the task of coordinating and providing necessary resources including personnel to assist as required under the circumstances prevailing.

(e) The Ministry of Health and the Directorate being the central body must take responsibility to fulfill the minimum requirements and work towards increasing the facilities to reach a higher standard and level of health care. To supply clean and pure water and the successful eradication and prevention of certain specified diseases are
the primary duties, which will be addressed in consultation with experts to the best of its ability. Great emphasis will be given to primary health care and better results will be achieved if not only the health care workers but also the residents in the townships and regions cooperate and participate in maintaining health standards. For effective results, there should be created a committee that can make decisions and composed of individuals from different fields to guide and lead in this sector. In addition it is necessary to create an auditing body. While attending to essential work required to raise the health standard from its present level other matters will also be tackled like prevention and cure of other diseases in accordance with available resources. Very special attention and campaigns for the (1) eradication of malaria, (2) reduction of death toll from diarrhea and (3) prevention and cure of TB will be made.

For the plans enumerated in paragraph 4, a period of 6 months to 1 year is set for the following:

(a) All established positions in hospitals, clinics and health centers in townships, administrative units and villages will be filled.
(b) Specified medicines for hospitals, clinics and health centers will be fully supplied.
(c) Clean and pure water for hospitals, clinics and health centers will be supplied.
(d) Timely vaccinations and injections for prevention of certain diseases will be given.

ANNEXES TO VOLUME B

Annex 1

Committee representing members of the People's Parliament elected in the 1990 multi-party general elections
(Committee Representing the People's Parliament)

Notification No 24 (4/99)
The matters below are concerns of the people which must be dealt with by the People's Parliament composed of the peoples' representatives. As the Parliament has not come into existence, the Committee representing the People's Parliament is issuing this notification.

1. It is estimated that in the year 2000 AD, the population of Burma will reach 60 million. We read in the newspapers that the State Peace and Development Council has plans for self-sufficiency in food and for the development of the rural areas and the improvement of living conditions for the cultivators. Those are
   (a) To cultivate 14 million acres of paddy in the rainy season and 4 million acres in the dry season with production of 100 baskets per acre.
   (b) Increase agricultural land as suitable for appropriate crops.
   (c) Produce sufficient eating oil for home consumption by
       (1) Sesame crop production to be 15 baskets per acre
       (2) Increase cultivation of variety of pulses in the Irrawaddy Division.
       (3) Increase coconut oil production in the Tannessarim Division.
   (d) Increase rubber cultivation in the Tannessarim Division.
   (e) Increase livestock and fisheries.

2. (a) For the purpose of expanding paddy cultivation and output especially and the other crops shown above, it will be necessary to find and develop thousands of acres of virgin lands, fallow lands, “deep water fields” etc. It has been stated that in the process, there should be no infringement on the rights of the present holders or lessees or licensees of the lands. The area that they hold should not be included in this record.
   (b) The authorities have also stated that permits will be issued to enable sufficient eatable oil.

3. (a) Our information is that implementation of these projects have been entrusted to national entrepreneurs. The authorities look upon them as “comrades”. These private entrepreneurs have had the following advantages:
   (1) They have flourished because of previous contracts for many different businesses, especially construction work.
   (2) Large profits have accumulated to them from import and export trade and they are the nouveau riche.
   (b) The list of the entrepreneurs given projects are mentioned in the Appendix.

4. Our information is that following special privileges will be granted to those who undertake cultivation of 5000 and above acres.
   (a) Thirty-year lease. (A 28-year-old person will be reaching the age of 50 in that time). This will enable control of the next generation.
   (b) They will be permitted to export half the crop produced and the other half to be sold within the country.
   (c) Exemption from taxes and duties for machinery, insecticides, fertilizers imported for the purpose of their cultivation.
   (d) The authorities undertake to assist their “comrades” by building roads and bridges to their business sites. Also facilities for telegraphic communications will be provided at the expense of the authorities. Also, they undertake to dig wells at no expense to the private entrepreneurs.
   (e) Loans to the “comrades” will be granted.
5. (a) Factors that are relevant to low lying lands where there are “deep water fields” need to be elaborated. Rice is the most important crop in Burma for sociopolitical stability and trade. Therefore we should seriously consider what the implications are in the cultivation of rice in what is known as “deep water fields” and virgin soil.

(b) Broadly speaking, in the regions referred to as “deep water fields” there are
1. Some areas, though covered with water can be cultivated.
2. Areas overgrown with *imperata cylindrica* thatch (a kind of grass used as roofing material), Kine (reed of the *saccharin* species), etc.
3. Areas overgrown with Sauk (*euonymus javanicus*), trees used for firewood.
4. Natural ponds or lakes or creeks where fishing by means of putting up weirs etc. is carried out.

(c) Our information is that the private entrepreneurs intend to implement their projects in the areas above in the following ways:
1. Take over the lands from the present owners and occupiers
2. Take over the lands overgrown with Kine and the lakes and ponds, which are the public property of the people.
3. Take over lands that are ownerless.

(d) People inhabiting land near these low-lying regions depend on the thatch for their roofs, the firewood plants for fuel, and the natural ponds for fish. In areas that can be cultivated, they work indefatigably to grow paddy.

(e) If “deep water fields” are taken over for the cultivation of paddy those people living in the neighbouring regions will lose all the rights that have accrued to them as set out in (d) above.

(f) If these low lying regions are taken over, the cultivators will be left landless, the thatch and firewood choppers and the fishermen will lose their means of livelihood. We wish to point out here that under the colonial system, labourers were brought in from a foreign land to cultivate the fields and so were *chettyars* (money lenders). Because of unfavourable climatic conditions, exorbitant profit making by the *chettyars*, unfair price fixing without taking into account agricultural output and consumer goods, the landowning farmers’ position was reduced to that of landless labourers (coolies). When the world was hit by a depression Burmese farmers revolted.

(g) Labour is needed to grow paddy in these flood lands. Our information is that labourers, cultivators in the region, daily wage earners, and townspeople will be recruited by force to move into the “Labour Villages” to be used to implement the project. This is bound to result in social problems. Townspeople cannot cope with the work of growing paddy and they will be deprived of the facilities and living standards, which they are used to.

(h) The heavy rains and excess water from other sources collect and flood the deep-water fields which facilitates the cultivation of paddy. This is a natural phenomenon that occurred from the time Burma appeared on the face of the earth. To convert these flood lands into agricultural fields will amount to destruction of the environment. Destruction of the natural environment has negative consequences in the economics and social life of the people. This could lead to political problems. Diverting the excess water to other regions could affect regional temperatures. Floods will occur in what was originally dry land. We need to be aware of the environmental conditions of the region – the land, water, wind, climate, vegetation, animals, birds and fishes and all the creatures that exist in the region and try to preserve them.
6. The mainstay of Burma’s political, economic and social life is agriculture and the main crop is paddy. For this reason, the development, expansion and growth of this subject have always been an important concern. The prospect of developing the wetlands has been studied before. It is not a new idea. A project was developed in 1963, during the Burmese Socialist Program Party (BSPP) era, involving the wetlands in the co-operative villages of Amaya, Sipin, Khintangyi and Kamakalic in Pegu District and the Irrawaddy delta regions of Shwelaung and Pyapon townships. Money was borrowed from the World Bank to implement Paddy One and Paddy Two projects in new locations, but the result was poor and not worthwhile.

7. Factors prevailing in the post 1988 period relevant to agriculture will be presented below.

(a) (1) The system of cultivation approved by the authorities is known as Thi-sa-cha (rent one’s land for cultivation on yearly basic.). On the average an individual cultivator can have only about 3 to 5 acres.
(2) The system of renting land to the cultivators yearly is exercised with excessive authority. Whether the yield is good or bad, they are expected to supply certain fixed amounts to the Government, civil servants, for charity, for the defense forces. They are forced to supply altogether about 12 to 14 baskets at a price that is less than one half of the current market price. The simple-minded cultivators are terrified and are compelled to sell their belongings to meet the demands made by the authorities. If they do not comply with the demands of the authorities, they are repeatedly harassed in many different ways and permission to cultivate the land is withdrawn with tragic consequences for the entire family. There is no longer any incentive for the farmer and though there is a desire and urge to work on the land, circumstances and the environment are most distressing which has resulted in a big drop in the quality and quantity of agricultural products. Production is not of export standard so exports have dropped. Burma rice doesn’t get a mention in world catalogues.
(3) Another cause in falling output is the refusal by the authorities for permission to purchase adequate fertilizers.
(4) Forcing cultivation of a summer crop of rice in regions where water cannot be obtained; forcing the cultivation of pulses in regions that are not suitable have reduced the physical stamina of the cultivator and his farm animals and caused great losses in capital investments.
(5) Village and hamlet dwellers are forced to give a variety of “voluntary” (without payment) service to the authorities. They have to neglect their duties on their own land and plough and cultivate crops on Defense Services agricultural land and clear jungles and virgin lands for them without any payment. At times they are forced to relocate to other regions leaving behind the crops and lands that have been cultivated allegedly because of insurgent activity.
(6) To put it briefly, because of the unchangeable village and hamlet administrative system and the wrong trading and commercial processes, the present day hamlet and village dweller is faced with a cruel and ruthless predicament.
8. (a) Because of the above factors, the paddy and agricultural products have fallen in output and grade. To increase production it is necessary to improve the living conditions of the cultivator. He should be given the same treatment as the private entrepreneur in the respective regions. The Thi-sa (renting land for cultivation) system should be abolished. They system of “voluntary” forced labour must be abolished. Purchase of adequate fertilizers must be permitted. Scientific methods of cultivation should be taught and good quality seeds should be found.

(b) It is estimated that 31 million acres of land is cultivated in Burma of which 16 million acres is for cultivation of rice. The first priority is to upgrade the quality and increase the quantity of crops cultivated on these lands. The cultivators and farmers should be given the right to store or sell (in and outside the country) their produce and operate in an open market mode. They should be granted loans on reasonable terms and operate their business without let or hindrance. They need incentives. By nature, man desires freedom. Compulsion is detested. The same terms and conditions granted to private entrepreneurs should be granted to the cultivators for the cultivation of the 31 million acres shown above and the 16 million acres for the paddy crop.

9. For the cultivation of the 31 million acres, cultivators and farmers have not been granted any kind of incentive nor have there been any form of subsidy which are important features of a market economy, but we hear that with surreptitious under-the-counter tactics hand-picked private entrepreneurs have been offered a variety of favourable terms and conditions to cultivate many acres of these lands. Agriculture is a vital concern of the nation and policies and decisions on the subject should be openly discussed. Land, which is a country’s greatest asset, must be utilised, as effectively as possible and to that end there should be proper assessment of not only the quality of land and its suitability for the purpose it is used but also the ability, knowledge and capability of the managers needs to be thoroughly scrutinized.

10. In paragraph 2 above we have stated that the private entrepreneurs should not attempt to acquire the lands of present owners of land and should not include such lands in their records. One situation that is worse. In such projects for conversion of unoccupied, virgin and wetlands, is a case where lakes and wetlands that are being utilised by the cultivators have been given over to the private entrepreneur.

11. (a) Information received is that in Minhla Township, Pegu Division, about 20000 acres of paddy fields and fisheries from seventeen villages of the eastern zone cultivated and operated by cultivators from generation to generation was taken over and given to the private enterprise known as Thein Shwe Company. These people are now left without land and work and have suffered great losses. Their status has been reduced to that of coolies and there is no other means of livelihood for them.

(b) It has been reported that with the cooperation of the Irrigation Department, the owner of that business is digging waterways and building dams at the inns (lakes used for fisheries) The people living in the locality have fears that land that was previously not prone to flooding in the rains will now suffer floods.

12. We have heard that the banks are giving the private entrepreneurs loans as required. There are fears that strict banking practices may not be adhered to and special privileges and
exemptions may be granted. If this happens, Burma's banking system and financial standing will suffer.

13. The authorities are proclaiming that “xxx only when thousands of acres of land is cultivated by privately owned modernised business enterprises, agriculture will flourish and the lives of the cultivators dwelling in villages and hamlets will accordingly advance.” It is clearly a generalization of the agricultural system without any precise and defining meaning.

14. (a) To flourish and develop the villages and hamlets assistance should be given to our current cultivators. For example, increase the acreage that they can cultivate, supply them with the required fertilizers, assist them to meet the expenditure incurred in the process of cultivation and develop flood prevention strategies. There is special need for good seed species and agricultural knowledge. In addition, the cultivators should be taught the principles of market economy with the right to export. Full incentives should be given to motivate them in the business of agriculture.

