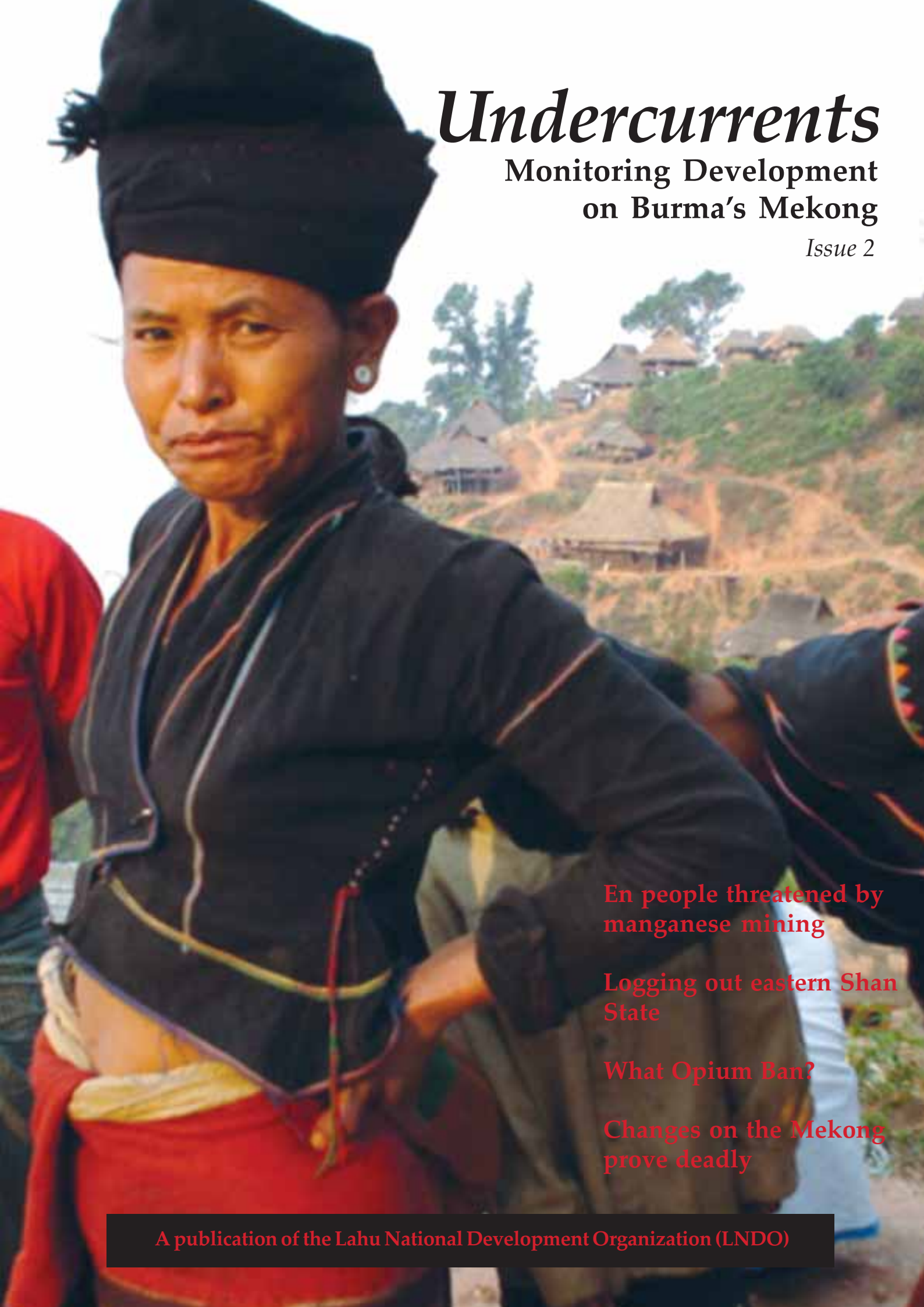

Undercurrents

Monitoring Development on Burma's Mekong

Issue 2

En people threatened by manganese mining

Logging out eastern Shan State

What Opium Ban?