(b) Successful development of rural areas has been accomplished in some under-developed countries because the rulers and international organisations that have been established for that purpose have cooperated. Peasants and farmers have been motivated and given certain incentives like land, house, water, food, agricultural implements and other facilities like schools, roads, water connections etc.

15. (a) No matter who does the planting, if fertilizers are inadequate, if good quality and good species is not produced, inferior rice and inferior paddy cannot be exported. The export market requires a standard equal to that of other countries. Capacity to compete in the production rate, the grinding and milling are factors in the export market.

(b) Our understanding is that the private enterprises will be permitted to export 50% of their yield and the remaining 50% sold internally. If this is the case, it is possible that the private enterprises (with capital for investment) will purchase paddy from the other ordinary cultivators. In such instances it is important that they should pay the market price and measures be put in place to prevent unjust demands for lower prices.

(c) An important point is that the authorities should be realistic and not indulge in whims and fancies in this project of giving land for cultivation to private enterprise.

16. Information received is that in Nyaungdon Township, Dah-ka village region an owner of a private enterprise has been given “deep water fields” to cultivate. He in turn has rented out up to 120 acres to each of the cultivators and farmers. The cultivators have to buy machinery, fertilizer, diesel oil and other necessary equipment from the private enterprise. Money required for the operation can be borrowed from the enterprise owner. From the yield, 10 baskets have to go to the authorities, and the balance must be sold to the owner of the enterprise at the market price less Kyat 10,000/-. This kind of exploitation should not be allowed.

17. No matter what, the actions of the State Peace and Development Council have greatly reduced the opportunity for prosperity and social well being of the people. They have caused the peasants and farmers to become landless. They have lost the fisheries and the thatch etc. and are now unemployed. The poor have become poorer and a middle class can disappear with only two classes remaining - the rich and the poor. Because of what is being
done by the authorities, an imbalance is created which will have an effect in our dealings with the rest of the world.

18. (a) Rice is an important factor in the sociopolitical life and the economy of Burma. (b) This operation impacts on the cultivators which is the largest group living in Burma. This is a sphere that concerns the entire country and only the people who have been elected by the people to represent them in a parliament can deal with this issue in a democratic way where fairness and justice will be applied. The representatives of the people must deliberate this issue in the People's Parliament and lay down an appropriate policy.

Committee representing People's Parliament
Rangoon
23 April 1999
(Responsibility for distribution and publication is taken by the NLD)

Appendix

Schedule showing names of private enterprise, region, township and acreage of grants for cultivation of uncultivated, virgin and wet lands up to 14 January 1999

<table>
<thead>
<tr>
<th>Company/Org</th>
<th>Sub-township</th>
<th>Township</th>
<th>Granted Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Magwe Division</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Asia World</td>
<td>HtaeBoGan</td>
<td>Salin</td>
<td>10,000</td>
</tr>
<tr>
<td>2. Dagon International</td>
<td>YayBokeGyi</td>
<td>Pwintbyu</td>
<td>36,000</td>
</tr>
<tr>
<td>3. Myanmar Billion Group</td>
<td>MyoZaBo</td>
<td>Minbu</td>
<td>29,000</td>
</tr>
<tr>
<td>4. Yuzana</td>
<td>KyeeGan/Kan Toke</td>
<td>Minbu/Minhla</td>
<td>30,000</td>
</tr>
<tr>
<td>5. Service International</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Shwe Family</td>
<td>KoeBin</td>
<td>Sinbaungwae</td>
<td>10,000</td>
</tr>
<tr>
<td>7. SHweThaZin Syndicate</td>
<td>TharZi</td>
<td>Sinbaungwae</td>
<td>20,000</td>
</tr>
<tr>
<td>8. Olympic</td>
<td>AkaeRiz</td>
<td>Sinbaungwae</td>
<td>5,000</td>
</tr>
<tr>
<td>9. AungHteinMin</td>
<td>YayDwinGaung</td>
<td>Taungdwingyi/</td>
<td>7,000</td>
</tr>
<tr>
<td></td>
<td>ShwePanDaw</td>
<td>Aunglan</td>
<td></td>
</tr>
<tr>
<td>10. Small companies</td>
<td></td>
<td></td>
<td>11,400</td>
</tr>
<tr>
<td><strong>Rangoon Division</strong></td>
<td></td>
<td></td>
<td><strong>28,580</strong></td>
</tr>
<tr>
<td>11. Interior Ministry</td>
<td>SinGyan</td>
<td>Tikeygi</td>
<td>2,000</td>
</tr>
<tr>
<td>12. Rangoon Municipal</td>
<td></td>
<td>Tikeygi</td>
<td>1,500</td>
</tr>
<tr>
<td>13. Dagon Agriculture</td>
<td></td>
<td>Htantabin/Tikeygi</td>
<td>18,000</td>
</tr>
<tr>
<td>14. Golden Plough</td>
<td>SinGyan</td>
<td>Tikeygi</td>
<td>2,080</td>
</tr>
<tr>
<td>15. Steel Stone Agriculture</td>
<td></td>
<td>Hmawbi/TikeygiHtantabin</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Irrawaddy Division</strong></td>
<td></td>
<td></td>
<td><strong>244,343</strong></td>
</tr>
<tr>
<td>16. SI Limited</td>
<td></td>
<td>Nyaungdon/Danubyu</td>
<td>30,000</td>
</tr>
<tr>
<td>17. Yuzana MoeGoke</td>
<td>DiDoke (South)</td>
<td>Pantanaw</td>
<td>20,380</td>
</tr>
<tr>
<td></td>
<td>AhYwaeJin</td>
<td>Pantanaw</td>
<td>1,500</td>
</tr>
<tr>
<td>18. Olympic</td>
<td></td>
<td>Pantanaw</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Einmae/Danabyu</td>
<td>10,650</td>
</tr>
<tr>
<td>19. Small companies</td>
<td></td>
<td></td>
<td>171,813</td>
</tr>
</tbody>
</table>
Annex 2

ILO Resolution on Forced Labour in Burma

Provisional Record
International Labor Conference at Eighty-seventh Session, Geneva, 1999

Resolution on the widespread use of forced labour in Myanmar (Burma) Submitted by Mr. Brett, Workers’ delegate, United Kingdom, and Mr. Thusing, Employers’ delegate, Germany, in accordance with article 17 (2) of the Standing Orders of the Conference

The International Labour Conference,

Reaffirming that all member States have an obligation to apply fully, in law and in practice, the Convention that they have voluntarily ratified,

Recalling that Myanmar (Burma) ratified the Forced Labour Convention, 1930 (No. 29), and the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), on 4 March 1955,

Taking note of the provision of United Nations General Assembly resolution 53/162 of 9 December 1998 and of United Nations Commission of Human Rights resolution 1999/17 of 23 April 1999, which also address the use of forced labour in Myanmar (Burma),

Recalling the decision of the Governing Body to place on the agenda of its November 1999 session an item entitled: “Measures, including recommendations under article 33 of the ILO Constitution, to secure compliance by the Government of Myanmar with the recommendations of the Commission of Inquiry”,

Gravely concerned by the Government’s flagrant and persistent failure to comply with the Convention, as concluded by the Commission of Inquiry established to examine the observance of the Forced Labour Convention, 1930 (No. 29),

Appalled by the continued widespread use of forced labour, including for work on infrastructure projects and as porters for the army,
Noting the report (dated 21 May 1999) of the Director-General to the members of the Governing Body on measures taken by the Government of Myanmar (Burma) following the recommendations of the Commission of Inquiry;

1. Deeply deplores that:

(a) The Government has failed to take the necessary steps to bring the relevant legislative texts, in particular the Village Act and Towns Act, into line with the Forced Labour Convention, 1930 (No. 29), by 1 May 1999, as recommended by the Commission of Inquiry;
(b) At the end of twentieth century, the State Peace and Development Council (SPDC) has continued to inflict the practice of forced labour—naming but a contemporary form of slavery—on the people of Myanmar (Burma), despite repeated calls from the ILO and from the wider international community for the past 30 years;

(c) There is no credible evidence that those exacting forced labour in Myanmar (Burma) have been punished under section 374 of the Penal Code;

2. Resolves:

(a) That the attitude and behaviour of the Government of Myanmar (Burma) are grossly incompatible with the conditions and principles governing membership of the Organization;

(b) That the Government of Myanmar (Burma) should cease to benefit from any technical cooperation or assistance from the ILO until such time as it has implemented the conclusion of the Commission of Inquiry;

(c) That the Government of Myanmar (Burma) should henceforth not receive any invitation to attend meetings, symposia and seminars organized by the ILO, until such time as it has implemented the conclusions of the Commission of Inquiry.
Chapter 1

Report of the Committee for Parliamentary Affairs

Though the National League for Democracy won 82% of the votes in the general elections conducted by the State Law and Order Restoration Council on the 27 May 1990, the Government that called the elections failed to convene a parliament.

A fundamental principle of genuine democracy is that sovereign power reposes in the people and devolves on the parliament elected by the people in free and fair elections for the purpose of exercising power to benefit and bring prosperity to the people.

Seeking to work for the good of the people and the country, the National League for Democracy repeatedly called on the existing state authorities to convene a Parliament. They refused and instead arrested the elected representatives (parliamentarians) and NLD members to completely crush and annihilate them while changing its own name from State Law and Order Restoration Council (SLORC) to State Peace and Development Council (SPDC).
To enable the preparation of a genuine democratic constitution, the National League for Democracy attended the National Convention but was disillusioned because the process and the terms were in contravention of the democratic principles.

With the good of the people as its one objective and adhering to its fundamental policy, the National League for Democracy has always conducted itself with an open and sincere attitude.

In a genuine multi-party democratic system, political parties must have the freedom to associate, and organize. But the situation as it exists today, legally constituted political parties is systematically and deliberately being dismantled crushed and wiped out of existence.

The State Peace and Development Council was given notice in advance to convene the Pyithu Hluttaw (Parliament) by the 21 August 1998, but this call was ignored. Parliamentarians and NLD members were arrested and incarcerated.

To fulfill its obligations to the people and by the mandate given to the National League for Democracy the Committee Representing Parliament was formed acting in accordance with law for the creation of a Parliament.

Currently, the country is facing critical situations in matters of politics, economics, social welfare, and foreign relations.

The National League for Democracy cannot turn aside for a considerable period of time from these problems that are detrimental to the welfare of the people. It is the party that has the majority representatives and because of this trust that has been placed on them and the mandate to defend the democratic system, the Committee Representing the Parliament was formed. It will work for the establishment of a Parliament.

Acting in accordance with the mandate given by the majority of the People's Representatives, the CRP will convene the first session of parliament at an appropriate time. A draft of the Law relating to Parliamentary Affairs follows and this committee recommends that it be adopted.

**Pyithu Hluttaw Law (draft)**

**Preface**

In accordance with Section 3 of the Hluttaw Elections Law (Law 14/89), which requires that matters relating to the functioning of Parliament be defined, the first Multi-Party Democracy Parliament enacts the following law.

**Chapter 1**

**Name and Definitions**
1. This Act shall be called “The Parliamentary Affairs” Act

2. The terms set out hereunder and appearing in the Act shall have the following
3. Connotations
   (a) “Hluttaw” shall mean the People’s Hluttaw.
   (b) “Hluttaw representatives” shall mean persons elected to the Hluttaw.
   Note - Persons offending the provisions of the Immigration Act are excluded.
   (c) “Hluttaw Committees” shall mean permanent and ad hoc committees appointed by

Chapter 2

4. The Pyithu Hluttaw must be convened with the members who have been elected in accordance with the Pyithu Hluttaw Election Law.

5. Because of the special circumstances under which the first multi-party democratic parliament is convened the first meeting shall be valid regardless of the number of attendees.

6. The term of Parliament shall extend from the date of its first meeting to the date of the first meeting of the next parliament.

Chapter 3

Hluttaw Meetings

7. (a) At the first Hluttaw meeting, one of the members shall be elected to act as the temporary Chairman.
   (b) The temporary Chairman shall then take the oath of office in the presence of the members.

8. Until such time as the Speaker and the Deputy Speaker are elected, the temporary chairman shall be in control of the proceedings of the Hluttaw.

9. The duties and responsibilities of the Speaker of the Hluttaw are as follows: -
   (a) Supervise and maintain order at Hluttaw sessions.
   (b) Supervise the election of members of Hluttaw committees.
   (c) Supervise the implementation of the provisions of this law at its sessions.
   (d) To make decisions and resolutions by negotiation.
   (e) To place before the Hluttaw for necessary action any representation or submission by members which are contrary or in violation of the laws, rules and regulations.
   (f) To protect the rights and privileges of the Hluttaw.
   (g) He is also the highest authority of the Hluttaw.

10. In the absence of the Speaker, the Deputy Speaker shall act as Speaker.
11. The duties and responsibilities of the Speaker and Deputy Speaker shall be set out in the Regulations.

12. The term of office of the Speaker and Deputy Speaker shall extend to such time as the next Speaker or Deputy Speaker is elected.

Chapter 4

Hluttaw members

13. (a) Hluttaw members shall take the oath of office in the presence of the Temporary Chairman.
(b) Other Hluttaw members who have not yet taken the oath of office shall do so in the presence of the Speaker.

14. The Duties of the Hluttaw members are as follows:
(a) To assist in the writing of a constitution for a multi-party democratic system.
(b) To present to the Hluttaw the desires and wishes of its constituents.
(c) To report back to their constituents the decisions, laws, rules and regulations made by the Hluttaw.
(d) Members have the right to freely discuss and state their views and objections to any draft legislation proposed by the Hluttaw.
(e) To be mindful of the good of the entire nation in their views and expressions on any draft legislation that is discussed in the Hluttaw.
(f) To strive their utmost for the achievement of democratic rights, human rights, private enterprise and freedoms of every individual in the nation.
(g) To be regular in their attendance of Hluttaw meetings.
(h) To perform all other duties as placed on them by the Hluttaw.

15. Hluttaw members have the right to do the following:
(a) Submit a constitution and draft laws.
(b) Present resolutions with the permission of the Speaker.
(c) Present questions in writing when the Hluttaw is not in session.
(d) Vote in favour or against any resolution put to the vote.
(e) Stand for selection to any Hluttaw Committees.
(f) Apply to resign from the Hluttaw or from any Hluttaw committee.

16. Hluttaw Members have the following privileges:
(a) Immunity from prosecution under any law for any thing said in the Hluttaw or at a Hluttaw Committee meeting except those provisions of law, rules and regulations made under the Hluttaw Act.
(b) The Hluttaw may from time to time as it sees fit make rules and regulations relating to the rights and privileges of its members.

17. Hluttaw members are obliged to observe the following rules of conduct:
(a) Apart from loyalty and obligation to the Republic of the Union of Burma they shall neither owe loyalty nor any obligation to any other country or state.
(b) Adhere to the provisions of the Constitution, this Act an all existing laws and regulations.

(c) Behaviour that is consistent with the dignity and prestige of a member of the Hluttaw

(d) Totally refrain from conduct that amounts to misappropriation, self-interest, intimidation and corruption.

18. Hluttaw membership can be terminated for any one of the following reasons:

19. (a) Propagating and organising movements that are opposed to the multi-party democratic system.

(b) When the right to continue as a Hluttaw member has ended in accordance with any existing law.

(c) Resigning in accordance with the provisions of this Act.

(d) On the death of the member.

Chapter (5)

Hluttaw Committees

20. There shall be the following permanent parliamentary committees to which members shall be appointed.

(a) Committee for Planning and Finance.

(b) Committee for Security and Defense

(c) Committee for General Communications.

(d) Committee for Human Rights.

(e) Committee to examine the guarantees, promises and undertakings of the Government.

(f) Committee for Development of States and Divisions.

(g) Committee for Cultural Affairs.

21. The following ad hoc committees and commissions shall be formed by the Hluttaw as required with a designated time period.

(a) Committee to examine draft laws.

(b) Committee for Hluttaw affairs.

(c) Committee for monitoring Hluttaw members.

(d) Other committees and commissions as deemed necessary.

22. The Speaker in consultation with the Hluttaw shall appoint the members of such committees and commissions.

23. It is the duty of the Hluttaw to set out specifically the terms of reference which the committees or commissions appointed should address their findings.

24. The Committees and commissions are wholly responsible to the Hluttaw.

25. The tenures of Committees shall be the same as those of Hluttaw.
26. Committees and Commissions can be formed with Hluttaw members or with Hluttaw members and suitable nationals.

Chapter 6

27. It is mandatory that the Hluttaw sit for two sessions. The Speaker can call special meetings.

28. A meeting of the Hluttaw can be requisitioned by one third of its members. It will then be the duty of the Speaker to call a meeting as soon as possible.

30. Rules relating to Hluttaw meetings shall be made.

Chapter 7

Miscellaneous

31. To enable the proper functioning of the Hluttaw the Speaker shall establish an office and make specific rules and regulations about its formation and the rights and duties of the administration.

32. Being a multi-party democratic Hluttaw, due consideration must be given in providing space for the leader of the opposition.

33. Hluttaw meetings must be held in the capital city of Rangoon. If it is not possible to hold the Hluttaw meetings in Rangoon, the Speaker can designate another location.

34. Should there be reason for the Government to take action against a member for treason, the said member shall be temporarily suspended and such suspension must be confirmed at the next meeting of the Hluttaw. Rules for the procedure to be adopted in such cases shall be formulated.

35. The Hluttaw may be dissolved with the consent of a minimum 75% of the membership.

36. The Hluttaw has powers to formulate and promulgate laws, rules, regulations, orders, directives and procedures to be followed.

Chapter 2
Report of the Committee for Foreign Relations

International Relations

The Committee on Foreign Relations decided to submit the following suggestions to the Pyithu Hluttaw.

** The following five resolutions were passed at the 1955 Bandung Conference: -

== For one country to respect the sovereignty of another country.
== To refrain from attacking the sovereignty of another country.
== To refrain from interfering in another country's internal affairs
== To work for the equality between nations and for the good of both sides.
== To live in mutual harmony

Burma will continue this practice.

** Burma will remain non-aligned

** No country can stand isolated, but will have to build relationship for mutual benefit in economics, social and political affairs with other countries. Burma will forge a friendly relationship internationally. Burma will especially build cordial relations with neighboring countries.

** Burma will participate in regional affairs.

** Burma will effectively participate and be involved in the UN and its related organizations (including the special envoys).

Chapter 3

Report by the Committee on Ethnic Nationalities Affairs

Speech by U Aye Tha Aung
Secretary of Committee Representing Parliament
February 12, 1999
I am privileged for this opportunity to speak on the occasion of the 52\textsuperscript{nd} Anniversary of Union Day.

Today, 12\textsuperscript{th} of February is a commemorative day since it was on this day that unity was forged through conference in our country’s history. Fifty years ago, February 12, 1947 was the day when our National leader Bogyoke Aung san and leaders of the Shan, Kachin and Chin nationalities were able to sign the Panglong Agreement to form this Union (of Burma). The agreement was signed and unity achieved because there were a series of discussions that finally led to it and because of the vision, selfless personality and unbiased perseverance of Bogyoke Aung San. These are the good traditions we should embrace. History clearly shows that the leaders of the nationalities joined the Union with a conviction that, “Independence would be achieved the soonest only by joining hands with the Burmese.” We must also not the paper presented by the Shan leaders, which said, “The nationalities (Shan) must democratically have equal status, equal chances and equal rights with the Burmese.” To this, Bogyoke Aung San vouched that, “All will have democracy and equal rights.” These are the essences of the Panglong Conference and also the fundamental principle for building a Union. Later there were deviations from these principles. When these principles withered, unity among the nationalities waned and there was a widespread-armed insurrection. All the armed insurrections of the nationalities are a lesson to learn from history. At present, peace has been restored with the armed ethnic insurrection groups. Yet it cannot be denied that although there is cease-fire, political problems have not been solved and the fundamental demands of the nationalities have not been met. These problems need to be solved as a fundamental policy.

On what policy will the problem be solved? Burma is not made of a single but of a large number of races. That is why a unitary system should not be imposed but a union system should be adopted. The Union should be built on equal rights for all nationalities. Everyone would be given their birthrights and have the choice of self-determination. Every nationality must enjoy freedom, equality and unity and above all be truly free. Only then will there be equality and a genuine unity. What is the present situation of the country? A true analysis will definitely show that there is political, economic and educational deteriorating and that national unity is also in decay.

The key matter of the current politics situation is a very delicate national problem that needs to be solved soonest. If we continue to ignore this problem then time would be wasted. Time would be wasted if one group/one organization makes mistakes after mistakes in doing whatever it likes. It is better to strive for a dialogue and a discussion with an open mind and outlook. In this we need to take lesson from our history. We do not need to enlarge on what everyone knows on how the country had lost and suffered after independence because the respective responsible organizations did whatever they wish without considering the consequences. Our people and our country had had enough in past history of the people’s adversity and at the cost of the national lives. Enough is enough. How are we moving forward or how are we building out Union? Are we moving towards with a selfishness of ‘I and I alone can do it’ pushing the country into the deep despair of utter devastation? Continuing to move forward blindly would lead to unimaginable despair. Therefore, for the benefit of the country and the nationals, we urged to make an effort to jointly build national reconciliation without bearing grudges and hate. (We) urged for a
dialogue soonest to solve the current political crisis. It is a fact that the military will exist as a country exists. Therefore, the military with a good reputation must provide good examples without bearing grudges as a heritage. When they took over power, the military regime has declared and promised that they would build a Multi-party democracy system, hold an election and would transfer power to the winning party and would return to its barracks. As promised the military allowed forming of mulish-party and held an election. However, they have been very, very slow to transfer power to the winning party. In the midst the political parties were forced to sign 1/90 announcement. The 1/90 announcement not only clarified the Election Law and other related rules and regulation but also to form and convene the parliament. However, up to the present, no parliament has convened but a body called the National Convention was held instead. Moreover, the result of the 1990 elections was ignored and it has been voiced that a new election would be held.

These are not good examples in history to inherit. The military should only transmit a good inheritance by keeping its first promise of honoring the result of the 1990 elections that they orchestrated.

In conclusion, the convening of the People’s Parliament is the most needed consideration in today’s national affairs and to obtain this we need to build trust. We demand for the unconditional release of those detained and strongly urged for a dialogue without any mistrust.

U Aye Tha Aung, Committee for Nationalities’ Affairs

The Problem of Ethnic Nationalities and the Future of the Union

International experiences

All problems should be addressed objectively. In dealing with the problems of nationalities in Burma, over the last years, our approach by means of a generalized historical outlook is not sufficient. It is necessary to analyze the absolute conditions of the nationalities as well as the changes taking place in other countries. The reason being the linkage between the diversities of race, religion, culture and customs among the colonialism which took roots in the days of federalism.

The problems of nationalities are not confined to Burma. It is happening in different forms in different countries.

In Indonesia it is not only East Timor that is fighting for independence. Other provinces of Indonesia such as Ache, Irian Jaya, East Kalimantan, are also aspiring for successions. In the Philippines, about 120,000 lives have been lost in the armed conflict waged by Moro
National Liberation Front who is fighting for succession of the Mindanao Island. In Sri-Lanka, the armed struggle of the Tamils on Jafna peninsula to secede from Sri Lanka has lost the country thousands of lives and massive material damage. In India where religion and racial conflicts break out frequently, the secessionist movement of the Sikhs and the Kashmir problem are causes for concern. China, with a population of over one billion, is faced with secessionist movements of the Tibetans, and aspirations to secede by Turkish Muslims and Mongolians from Inner Mongolia. The problems of the nationalities are not confined to Southeast Asia and Asia, but also exits in the Middle East and Arab countries where the Bedouins and the Kurds are engaged in armed-conflicts. Therefore, political analysts have commented that the problems of nationalities in the Third world are serious problems.

In Yugoslavia, one of the countries in East Europe, the armed-conflict that arose out of a racial problem, has led to the disintegration of national unity as well as the federation. After the break up of the federation, the racial problems between the Albanians and the Serbs in Kosovo region has brought about the intervention of NATO forces, transformation it into an international problem. In Czechoslovakia, the Czechs and the Slovenians found it impossible to co-exist and so peacefully split into two countries, Czech Republic and Slovakia Republic. However, the problems of Montrovia and Silica separate regions emerge in the Czech Republic, and in Slovakia there are movements for autonomy by the Hungarians, and the demands for preservation of their own culture by the Ukrainians.