Changes on the Mekong prove deadly

A publication of the Lahu National Development Organization (LNDO)

Greetings from the Lahu National Development Organization (LNDO),

We are pleased to welcome you to this second issue of Undercurrents, in which we continue to monitor development along Burma's Mekong and report on related social, economic, and political realities in eastern Shan State.

In our first issue we focused on the Mekong Navigation Improvement Project and its impacts on local travel, livelihoods, and illicit cross-border trade. As part of this issue we update you on recent changes to the river's flow and describe resulting incidents that have left local people afraid of the revered Mekong.

The long time lapse since our last issue is a reflection of the difficulty and danger of gathering information inside military-ruled Burma. Most of Shan State remains sealed off from the outside world, and border crossings closely watched. Even so, we collect information from local people in remote areas so that their true situation can be understood. The picture of development presented in state-controlled media is not what we see in our communities in eastern Shan State.

The real results of unchecked and oppressive military development on local people include degraded environments, deteriorating health, and fractured cultures. In this issue, we focus on the rapacious extraction of minerals and timber and its drastic impacts not only on the current generation but on future ones as well. Entrepreneurs from China, Thailand, and inside Burma have been cutting down trees at a furious pace and creating alternative transportation routes to avoid road checkpoints. The Mekong is also used to transport timber. Meanwhile, the discovery of coal and manganese are transforming remote areas and causing displacement.

We hope that readers, particularly from neighboring countries which consume most of these resources, will seriously consider these impacts and join us in searching for ways to halt the destructive and unsustainable pattern of development unfolding in Burma's Mekong region. The Mekong connects many peoples and countries. Its problems concern us all.

Aw$_V$ bon ui _ ja^{V}meh_
Thank you from LNDO

Who are the Lahu?

The Lahu are highland people that subsist primarily on hunting, fishing, and upland swidden agriculture. Their fondness for and skill at hunting are well known.

There are nearly one million Lahu people in the world. There are now approximately 500,000 in China, 300,000 in Burma, 100,000 in Thailand, 50,000 in Laos, 6,000 in Vietnam, 5,000 residing in the USA as refugees, and an estimated 1,000 scattered in countries such as Australia, Malaysia, and Singapore. The Lahu are divided into five groups: the Lahu na or black Lahu, the Lahu ni, or red Lahu, the Lahu shi, or yellow Lahu, the Lahu hpu, or white Lahu, and the Lahu k'aw Lahu hpeu, or matt blue Lahu. These names come from the different color clothing that groups wear. Each group is further subdivided into 27 subgroups, reflecting the diversity of language and customs among the Lahu.

Today, most Lahu in China and Thailand cannot practice their traditional lifestyle anymore. The Lahu cultures remain relatively more intact in Burma but are threatened by military activities in their homelands.

A Lahu Bala couple, a subgroup of the yellow Lahu

Unrestricted logging: piles of cut logs like these are now common in eastern Shan State as companies run by well-connected entrepeneurs such as Tay Za (inset) go about their business. Story on page 12.

Undercurrents

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Undercurrents is a publication of the Lahu Development Organisation (LNDO). LNDO was set up to promote the welfare and well-being of Lahu people, including the promotion of alternatives to growing opium. LNDO also fosters unity and cooperation among the Lahu and other highlanders from Shan State. Previous publications by LNDO are all available at **www.shanland.org** To contact LNDO, please email lndorg@yahoo.com

Unhindered Prospects

Remote areas of Shan State a convenient place to mine for neighboring countries

A new trend is taking hold in eastern Shan State as mining becomes more popular among Chinese and other entrepreneurs. Coal and minerals are being extracted from remote areas and transported through ceasefire territories to reach booming - and hungry - Chinese industries. Thai interests are also benefiting from the unregulated isolation that the region offers.

Like the lucrative logging business (see article on pg. 12), mining is leaving environmental destruction in its wake and providing revenues for local authorities. While the small-scale gold mining happening in Kachin State has received some recent attention, mining activities in Burma's Mekong region are virtually unheard of by outsiders. LNDO researchers have been able to get a glimpse of this new trend and what it means for local people in several locations.