After 15 States of the USSR, once a super power broke away and formed independent countries, there is now the armed-conflict arisen out of the secessionist movements by the Chechnya from Russia. Armenia, Georgia, Azerbaijan and other republics are also faced with racial conflicts. The problems of nationalities exist not only in underdeveloped and developing countries, but also in Great Britain where people of North Ireland are engaged in secessionist movements by both violent and peaceful means. Also in Scotland and Wales, there are demands for more self-determination. Just as there is the secessionist problem by the French speaking Quebec in Canada, the United States of America also has its problems of civil rights of the Black Americans.

The analysis of the problems of nationalities shows that they are happening in various forms in many countries, and that solutions are found by peaceful negotiations in some countries and people of different races take up arms in some countries. Where peaceful co-existence is not possible, separate states were established. In some countries, the intensification of armed-conflicts has led to disintegration of unity and collapses of Unions. The reason for this is that there is almost no nation comprising one race only. Most nations are confederations of different races. In today’s history, different races of such confederations:

- Have the desire to preserve their own culture while co-existing as one nation, and also be a member of one won race;
- Are influenced, manipulated and discriminated against the dominant race, as a consequence, the gain of one group becomes the loss of another; and
- Face the problem of domination of one race by another in the case of emerging countries which became independent from the ancient feudal empires.
Such are the reasons for the emergence of political problems concerning nationalities that came in various forms in many countries. Therefore, it is necessary to make a comparative study of problems of nationalities of other countries with that of our own problems.

Indonesia is an archipelago of over 3,000 islands inhabited by over 130 different races, speaking about 200 languages including Bahasa, Indonesian language, Dutch, English, Javanese, Sudanese, Matura, etc. 85% of the population are Muslims and 15% are Christians, Hindus and Buddhists. Indonesia was once a colony of the Portuguese, the British and the Dutch. It gained independence in 1949, with Sukarno as President. Although independent, Indonesia started as a federation in accord with the principles for people of all races to co-exit. It abolished the federal system in 1950 and established a Unitary State. This brought about the discontent of different racial groups in the provinces. In 1955, the State Constitution was abolished and a system of guided democracy was established, conferring greater power to the President and transforming the Parliament into an Advisory Body. This led to instability and opposition of different groups. In 1967 military leader General Suharto became President after seizing power from President Sukarno. With the support of the military, Suharto ruled as a dictator for about 30 years. The country plunged into nepotism benefiting only his family members. Finally, the popular uprising sparked by the monetary and economic crisis toppled the Suharto Government. Its’ downfall was followed by demands and struggles by students and masses for the removal of military participation in politics and the introduction of general democratic principles. At the same time, the occupied East Timore has intensified their struggle for Independence. However, national races of other Indonesian provinces have suffered violations of human rights for about 50 years, domination and economic exploitation by the Javanese, and repression by the military. Therefore, the national races from Ache, Reru, Reru, Irian Jaya and East Kalimantan have a desire to secede because of racial, political and economic inequalities. Some states have resorted to take up arms. A study of the situation indicates that if federalism and democratic principles are not institutionalized, Indonesia is heading for disintegration of unity and intensification of nationality problems.

The Philippines is an archipelago of 7,000 islands, big and small. The Filipino descended from the Malays and Indonesians. Tagalong is the native language, but English and Spanish are also spoken. 90% of the population are Christians and 10% are Muslims and Buddhists. The Philippines was once a Spanish colony and was later annexed by the United States. It gained independence in 1946. The majority of the people and the rulers are Christians. The inhabitants of Mindanao Island are Muslims. They are economically, socially and educationally backward and so is their regional development. Out of the discontent over religions, economic and general matters, the islanders of Mindanao formed the Moro National Liberation Front-MNLF and resorted to armed struggle. Their original goal was to establish an independent state. The 24 years armed-conflict has cost the country over 120,000 lives. The mediation of the Islamic Conference in 1976 brought about a cease-fire and negotiations, which broke down. Talks between the Government and the MNLF were resumed in 1997. This time Malaysia acted as mediator. An agreement was reached at these talks for the MNLF to renounce their demand for independence and accept the autonomy. They also agreed to hold regional elections in 1999.

India with a population of nearly one billion was an old Mogul empire at one time. It later became a British colony. Not only does it comprise of various national races, but also it is a
country with most diverse creeds of low and high castes and languages. Nevertheless, post-independent Indian leaders formulated and practiced the fundamental political foundation of a democratic system and non-racial discrimination and established secular India.

Northeast India, the Assam region was divided into Mizoram, Magalaya, Arunachal Pradesh and Nagaland while Central and Southern India was divided into Kerela, Andrapradesh, Kanataka, Tamil Nadu, Gujarat and Mahareshra based on race and language to solve the problem of nationalities. The establishment of 25 federal states and seven federal areas granting their equal powers has preserved national unity, which is federalism based on democratic principles. This proves that preservation of national unity and perpetuation of the Union is possible in a country with diverse races, religions and languages if only democratic principles and federalism are practiced.

However, some of the later Indian leaders and Hindu extremists deviated from India’s political fundamental foundation, which is secularism by discrimination against other races and religion and endeavoring to proclaim Hinduism the State religion. This created racial and religion problems. India’s Jammu-Kashmir problem is that the majority of the state is Muslims, and the Indian federal governments repression on all political matters of the state, especially repeated violations of human rights by the Indian military and police aggravates the racial animosity. Many lives will be lost, religious riots will be created and serious reaction by people of other races will be brought about, and the situation will be out of control only if Hindu extremists have their way in discriminating against other races and proclamation Hinduism the state religion. And there will be repercussions.

China has a population of over one billion and is inhabited by 56 different races. The Hun formed the majority and is 92% of the population. Though the remaining are only 8%, they inhabit in about half of the country, area wise. China comprises of five autonomous regions and 21 states. China is a vast country and during the days of feudal loads, warlords and feudal chiefs separately ruled it. Turkish descendents infiltrated in the West, and so did the Mongols and the Manchurians in the North. Colonialist countries such as Portugal, Britain, France and the United States of America also took foothold in the country.

Only in 1911, the country was unified as a single nation by Dr. Sun Yet San. In 1949, the Communist Party led by Mao Tsu Tung established the People’s Republic of China. Although China is a Unitary State and practices centralism, it has not only created special regions for the national races, but also granted special privileges as a way of solving nationalities problems. However, repression of racial and religious rights and violations of human rights in Tibet have fostered demands and movements for independence. Furthermore, Muslims of Turkish descendents on the Northwest and Mongolians in Inner Mongolia also aspire to secede.

Once a super power and now disintegrated into 15 states, the Soviet Union was an old empire of the Czars formed by annexation of small European States plus the Baltic states annexed during the Soviet era. The country comprised of about 100 national races. After the Russian Revolution, the country was formed with autonomy republics, union republics, autonomous regions and national regions, enjoying privileges for the national races including rights of secession. Although it may be presumed that rights granted during the Soviet era were more liberal than those granted by Czars, the dictatorship of the proletariat and
centralism was based not on the national races but in the practice of class strata. So in reality, the different national races did not get what it was offered.

When Glasnost or liberal thinking and speech was granted during President Gorbachev’s rule, the Russian people chose to struggle for democracy and human rights to transform their mode of living. On the other hand, different national races of the national republics, which have been forcibly annexed for many years, gained their independence and sovereignty by setting up their own nations according to their own national features. Later, Chechnya resorted to armed-conflict to secede from the Russian Federation. Similarly, armed-conflicts of the national races are taking place in Armenia, Georgia, Azerbaijan and other Republics.

Analyzing the situation during the Czarist rule, there had been racial discontent that prompted Lenin to dub the Czar's Empire as “prison of the nationalities”. The collapse of the Soviet Union was brought about by -- the policy of “Russian master race” practiced by later Soviet leaders, repression of people of other races, forcible annexation of other republics without their approval and desire, the rights of the nationalities though proclaimed not being granted in practice under centralism, the aspiration in accordance with their love for independence, and with their democratic rights of the nationalities forming their own nations. It may therefore be concluded that the Soviet Union although corrected constituted and the rights of the nationalities proclaimed, broke up for lack of democratic practices.

The Federalism of Yugoslavia comprised of six states, Serbia, Macedonia, Croatia, Montenegro, Slovenia, Bosnia and Herzegovina. There are nine races namely Serbs, Croats, Slovaks, Macedonians, Hungarians, Turks, Albanians, Bosnians and Montenegrins. The spoken languages are Serbo-Croatian, Slovenian, Macedonian, Hungarian and Albanian.

Among those who speak Serbo-Croatian, 42% are Serbs and 23% are Croatians. There has been bad blood between these two races for many centuries. 34% of the people profess Orthodox Serbian, 24% Roman Catholic and 10% Muslims. The six republics were independent states up to 1918. Serbia, Macedonia, Montenegro remained under the Turkish rule for many years. Turkey dominated Bosnia and Herzegovina before Austria colonized them. Slovenia and Croatia were colonies of Austria-Hungary for many years. A Serbian monarch unified them in 1918.

During the Second World War under the Nazi German occupation, the Croatians cooperated with the Nazis and killed the Serbs. This caused resentment. Temporary stability was restored by the communist policy that favored class over races. There was resentment over aid provided to Serbia and Montenegro by the two most industrialized states Slovenia and Croatia, which earned the most revenue.

The Serbs have full control over the Yugoslavian military and the administration. The natives of neighboring Croatia, Bosnia and Herzegovina are resentful of Serbian settlements in their states. The general dissatisfaction caused by the ethnic division among people living together brought about struggles for democracy and establishments of new nations in Eastern Europe. The racial conflict between the Serbs and Albanians in Kosovo province has cost many lives and properties, necessitating the intervention of NATO forces, with the consequence of transforming the internal problem into an international problem.
The experiences in Yugoslavia show that ethnic problems can destroy national unity. The ethnic conflict led to a civil war, and people of other ethnic groups have been killed, tortured and raped by the ethnic cleansing program. The Croats, Bosnians and other ethnic groups in turns have committed counter-atrocities. In these armed conflicts, hundreds and thousands of lives have been lost and the wealth of the nation has been destroyed. The scales of the atrocities committed are beyond civilization. The despicable deeds are horrifying.

The Republic of Czechoslovakia comprises the Czech Republic and the Slovak Republic. Out of the population of 15 million, 10 million are Czech and 5 million are Slovaks. Among the 5 million Slovaks 12% are Hungarians and other minorities. The Czechs and the Slovaks had maintained separate identities of people and States, but joined the Austro-Hungarian Empire in 1918.

Although there has been no bitter prejudices between the two races, the Slovaks and other ethnic minorities would not accept the domination of the country’s political and economic spheres. The integration had been enforced by external pressure and not from their volition. When the time was opportune for self-determination through democratic means, the Slovaks by referendum opted for separation against the wishes of the Czechs and established a separate state.

In the Czech Republic there are movements for autonomy by Moravians and Silecians who contested the elections and won 22 seats. In Slovakia, the Hungarians who form 11% of the population are agitating for political freedom, and the ethnic group of Ukrainians descent are struggling to establish their own social, religion, cultural and educational identities.

A study of the ethnic problems and racial conflicts in the above-mentioned countries show that in many countries the problems of nationalities occupy the forefront in political affairs. Especially in East Europe, after over 40 years of communism and centralism which have now collapsed, the aspiration to foster and preserve their own culture and the spirit of nationalism have intensified. Problems that were regarded as internal matters have now transformed into international problems by external intervention.

It is found that the problems of nationalities in some countries are solved by means of negotiations. Whereas in others armed-conflicts took place first and then negotiations followed to achieve settlement. Still in some countries failed negotiations led to fierce conflicts. In Czechoslovakia, separate nations were established, as the people no longer wished to co-exist. In some countries, fierce armed-conflicts led to disintegration of national unity and the nation into pieces.

By observing that diverse ethnicity and rivalries among ethnic groups have led to disintegration of national unity and collapse of nations, it may be misconceived that the only way to foster national consolidation is the use of force. However, the only firm guarantee for preservation of national consolidation in a multi-national society is granting equal rights and privileges, fostering mutual respect and acceptance of the diversity of culture, language, religion and other differences among one ethnic group and another. Multi-national countries
could hold together by fostering the spirit of cooperation, minimizing conflicts and deliberations i.e. the USA, Canada and Switzerland.

A study of the ethnic problems over the world indicates the following motivations:

1. Self-determination on culture
   However small a minority race may be, in comparison with the total population of the world, the changing conditions and revived nationalistic spirits prompt them to aspire to engage in their own religion, culture, traditions and literature, and they expect assistance from the State in such matters.

2. Political Autonomy
   Some ethnic groups have their own fixed territory and have historically existed separately and so naturally want autonomy, or be part of a federation with other national groups and enjoy equal rights.

3. Secession and establishment of a separate nation
   Some ethnic groups strive to establish separate nations when they can no longer co-exist with one main ethnic group which dominates them, refuses to share equal political, economic and religious rights, and practices discrimination.

The neocolonialism and concept of a nation have developed more profoundly and widely than the nationalism that emerged after the Second World War. In laying down and practicing today’s national policy, it is of utmost importance to be in harmony with the conditions of one’s own country. The policy of a ‘master’ race and narrow nationalism must be eliminated. If a master race policy or national policy that mainly serve one national group is practiced, especially in a multiracial country, there will be no end to racial conflicts. Therefore, a policy of Multi-racial nationalism that leads to national consolidation must firmly be practiced.

In today’s world among Multi-racial countries, there are many, which combine federalism and democratic practices. In such countries, national consolidation and perpetuation of the federation have been fostered. Some have even transformed into modern developed nations. However, there may be diversity of ethnicity, religion and traditions. A harmonious Multi-racial relation is maintained and the country transforms into a modern developed nation because there is no discrimination against ethnicity and religion, or domination of one race by another. Even if such condition exist to a certain extent, the problem is minimized by means of a democratic discussion, the practice of democratic secularism and a national policy which leads to consolidation of all ethnic groups. The followings are examples of such countries.

Switzerland is the best case to study how federalism plays a role in fostering national consolidation in a country with diverse ethnic groups and regions. The country established federalism in 1291 and today it remains as the oldest federation. The country comprised 26 Cantons, and the population of each state is disproportionate. 83.5% of the population are Swiss and 16.5% are non-Swiss. The spoken languages are German, French, Italian and Romanisch. The professed religions are Protestant and Roman Catholic. Switzerland is one of the countries in Europe with most diverse ethnicity, religions and languages. A confederation was originally formed with 3 Cantons, Uri, Swiss and Anchorweldor. It was enlarged to 13 Cantons in 1531. Currently, with 26 Cantons, Switzerland remains as a stable exemplary federation in the world.
According to consideration very little power was conferred on the Central government, so it was ineffectual. Therefore the country was reformed into a federation in 1874.

Switzerland is not only one of the most developed democratic countries but also enjoys internal peace to full extent. There is political stability and the whole world respects it as a neutral country. Adhering to the principle of Multi-party democracy, Switzerland has bicameral legislature one composes of equal number of representatives from the Cantons, and the other directly elected by the people. The executive power is invested in the two legislatures. Each Canton has its own constitution and sovereignty and enjoys full autonomy. The Central government represents the identity and unity of Switzerland but mindful of not infringing the power and the rights of the Cantons.

American Indians were the first settlers in the United States of America. It became an English colony for 13 years as the Dutch, English and French traders of the Western Hemisphere settled there. With the Declaration of Independence issued on July 3, 1776 it gained independence from the English. There were 13 states at the beginning of independence and in 1781 the Article of Confederation was promulgated and a united national government was established. Each States was guaranteed sovereignty and the majority of the political autonomy while Congress has the power to levy taxes and control commerce. In practice, however, the Article of Confederation was not a success and in 1789 it was amended to form a union system of Federations. The difference in population and the land area of the largest and the smallest states is extensive. For instances, Georgia is 60 times larger and Colorado is 100 times larger than Rhode Island.

The United States is a country where various nationalities from all over the world are settling. There is no barrier on where to settle in the States so it is a mixed resettlement. Although there are some discrimination on the African Americans and the Hispanics from North America, there is no dispute between the States regarding racial issues. Each state of the United States of America is independent of the national government of federal system in the legislature, executive and judiciary. Each autonomous state can act freely without the interference from the powerful national government. This is because the laws and powers of the national government are stated clearly for each state to act with the rest of the autonomy bestowed upon them. When the Constitution was written the Congress established a two-house legislature to solve matters concerning the vast differences and problems between small States such as Delaware and Rhode Island and large States such as New York and Virginia. The Lower House (House of Representatives) allowed representation in the legislature based on population of each state and the Upper House (the Senate) allowed proportionate representatives to solve the larger and smaller state problem. The powerful Senate guarantee the smaller states’ legislature and executive. The Congress and the judiciary enjoy respective powers just as the United States President does.

Canada is one of the largest countries of the world and is a member of the Commonwealth. The majority of the people are Protestant of British descendent and there are about six million Catholic of French descendent. Common languages are English and French. The majority speaks English and about 30% speak French. In 1497, an Italian sailor John Cabot of the British Empire first landed on Newfoundland, which was later annexed as the British jurisdiction.
In 1543, a French man named Cartier landed at St. Lawrence and it became under the French jurisdiction. In 1603, a Frenchman named Charpolain made Quebec a French colony. This was how Canada became French and British colony. When Britain and France were at war in Europe, the French and the British in Canada were at war also. The British defeated the French in 1763. Canada seceded from Britain in 1791 and in 1867 became a Canadian Dominion. It gained independence in 1950 and became a member of the Commonwealth. Canada is made up of 10 states and 2 Cantons. Each state’s sovereignty and independence is guaranteed enjoying the freedom to administered internal affairs. It has two-house legislatures the Upper and the Lower House. The Upper House consists of representatives in the legislature based on population of each of the ten states. Canada is divided into two parts in areas of where the British are majority and the French minority and vice visa. The French in Quebec voiced their wish to secede because of the dissatisfaction born out of the British domination. In October 1995, the political party, which lobbied for votes by voicing the secession of Quebec, won. However, the majority of the people voted against secession when a referendum was held. Therefore, Quebec is still one of the states of Canada. This is a clear example of how a decision to secede lies with the people rather than with a political party. After studying those conditions, the people have the right to self-administration and self-determination. It should be noted that the power from the people would ensure sovereignty. In other words to value and respect the freedom of the people’s voice and democratic rights which in practice build national solidarity.
The Problem of Ethnic Nationalities and the Future of the Union

It can be said that the ethnic problem and civil strife were borne together with independence. There can never be peace as long as the ethnic problem cannot be resolved correctly. Besides, National unity can never be built. A firm multi-racial national policy under a democratic system is required for national unity. In the past, Burman nationalists practiced a national policy defined mainly for the Burmese national. This politically confined other ethnic races, aggravating dissatisfaction.

Resolving the ethnic problem and establishing democracy is Burma's immediate political issue. Although described as two, the problems are inseparable. As ethnic races cannot get their rights without democracy thriving so can national unity not be achieved without resolution of the ethnic problem. And without national unity, prosperity and development will only be a dream.

National unity will disintegrate and the Union endangered if the ethnic problem is not resolved correctly or if it is handled badly. That is why this problem ought to be handled seriously. Any problem needs to be viewed realistically and without prejudice. There is no smoke without fire. The root of the problem needs to be found. Therefore, a realistic study of Burma's history is necessary if the ethnic problem is to be resolved. The origins of the national races and the evolution of Burma must also be analyzed.

The national races - Mon, Burman, Arakan, Shan, Kayah, Karen, Kachin, Chin and others – have been indigenous to the country since ancient times and some lived under their own rulers in their own kingdoms. Others lived freely and separately-under a chieftain or warlord.

History shows that apart from the 100 years of the Bagan era under the rules of Anawratha, Kyansittha and Alaung Sithu, 50 years of the Toungoo era under the rule of Tabin-shwehtee and Bayint-naung and 40 years of the Kone-baung era under Alaung-phaya and Sin-byu-shin, Burma comprised of smaller kingdoms where the Arakan, Burman, Shan, Mon had their own kings. The other nationalities lived separately under their own rulers such as Sawbwas, Sawkes and Duwas.

In the days of the strong kings mentioned above, although the Shan, Kachin, Karen, Kayah, Chin and such had to pay tribute and swear allegiance to the Burman king, they were allowed to rule their own fiefs freely. Moreover, the Arakan people lived freely under their own king from the Bagan to Taungoo era and mid Kone-baung era till King Bo-daw-phaya annexed the Arakan kingdom. During the colonial period, the British classified the Shan, Kachin, Kayah, Chin and other areas as the Hill Regions and administered them separately.

The present Union of Burma was combined into one nation only through the 1947 constitution. This was because of the Panglong Treaty or Agreement. So, to analyze the emergence of the Myanmar nation, it will also be necessary to study the Panglong Agreement. Not only the Treaty per se, but the discussions, deliberations, proposals and agreements made by the leaders of the national races leading up to the Treaty must be studied as well. This is because the Treaty spells out the points of agreement while the
Committee Representing the People’s Parliament Report 1999

discussions and negotiations reveal the agreements in spirit, which is, in other words – the Panglong Spirit.

The Panglong Treaty began as a quest for a way to amalgamate the Shan State and Burma proper to which the Kachin and Chin national leaders also joined in. Under British rule, Burma was administered under three separate categories -- Burma proper, the Hill Regions, and the Karenni.

The Hill Regions were designated under Sections (1) & (2) of Table Two of the 1935 Burma Act. The Shan State and some other areas came under Section (1) and were directly ruled by the Governor. Section (2) comprised parts of Myitkyina and Bamaw together with Hommalin, Tamu in the Upper Chindwin valley, Kyar-inn-Seik-gyi and Myawaddy in Kawkareik, eastern Toungoo and Thaton areas. Section (2), states that although the Ministers in the central government could advise on matters, the Governor's decision was final. In this way, the British had an elected government administer Burma proper while the Governor had direct-rule over the Hill Regions.

At the end of the World War 2, colonies, including Burma, began the call for independence. In this atmosphere, Shan leaders holding discussions regarding matters of the Shan State and Burma proper, invited leaders from Burma proper and a meeting was agreed. In June 1946, the AFPFL held its first National Congress at the middle platform of the Shwedagon Pagoda where Dee-dok U Ba Cho proposed a motion on ethnic minority affairs. Although the motion was directed mainly at the Karen ethnic minority it stated, “similar action be taken for the Shan, Kachin, Chin and other ethnic groups”. The motion continued, “In establishing an independent new Burma we pledge to do so by means in which all ethnic minorities and nationalities groups are in agreement. Each group will be permitted to shape their own destiny. We pledge that they will be permitted to secede from us whenever they wish to do so.

It is obvious from the motion that the leading political party, the AFPFL aspired for independence for the Hill Regions at the same time as well. In amalgamating the Hill Regions it also acknowledges their right to shape their own destiny and to secede if they wished. In so doing the serious wish for independence and equality in unity is clearly obvious.

The Shan Sawbwas, realizing that Burma would be gaining independence in some way or the other, convened the meeting already agreed to, in March 1946 in Panglong. This was the first Panglong conference. Although Bogyoke Aung San could not attend, other leaders such as Thakin Nu and U Ba Gyan did. The Union spirit and unity was borne of that first Panglong conference. It was decided there that a second Panglong conference would be held the next year.

The momentum for independence struggle increased. The Aung San-Attlee Treaty was signed to form an interim Burmese government and a National parliament. Included in the treaty with regard to the border regions was that:

“The British government and the Burmese representative agreed that the border regions should be incorporated with Burma proper as soon as possible once a consensus was
Committee Representing the People’s Parliament Report 1999

reached by the people. Before achieving this goal, matters related to the Border Areas and Burma proper should be solved together by means acceptable to both parties. For this purpose, both sides agreed on the following:

a) People from the border areas and people from Burma proper shall have the right to communicate and travel with and between each other free of hindrance.”

b) For the interim period, the leaders of the border region should choose one of the following three principles for unity and incorporation:

1. 
2. 
3. 

c) At the conclusion of the Panglong conference, the British government and the Burmese government shall work together to seek the best means to accomplish what they had agreed upon, in line with points raised by the people of the border regions.

d) A special investigation committee shall be formed immediately to seek the best means of harnessing the collaboration of the nationals of the border regions in the drawing up of a new constitution.

The Shan became politically active and formed the Shan Independence Organization to gain independence incorporated with Burma proper. They called for:

- Incorporation in a ‘Union’ system;
- Equal rights and status;
- Total self-administration for Shan State, and
- The right to secede whenever they wished.

In the letter from Shan Sawbwas to the Governor, the conditions for incorporation with Burma proper on the principle of a “Union” were:

- Self-administration for Shan State
- Equal rights and status
- The right to secede whenever they wished

It is evident that the Sawbwas and the leaders of the people aspired to gain independence together with Burma but only on the principle of a ‘Union’.

The ripples from the Shan political awakening spread to the Kachin and Chin regions. The leaders who had attended the 2nd Panglong conference met at Nam Phat, near Kutkhai. The following decisions were made:

- Kachin Nationals would gain independence together with the Burmese nationals.
- To establish a Kachin State according to the wishes of the Kachin people.
- The Kachin State would comprise the Bahmaw and Myitkyina districts, the Kachin hill regions and the plains north of Katha.
- Such were their views in eight decisions made.

It is clear from these decisions that while the Kachin leaders wanted independence together with the Burmese, as the Shans, they wished to establish a separate Kachin State and incorporate with Burma under a Union system.
The amalgamation of the Shan State and Burma proper became very important following the signing of the Aung San-Attlee Treaty. The 2nd Panglong conference was convened in this political atmosphere. It was held from 6-12 February. There the Shan, Chin and Kachin leaders unanimously decided to attend the National Parliament on the future creation of the Union.

The Shan Sawbwas, peoples' representatives and the Kachin leaders made the following decisions on February 6, 1947 at Panglong, regarding how they would join with Burma in the interim period before the new Union was created. The Committee considered that the Shan and Kachin would gain independence sooner by joining hands with the Burman. With this in mind they set the following conditions under which their respective representatives would participate in the Burmese Government's executive council during the interim period.

1. The representatives will democratically enjoy equal status and rights.
2. The Shan and Kachin representatives shall take responsibility for their respective peoples in internal matters. All shall act collectively in Defense, Foreign Affairs, Railways Revenue and such.
3. This Committee endorses the Kachin wish to establish their own Kachin State.
4. The Shan and the Kachin shall have no part in agreements between the Burmese representatives and the British government.
5. The right to secede from the Union at any time after independence was gained.

These decisions were submitted to the Panglong Conference. The submission shows plainly that the Shan, the Kachin, the Chin and others aspired to equal status for their States when they joined with Burma in the principle of a 'Union'.

The Kachin wish to have their own State caused some difficulties which, however, were worked out and the nine-point Panglong Agreement was signed on February 12. The agreement was signed by representatives of the Shan, Kachin, Chin and other ethnic leaders and by Bogyoke Aung San, on behalf of the Burmese government.

The Kayah and Karen representatives did not sign the agreement although they attended the conference. The Karen people lived widely scattered in the Irrawaddy Delta area, Toungoo district and some other areas besides the Thanlwin District. The Hill Regions Administration, however, mentions only Thanlwin District. The Karen leaders themselves were not in accord in matters concerning the Karen State and they did not discuss the Karen issue at the conference. It appears the Kayah or Karenni delegates attended only as observers. They still accepted that they were a buffer state as agreed in a treaty signed by the British and the Kin Wun Minister from the court of the Burmese King. And did not sign the Panglong treaty as they were not yet inclined to join in the Union.

The Arakan and Mon people whom demographically, historically, and culturally lived in their own regions, did not have delegates at the conference to deal with matters relating to the cause of their people. Their cause was not included in the discussions, either. Whatever the case may have been, the basis for the emergence of the 'Union' were set out in the Panglong Treaty by the Shan, Kachin and Chin representatives. It was an ‘Agreement in Letter’. The
principle of secession if and when wished was an ‘Agreement in Spirit’. This was, in a sense, the Spirit of Panglong - the Principle of Panglong.

As stated in the Aung San-Attlee Treaty, a committee was formed to look into Hill Region affairs. The committee produced a report after extensive talks with many delegates from the hill regions including the Kayinni area. Among the points endorsed and submitted was: -

1. The matter to form a Union and the right of secession should be discussed by the National Parliament and appropriate safeguards and provisions should be included if the right to secession was to be granted.

Besides this, at the preparatory congress of the AFPFL, Bogyoke Aung San said he wished to address the question of the emergence of the new nation whether it was to be a 'Union' or a Unitary one dominated by a single race. He stated, “In my opinion, it would not do to impose regulations on the (different ethnic) races to form a single race. It has to be a Union”. In connection with the Parliamentary Conference setting out the basic points to be included in the constitution, Bogyoke Aung San pledged, “In considering either the Panglong Treaty or the report of the Hill Regions Committee, not only the letter but the spirit of agreement Would be taken into account”. He continued, “We learn that there are some ethnic leaders who are skeptical and think that we will deviate from what has already been agreed in spirit. I would like to state that if you think in that way, it is an insult to our sense of honor and pride”.

This was how the 1947 Constitution for the future Union of Burma emerged. In accordance with the 1947 Constitution, the process of forming the Kachin State - Myitkyina and Bahmaw districts inclusive - began on January 1, 1948. What was formerly known as the Chin Hills and parts of the Rakhine Hill Regions now became the Chin State. The Shan State emerged in January 1948. The 1951 Amendment (62) to the Constitution brought about the Kayah State. The 1952 Amendment (61) extended the Karen region creating the Karen State.

No states were designated for the Arakan and Mon who remained attached to the Union. Whatever the case may be, a look at the issues and causes of those people is needed.

The AFPFL Congress drafted a Constitution. Out of 14 motions tabled the following were mentioned in Section 3, relating to the status of States that were to be included in the Union.

3 (b) The State in question must have all or some of the following qualities and shall be granted the status either of a State within the Union or an autonomous State or a State of an Ethnic Group.

**Qualities:**

- Clear geographical borders
- One single language that is not Burmese
- One common culture
- One historical tradition
- A group economically self sufficient and beneficial
- Sufficient population
- The desire to live by one’s own unique characteristics as part of a ‘Separate Union’
According to the above standards, it will be seen that the Arakan and Mon people deserved to be granted the status of a State within the Union. However, Arakan and Mon States were not established by the 1947 Constitution and there was no mention or discussion about them. This was one of the flaws, among others, in the 1947 Constitution. The essential weakness was that the Union was not fashioned in a proper way. Although the principle envisaged a 'Union' of States with equal rights and authority, the area where most of the Burman inhabited became central with the Shan, Kachin, Kayah, Chin and so on seeming to be subordinate to the Center. Besides this, the States had less authority whereas the Burman with Burma proper as the central unit could exercise extra powers thus breeding dissatisfaction and divisive attitudes among the ethnic races. As one of the principles of the ‘Union’ a Pyithu Hluttaw (Peoples’ Parliament) and a Nationalities’ Hluttaw were formed but the latter did not have appropriate powers nor did they have the right to seat the number of delegates in ratio to the size of their States. Appropriations of the budget were also unequal. The dissatisfaction grew as the Burman dominated the administration. In this way, the country faced a lot of political, economic and social problems. In 1961, at the conference of all the States, discussions were held on amendment of the Constitution for the establishment of an Arakan and a Mon State and for a genuine federal system.

However, the excuse often given by the military leaders who took over power in 1962, that the country was disintegrating because of the Federal system was not true. There was no thought of secession nor was there any mention in the report of the 1961 conference to suggest there were calls to do so. The conference only called for amendments in the Constitution and to reform the Union in accordance with a Federal concept.

Federal Principles

The inclusion of a paragraph on secession in the 1947 Constitution was only a safeguard because the Shan felt insecure about their political and economic weakness in the period leading up to the amalgamation of the Shan region and Burma proper. At the time there was a big gap in the political and economic situations of the two. Although the Shan State was rich in natural resources, they were still under a feudal system, politically backward and economically weak. It was logical to introduce the clause of secession, as the Shan feared political and economic domination by the Burman.

Secession in other parts of the world has occurred due to politics, racial issues and economics rather than because the Constitution stated a right to secede. For example, look at East Pakistan, now Bangladesh, which broke away from Pakistan. The military took over power intentionally but covered up their true purpose by declaring that the Shan State was breaking away with the collaboration of SEATO and that the country was disintegrating because of the Federal System. A study will show why they had to take over power. It is true that the military built up a very good reputation - borne of the independence movement, the military struggled against fascism and struggled to gain independence. Internal strife broke out after independence because of 'cliques' and certain military leaders mistakenly thought themselves saviors using the civil war as an excuse. The military had aims to take over power at the time of the crises in 1958 and (the Government) was forced to hand over power to the military that acted as a 'caretaker' government. This made certain military leaders more interested in interfering in the governance of the country.
In this atmosphere of political dissent, some politicians blinded by political power failed to take notice of the dire consequences for the country. Some self-centered politicians, greedy for power, attempted to gain power, deviated from democratic practices by trying to manipulate certain military leaders. This only increased the military leaders’ desire to become dominant in politics. In the Constitution crisis of 1962, their militaristic national goals could no longer be suppressed and became obviously clear. On February 24, 1962, the leaders of the ethnic groups pointed out the weaknesses in the Constitution and proposed to Parliament that it be re-constituted as a Federal System. The military then seized power declaring that a Constitution (with a Federal System) would be a ‘Union Disintegration System’ and that the Shan State were breaking away in collaboration with SEATO. Moreover, they mistakenly presumed themselves as saviors automatically given the right to rule and began spreading propaganda to that effect. In reality, it was an attempt to establish a militaristic national policy.

From 1962 to 1988, they governed the country under the cloak of militant socialism while practicing a one-party totalitarian system. In 1974, the military adopted a Constitution drafted on their own terms camouflaged as one supported by the people. That Constitution revoked the original rights of the ethnic nationalities was unitary and was at odds with the country’s basis of a plural society of different ethnic races. This exacerbated the already intense insurrection of the ethnic races. The country became impoverished as one of the poorest in the world because of the one-party system. The people faced political and economic hardships, which spawned the general uprising of 1988 that toppled the one-party system. Even then the military seized power again and held the multi-party democratic elections on May 27, 1990. Again they ignored the results of the elections and continued their harsh and oppressive rule.

Today, the military government rules through military dictatorship and hinders and violates human rights while suppressing the rights of the ethnic races as well. Yet, the military propagates a National Policy, which urges the military to take the leading role. To implement their aims they use all kinds of repressive measures, convene a false National Convention and try to draft up a new Constitution. The Convention has been adjourned, as it does not have the support of the MP-elects of the National League for Democracy and the Nationalities' Parties. It is possible for the military regime to continue drafting a Constitution and to forcefully ratify it one way or another. However, if it materializes, the political parties, all the nationalities and all the people should clearly oppose it. At present, the cause of democracy is defunct and the racial rights of the nationalities are lost under the rule of the military regime.

Hence, the immediate issues in the country are the flourishing of democracy and the resolution of the problems of the ethnic groups. Genuine peace and national unity can never be achieved if these issues cannot be resolved. And in a country without national unity, development will be but a dream.

Although under two category, the problems of democracy and the nationalities are inseparable. Without a flourishing democracy ethnic nationalities cannot enjoy their rights and without national unity the ethnic problem cannot be resolved. They will need to be resolved realistically and simultaneously. Resolving the ethnic issue means the emergence of
a constitution, which reflects the existing situation of the ethnic nationalities. For the emergence of a constitution, the following have been presented.

1. International situation and minority problems
2. The Panglong Agreement and the views of the ethnic races
3. The 1947 Constitution and the views of the ethnic races

After a deliberate, pragmatic and analytical study of the above, we wish to express our points of view on how the future Burma should be founded.

On the question of whether Burma should be a unitary state or a union of many races, it has already been shown clearly above that there is no way other than to form a true Union or a Federal Union Policy. Here, we want to add the views of our leaders on “Unionism”.

*Bogyoke Aung San’s View*

*Bogyoke* Aung San said, “I wish to answer the question on the emergence of the new nation as to whether it should be a ‘Union’ or a Unitary State of one race. In my opinion, it would not do to impose a unitary state even if their rights were prescribed through regulations on the other nationalities. It has to be a ‘Union’”. (Speech given at the Preparatory Congress of the AFPFL)

*Former Prime Minister U Nu’s View*

“A Federal Union, a sort of federal without secession, could be established now that some of the ethnic groups are no longer calling for secession.” (Excerpt from discussion with UNLD Leaders).

*Secretary General of the National League for Democracy, Daw Aung San Suu Kyi’s View*

“As the Chairman explained earlier, ‘Federal’ is just an English word. Federal does not imply secession. This is known and accepted by all. There are many forms of federalism. In Federalism, the question is how power will be divided between the central and the local government. This is the issue with federalism and that is where a decision has to be made.” (Excerpt from discussion with UNLD Leaders)

[Note - I consider that there can be no peace and cooperation among the nationalities in Burma until there is a federal union. (Kenneth A. Mackay)]

A federal system is one where the sovereign power of a government is shared between the Central Government (the Government of the Union) and the Governments of the States through specific arrangements. The Central Government holds the authority for key sectors such as foreign policy, defense and money circulation while the authority in other sectors is shared with the State Governments. In this way, the separate state governments can maintain the unity while having a certain amount of autonomy.

In a Federal Union like America, State governments have legislative, administrative and judicial powers. Although the Central government has immense power, the States can act freely without interference as long as they abide by the law. When the central government authority is clearly defined, the State governments can act freely within their jurisdiction.
Switzerland is a model for a Federal Union. It is made up of 26 administrative districts with a great difference in population, religion and language. In Europe, Switzerland has the largest racial and language difference. However the autonomous districts have their own Constitutions and sovereign power that permits them exceptional freedom of self-administration. Unity among the peoples with vast differences is achieved in this way.

Therefore, for a Constitution for a future Union of Burma, it will be necessary to draw up one in line with the present circumstances of the ethnic peoples and taking into account the weaknesses of the 1947 Constitution as well as analyzing the federal unions of some foreign countries. To do this, it will be necessary for discussions and negotiations in a democratic and open (as in Panglong) congress including all the ethnic races, to seek a basic agreement. Following are points that ought to be included in the drawing up of a constitution presented for study and discussion only.

**In the future Union of Burma:**

- Full democratic fundamentals must be practiced;
- Self-determination and self-administration rights of the nationalities must be recognized;
- No one shall receive special privileges;
- Integration shall be on the principle of equality in the Union;
- As it is a country with many different ethnic peoples, in the States where self-administration is granted autonomous and special regions of nationalities should be designated.
- Based on the above points, we want to make further suggestions on the points that should be included in the constitution.

As Myanmar is a country with many different indigenous nationalities, peace, harmony and unity between all are essential. The successful coalition of the national League for Democracy and four parties of nationalities groups based on the cause of democracy and equality of ethnic groups is a very important foundation for the emergence of the Constitution with regard to the future ‘Union’.

(We) submit that building on the coalition achieved, (we) will work with other nationalities’ parties and groups representing ethnic races so that a Peoples’ Parliament may emerge for democracy and equal rights for all ethnic races. (May we also submit the appeal of the four parties of the Nationalities to the State Law & Order Restoration Council on the converting of the *Pyithu Hluttaw* and dialogue).
Appeal for Dialogue for National Reconciliation

By Four Nationalities Parties

We submit this with goodwill for National Reconciliation with the country’s good as priority. It is a time when the Union is suffering diverse political, economic and social hardships. We humbly submit that the following actions should be taken as early as possible so that national reconciliation may be realized and the country be free of all the hardships.

The military granted permission to form political parties and hold multi-party general elections following their take over of power. These were noble actions in the furtherance of democracy. However, the failure to honor the results of the election will remain a blot on the history of the country. There is no other way to erase that blot than to honor the results and to convene a Pyithu Hluttaw.

It is a time when political, economic and social problems as well as the issues of the national races cannot be resolved and the Union suffering diverse hardship. We firmly believe that the way to national reconciliation is for the military, the democratic forces including the National League for Democracy, the ethnic groups that contested the elections and the armed groups, to hold talks and discussions in a politically meaningful manner.

Submitting this is not for personal gain but through a study of the situation of the country and the people so that all nationalities living in the country can work in unity to resolve what we face and the extremely difficult political problems. We also believe that it is now the time to do this.

We urge this because we also firmly believe that there are no areas where we cannot succeed in surmounting the problems if we all do so with goodwill, free of pride and grudges.

The Parliaments and organizations of the following countries recognized the Committee Representing the Pyithu Hluttaw following its formation.

- The European Union Parliament
- The International Union of Parliaments
- The Burma Freedom Alliance (includes over 100 organizations worldwide)
- Five political parties in Denmark
- The Belgian Parliament
- British Colombia, Canada
- Australian Workers Union, the UN General Assembly and the International Commission on Human Rights.

The country is suffering economically, educationally and socially because of the political predicament. There is a dearth of employment opportunities for the majority of the people and the gap between earnings and expenses widens. They also suffer from the daily rise in

---

*Shan Nationalities League for Democracy, Mon National Democratic Front, Arakan League for Democracy, Chin National League for Democracy (Footnote by translator)*
prices of goods. Rice especially causes much anxiety in the people. The closure of Universities and Colleges over long periods, besides boding ill for the future of the country, deprives the youth of their future and could and does put them in the wrong path in life. The aims and objectives of the whole society for the good of the country and of the people are lost and a negative view is growing. Natural disasters or economic crises are absolutely not the cause of the deterioration and ruin of the economic, educational and social sectors. Rather, it is solely based on the failure to resolve the political quandary. The incorrect policies and self-promoting ideals of the rulers are solely responsible for the political problems.

Burma became independent in 1948. Very soon afterwards, cliques were formed leading to internal strife. Giving that as a reason some military leaders began to see themselves as saviors of the country. The military had aims to take over power at the time of the crises in 1958 and (the Government) was forced to hand over power to the military that acted as a 'caretaker' government. Then, in 1962, using the problems with the Constitution as an excuse the military took over power and ruled with military standards. In these circumstances certain military leaders incorrectly thought of themselves as saviors and that they had a right to rule and began to implement incorrect actions. The country has had military rule in one form or the other for 39 out of 51 years of independence. Because of these incorrect policies and views, the country, rich in natural resources and good foundations, has gradually declined to become the poorest country in the world and the people drift in a sea of adversity.

As Burma is a Country where many different ethnic peoples live, it is only natural that there will be aspirations, weaknesses and grievances regarding the rights of the ethnic peoples and minority groups. It is also natural for these grievances and aspirations to be discussed (This has also happened in many countries of the world). However, in Myanmar, when those grievances and aspirations are submitted, military might is applied to ban, curb and intimidate rather than seeking compromise. Armed insurgencies and internal strife were spawned in this way. Political and military experts have firmly acknowledged that, “the military is only a part of the Government”, and that “military matters are subordinate to politics”. But some military leaders feel that they have the automatic right to rule (that the peoples’ wishes are not required) and that they are above the nation. They have ruled over a long period and scheme to continue to do so.

The key necessity of modern history is respect for the wishes of the people and democratic rights. The National League for Democracy and the elected Nationalities Parties are but carrying out their responsibilities in accordance with the wishes of the people and democratic rights.

Hence, the political predicament the country faces grew out of the incorrect attitude of some military leaders feeling that they have the automatic right to rule and the fact that the peoples’ wishes and democratic rights ought to be respected. Whatever the case may be, with a national viewpoint in mind, we again urge for dialogue and discussion as soon as possible to resolve the political, economic, educational and social deterioration.
Chapter 4

Report of the Committee on Defence Affairs

Report on the Formation of a Modern *Tatmadaw* in the Democratic Era

1. This report is submitted according to the resolution of the CRP at the NLD’s 9th Anniversary celebration of the Multi-Party Democratic General Election that required the Defense Committee of the CRP to present a report on “The Formation of a Modern *Tatmadaw* in the Democratic Era”.

2. At the NLD's celebration of the 6th Anniversary of the Multi-Party General Election, a firm guideline for action regarding the Role of the *Tatmadaw* was prescribed as follows:

   “The *Tatmadaw* is an essential and necessary organization for the country. We have decided to endorse the NLD's position which says that the *Tatmadaw* should be a dignified force that protects and fulfills the democratic practices.”

3. The NLD has clearly spelt out its policies in the chapter on the Role of Defense in its announcement, “Political Goals and Intent of the NLD”.

   “As in the practice of democracy the Power of State will lie in the 3 pillars such as the Judiciary, the Executive and the Legislature. The *Tatmadaw* and the whole mechanism for defense will fall under the Executive. It will have to abide by the Constitution, and be a *Tatmadaw* for the people and loved by the people. Only in specific and necessary times will the military stand as a separate pillar owing to the importance of its task. At all other times none of the 3 pillars should interfere in the other and each should hold mutual respect towards each other without influencing one another. The country's defense will be undertaken according to Burma's geopolitics, the military will be equipped with a qualitative and effective strategy, and built to a modern and high standard. The national defense will be effectively equipped in the form of Peoples' militias and military service will become compulsory for limited years for those of age. In this manner, the *Tatmadaw* and the people will become one and the military will surely transform into a Peoples' *Tatmadaw*. The *Tatmadaw* and the defense will be responsible for the Government elected by the people. To gain the trust of the people and to truly become a Peoples' *Tatmadaw*, it will be separated from party politics to promptly and freely carry out its responsibilities towards its government. A law will be passed to take care of the benefits of the families of those who have died in action and appropriate programs for their livelihood will be initiated.”
4. Announcements, teachings, speeches, and policies of Bogoyke Aung San, the architect for Burma's independence and the leader of the whole nation, regarding the Tatmadaw will have to be taken seriously as a guide for implementation. As a tradition, because of its role in the independence struggles, the Tatmadaw has been formed according to the policy and guidance of each prevailing political organization. Ever since Bogoyke Aung San built the Tatmadaw it had strongly vowed that it would protect democracy and its continuity would always be the goal of the Tatmadaw. The Tatmadaw's vow that was made during the, parliamentary democracy rule, after independence should also be followed seriously.

5. It was standard practice under democratic rule for the three pillars of power to stand independent, mutually linked and balanced. The military dictators under a one party system merged the three pillars into one, and governed either through a single party or a military dictator. In a democracy the highest authority lies in the Peoples' Parliament. The Cabinet (Ministers) of the Executive is formed by the endorsement of the Peoples' Parliament. The ministers of the cabinet have the right to carry out their function independently while mutually balancing each other. That is why we must rebuild the nation in order that national defense and national security can be carried out more effectively.

6. The Tatmadaw is under the Ministry of Defense and the ways of the Ministry of Defense need to be reassessed. After independence and during the time of Parliament Democracy, since the Ministry of Defense was formed with democratic practices the people had the major role. After the military coup in 1962, the role of the military gradually heightened and that of the people diminished. The form and essence of the Defense Council of the Ministry of Defense needs gradual change towards a democratic form.

7. The most responsible person of the Tatmadaw is its Commander-in-Chief. A policy should be carefully laid down regarding the appointment of the military post of Commander-in-Chief. At present, the Commander-in-Chief is not only the head of the army, navy and air force but also that of all armed organizations. Since the Burmese Tatmadaw was borne of political movements, the Commander-in-Chief is considered a political post. Careful consideration should be taken as to whether or not the Commander-in-Chief should become like other ministerial posts of other sectors.

8. At present, the appointment of the Commander-in-Chief appears to have no limited term. It has become accepted that as a political post it has no definite time limit. The rule to retire at the age of 60 doesn't seem to apply in this case. There should be specification of term. Whether a policy that defines specific terms should be included in the constitution or whether the Council of Defense should issue an order endorsed by the Peoples' parliament should be carefully considered from all angles should.

9. The military intelligence, under the Department of Defense will be responsible for intelligence to enhance the military operations in the frontier. The military intelligence should report to the Chief-in-Chief.
10. National Defense and Security is a matter related to all the people. During the transition period towards democracy effort must be made to reflect the fact that the responsibility for national security has to be taken up by everybody instead of the military intelligence in particular. The head of state, who is elected according to the Constitution should be responsible for the outfit that oversees national security.

11. The Tatmadaw should be a modern qualified and dignified Tatmadaw, which protects the democratic system. It should be together with the people and should aim to raise its quality as opposed to quantity. The size of the Tatmadaw should be reconsidered taking into account the country's economic development, its scientific and technological advancement, its economic status and its human resources. Military personnel should share the wealth, poverty and destitute of the people accordingly and be provided within the means of the State income and expenditure. All these need not be carried out in one stroke but systematically within a stretch of time. The Peoples’ Parliament must endorse the form and steps that will have to be taken to carry out this venture.

12. There should only be a single Myanma Tatmadaw. There were many legitimate armed groups, under different names like the Union Military Police Force, the Military Staff Force, the Pyu Saw Hti Army, the Defense Army and the Operations Army, after independence. At present efforts are being made for the military to becomes a single entity. There are armed groups that have signed cease-fire agreements and some that have not but in the future, efforts must be made towards maintaining a single Tatmadaw in a democratic country.

13. Recruitment and training of military officers have to be reviewed. There is a need for analytical and practical evaluation, to set high standards for a dignified, modern and constantly youthful Tatmadaw that will protect the democratic nation.

14. The Tatmadaw should be armed with modern and standard equipment and ammunition. Burma's defense policies and strategies should be according to its geographical position. Burma has to adopt a cordial friendship with its neighboring countries and should engage in continually studying their military strategies. Observing that Burma is a small country lying between two powerful and densely populated countries, and in observing the country's economic, social and political situation, the need to have cordial ties with democratic nations and for the military to be accordingly equipped becomes clear. Instead of being equipped with military equipment and ammunition from any or every country and with all sorts, it should take seriously the fact that Burma has to be in good ties with democratic nations and should decide to adopt a necessary policy in militarily equipping the Tatmadaw. The local factories will manufacture the necessary arms and ammunition. We must be aware that upkeep and repair for the machines and manufacturing equipment of those factories may cause extra expenses while training personnel for those purposes could become a hazard. There should be caution not to spend unnecessarily for military activities but to choose the best and most appropriate. An advisory board of professionals from related ministries should be formed to carry out the necessary.
15. Training is an important segment in the military. Military training encompasses education to expand general knowledge. Under a one party system only a particular one-sided ideology was given for their training but under democracy, education will specifically focus on defense related studies for the Tatmadaw. Under a dictatorship, only the party's ideology is taught from soldier to generals in different levels of training. Under democracy the training will not be one sided but with believing in democracy will encompass various programs to impart a fair and wide range of knowledge. It will especially aim to forge the idea of an excellent military career. Military personnel of all levels undergo training for certain skills and effectively serve the country with their particular expertise, which is defense. At the same time everyone must be aware that national defense is the responsibility of the whole nation. Highest training for a military career must be offered at the National Defense University. With that understanding the responsibility to form the National Defense University will not be given solely to the Ministry of Defense but must be carried out by a group formed by the cabinet with the mandate of the Peoples' Parliament.

16. The Tatmadaw must carry out its designated responsibility. Military personnel are those who have chosen to join the military as their career and serve till they retire. Similarly, other people join other professions according to their interest. Military personnel, from high-ranking officer to soldier, should no longer be transferred by order of the Ministry of Defense to the existing or created positions in other ministries. Only in particular cases, under unavoidable circumstances should there be any transfer by decision of the cabinet. It is to give equal opportunity to other qualified civil servants and to forge unity among all employees.

17. According to the 1998 census, there are 23.79 million female and 23.46 males in Burma, which means there are 0.33 million more women than men. There should be a balanced ratio of women employed in defense and national security. In some countries either by tradition or by the prevailing situation women work alongside men even in the battlefields. Women are also involved in signals, transportation, and the medical corps. The woman's role in the Tatmadaw should be reviewed and a plan should be drawn up in accordance to the policy and carried out by mandate of the Hluttaw.

18. Because military personnel have to take extra risk and sacrifice more than others do in their job, rules, regulations and laws will need to be periodically amended for their benefit.

19. In Burma a new class, the class of military has emerged. People must understand that defense for national security is neither the responsibility of the Tatmadaw nor the military class alone but that of all its citizens. The military cannot stand on its own without the support of the people. Geographically, Burma lies between two powerful nations and cannot compete with them militarily. It can be victorious against them only with the strength of the whole nation. Burma's fundamental military tactic is according to its foreign policy which will not trespass against other nations and which will protect its nation against others. Its strategy is “Defense in depth”. That strategy will not succeed in the long run if the military stands alone. Therefore, with necessary preparations a national conscript law should be passed.
20. We humbly conclude that, only after the Peoples' Parliament has been convened will a more comprehensive report on “The formation of a democratic and modern Tatmadaw” be widely presented. We especially hope that a wide discussion will take place at that time on this subject and matters related to it by people who have experience in this field, by professionals, volunteers and others.

Annexes to Volume C

(a) CRPP Notification 4/98

Committee Representing the People's Parliament
elected by the people in the 1990 Multi-party General Elections
(Committee Representing the People's Parliament)

Notification No. 4 (1998)

1. There are two political connotations to the word ‘MANDATE’. Firstly, derived from the Latin word ‘MANDARE’ the meaning is “a command from a superior to a subordinate ordering him how to act”. Secondly, derived from the French word ‘MANDAT’ the meaning is “permission to govern according to declared policies, regarded as officially granted by an electorate to a particular party upon a decisive outcome of an election”.

2. According to this second definition, the political party that obtained a working majority has been given the mandate by the electorate to govern according to its declared policies.

3. During the entire period when the Burmese Way to Socialism Party had the mandate, the representatives in parliament had to act in accordance with the policies laid down by the party. When they were not acceptable by the party they had to resign from the parliament.
4. The promises made by the political parties prior to the elections have to be implemented in the parliament and this is what ‘MANDATE’ signifies.

5. The National League for Democracy openly declared its main policy was to abolish military rule and to build a democratic country. Out of 485 seats, The NLD won 392. These elected representatives must abide by the policies of the NLD. They all support the NLD and those who cannot actively participate in the implementation of the policies have given their written consent to the central executive committee to act on their behalf.

6. In exercise of the MANDATE given to the NLD by the people and in exercise of the authority vested in it by the parliamentarians-elect, the Central Executive Committee of the NLD wrote to the State Peace and Development Council to convene parliament. Section 47 of the Pyithu Hluttaw Law (1974) which is still in force stipulates that “If 34% of the parliamentarians requisition a parliamentary meeting, the State Council shall convene one”. By not complying to this request, this provision of law is contravened by the authorities. The National League for Democracy is empowered by 251 parliamentarians which is more than the required 34%.

7. Because the authorities have failed to act in accordance with the provisions of the law, the National League for Democracy has had to take this step. We again make this known to the people of the country that the State Peace and Development Council is violating the provisions of law and is entirely responsible for whatever consequences may result by their flouting the law.

Committee representing People's Parliament
Rangoon
13 October 1998

(b) CRPP Notification 2 (1/99)

Committee Representing the People's Parliament
elected by the people in the 1990 Multi-party General
Elections
(Committee Representing the People's Parliament)

Notification No. 2 (1/99)
Committee Representing the People's Parliament Report 1999

The contents of letter dated 22 January 1999 from the Committee representing People's Parliament elected in the 1990 multiparty general elections to the Speakers of the two Houses of the Japanese parliament are released for information.

START

1. “We disclose to the Speakers of the two Houses of the Japanese Parliament the deep fear that prevails in the minds of the Burmese parliamentarians-elect of the May 1990 general elections. Though nine years had elapsed since the elections in Burma, the State Law and Order Restoration Council and the successor the State Peace and Development Council -who are the military authorities exercising power- have refused to convene parliament. Moreover, they have by overpowering methods removed, imprisoned, and forced resignations of a great number of the elected representatives. Some of them have had to leave the country to enable them to continue the political struggle.

2. In June 1998, the National League for Democracy, which won 82 percent of the parliamentary seats asked the State Peace and Development Council to abide by their promises and to convene Parliament on or before the 21 August 1998. Because they failed to do so, the NLD was convinced that the responsibility for convening Parliament was theirs and announced its intention to do so. The authorities then resorted to all illegal and unjust methods of arrest and incarceration of parliamentarians-elect, active members of the NLD and their supporters.

3. For this reason this committee was formed on the 16 September 1998 to make preparations and enable the convening of parliament. Of the ten committee members, one member is acting on behalf of the political parties from the nationalities which consist of the Shan National League for Democracy, Arakan League for Democracy, Mon National Democratic Front, and the Zome National Congress. Of these parties, the first two obtained second and third most votes in 1990 general elections.

4. From the time this Committee representing the People's Parliament was formed the authorities increased the pressure and speed in their efforts to wipe out the democratic movement. They have resorted to extremely base and despicable tactics against the activists for democracy and human rights in the NLD. They have illegally incarcerated over 150 parliamentarians-elect including Dr. U Saw Mra Aung, who has been nominated Speaker of the People's Parliament by this committee and who is the Chairman of the Arakan League for Democracy. Spearheaded by the Ministry of Defence, Military Intelligence Directorate, an offensive has been launched to annihilate and destroy completely every vestige of success that accrued from the 1990 general elections. Therefore it is a very grave cause of distress and misgiving for us that the Japanese government should invite members of a department exercising such awesome authority to be their honoured guests.

5. The people of Japan enjoy the irrevocable right to elect their representatives to parliament. By extending this invitation to a group that is deliberately and systematically working towards the obliteration of democracy and human rights for the people of Burma an impression will be created that your nation condones such activities. Therefore, we would request you, Mr. Speaker to convey our fears to your government and refrain from creating such an impression.
6. We are firmly convinced that the day will come when the people's representatives in Burma and Japan can work together in accordance with democratic principles for freedom and peace not only in their own lands but worldwide.

7. We request that the matters raised here will be circulated to all the parliamentary members.”

Committee Representing People's Parliament
25 January 1999
(Responsibility for this publication is taken by the National League for Democracy.)

(c) CRPP Notification 11(2/99)

Committee Representing the People's Parliament
elected by the people in the 1990 Multi-party General Elections

(Committee Representing the People's Parliament)
Notification No. 11 (2/99)

1. Our information is that from the middle of January 1999 till the beginning of February there have been clashes between the Burmese and Thai navy vessels over the issue of fishing in each others waters resulting in the loss of lives of both civilians and navy personnel. The situation is getting tense and the news is that preparations are being made for the air force to be called into action if necessary.

2. In the past, whenever fishing vessels of another country was found in Burma's waters, the 1977 Law Relating to Burma's Territorial Waters and Zone that has been framed by Burma in consonance with international law has been applied. This has acted as a deterrent to trespassing and illegal fishing. Though there were minor clashes there was no incident of such serious proportion as is currently taking place.

3. Neighbouring country has never disputed Burma's sovereignty with regard to its territorial waters and zone but now there appears to be a claim to three islands. Ownership of these three islands has never been questioned before.

4. The present day conflict about Burma's territorial waters and zone is not just a concern of the Burmese military authorities and the neighbouring country but it is a matter that concerns all the people and nationalities of Burma.

5. We have learnt that the two countries will meet and discuss and try to peacefully resolve this issue which relates to the two countries' territorial waters and zones.
We hope the military authorities will report to the people the results of those discussions as is their duty to do so. This relates to the important issue of sovereignty which resides in the people and the nationalities of Burma. Also, such discussions and agreements must be ratified by the People's Parliament. The People's Parliament is the only authority that is competent to make a final decision. The Committee representing People's Parliament has a duty to place this matter before the People's Parliament.

6. We believe that the two countries will conduct themselves as good neighbours should in resolving this conflict.

Committee Representing People’s Parliament
Rangoon
18 February 1999
(Responsibility for this publication is taken by the National League for Democracy.)

d) CRPP Notification 59 (10/99)

Committee Representing the People's Parliament
elected by the people in the 1990 Multi-party General Elections
(Committee Representing the People's Parliament)

Notification No. 59 (10/99)

The Committee Representing the People's Parliament (CRPP) was greatly disturbed to learn of the seizure of the Burmese Embassy in Bangkok and the taking of hostages by armed men. We understand from news reports that the men, the “Vigorous Burmese Student Warriors”, are demanding the release of political prisoners in Burma and political dialogue between the CRPP and the State Peace and Development Council (SPDC) with a view to forming an interim government.

While the CRPP understands the aspirations and frustrations of students and other democracy activists who have been forced to leave Burma by the repressive measures of the military regime, we categorically condemn the seizure of the embassy and the taking of hostages. Such acts are contrary to the principles which the CRPP and the National League
for Democracy (NLD) are constantly defending in the name of justice, human rights and peace.

We deeply appreciate the decision of the Thai Government to reject the use of force and applaud the courage and diplomatic skills of the Deputy Foreign Minister. It is our most sincere wish that the situation be resolved peacefully without any casualties. We extend our sympathies to the hostages and their families and hope that they may soon be happily reunited. We who are struggling for democracy in Burma have all too often been arbitrarily separated from friends and family by the harsh measures of the military regime and sympathize greatly with the plight of those whose personal lives are wounded by tyranny and violence.

We would like to draw the attention of the world to the fact that this act of violence at the Burmese Embassy in Bangkok is an effect of the many acts of injustice and cruelty repeatedly perpetrated by the military regime in Burma. Violence breeds violence.

The CRPP and the NLD are confident that democracy will come to Burma through the perseverance and non-violent endeavours of all who love justice, human rights and peace.

(e) NLD STATEMENT 144 (10/99)

End of document