Manganese mine near the Chinese border

Wan Saw and Wan Pha villages - made up of 200 and 260 households respectively - are located on the border with China in an area controlled by the National Democratic Alliance Army or NDAA, an armed group that signed a ceasefire with Burma's regime in 1989. The remote location of the villages has preserved a way life for the En and Samtao (*Loi La*) people living there over several generations. All of this changed, however, when a Chinese geologist discovered manganese near the villages fifteen years ago.

In time, seventeen Chinese businessmen split up the area into sections and brought in their own teams of workers. An estimated

1,000 mine workers, all from China, are now living near the mine field. They drill and dig throughout the day and explode dynamite until midnight. The explosions make it difficult for villagers to sleep.

As there is no facility to refine the manganese at the site, trucks weighed down with rock are constantly on the move. A survey in 2005 found that an estimated 34,000 tons of rock per year were transported from the mine field to the Standing Company Limited of China in both 2004 and 2005.

Manganese: what is it used for?

About 90% of all manganese consumed annually plays a key role in the development of various steel-making processes as an alloying element. No satisfactory substitute for manganese in steel has been identified which combines its relatively low price with outstanding technical benefits. After steel, the second most important market for manganese is that of portable dry batteries. Manganese is an essential trace element in the metabolism of all living organisms. Nevertheless, excessive doses are toxic, and resultant diseases may arise in the pulmonary or central nervous system. (information and photo from The International Manganese Institute website: www.manganese.org)

The digging is unceasing and without concern for the village or its surroundings. The mine field is gradually closing in on the house roofs of the village. The businessmen told some villagers *"If your village transfers to another place we will give you compensation for all you have lost."* But villagers responded "*This is our fatherland from thousands of years ago so we'll never move to another place."* It seems that regardless of whether the residents leave or stay, the villages and their surroundings will be damaged. The nearby forests which have been conserved over generations are being impacted. Water and air pollution are degrading wild and garden plants. In addition, villagers' health has begun to deteriorate and they report that "the spirits are unsettled."

BIG JOB: 34,000 tons of rock were transported to China in both 2004 and 2005

Once the mining started, villagers soon began to experience headaches, nose bleeds, coughing and dysentery unlike before. Sometimes the very young and very old suffered quite seriously. For the most part, villagers are still able to treat these ailments by using herbal medicine and calling on animist spirits.

In the past, villagers used water from original springs and streams for drinking, cooking, and washing, transporting water to village areas through bamboo gutters. After the mining started, however, water from the springs became unpleasant to drink. Now the Chinese have made a pipe system that connects to the source of the spring and people must take water only from this pipe system. Before man and animals could drink anywhere in all the streams, rivers, and springs – but not anymore.

Unhappy spirits

In March 2005, a 15 year old girl from Wan Saw mysteriously died of an unknown illness within five days of falling sick. One month later, another young boy and girl died similarly one by one.

After hearing about the unusual case, two platoons of NDAA's 911th Brigade came to the village. Within the week, two sections of the platoons misfired with each other while on patrol, killing two and wounding three. After that,

Unfettered expansion: From the dam, a channel pipe 80 cm in width drops 20 kilometers down a hill to generate electricity

most nights the patrolling troops got frightened and opened fire in all directions. After one month the headman complained to them to stop opening fire and all the troops were subsequently transferred out of the area.

Many believed that these seemingly unrelated incidents were caused by the same unappeased spirits. One of the Chinese businessmen suggested to the spiritual leader of the village to order villagers to conduct sacrificial rites, a ceremony that would conveniently deflect any blame that might be placed on the mining operations.

The villagers had to dig out the corpse of the first young girl, cut it into four parts, and then bury one part in each of the four corners of the village. They then had to offer four buffalos as a sacrificial spirit. It is hard to know if the situation has become better or not because the authorities in this area commanded the villagers to strictly keep this case a secret.

Expansion

Plans to develop the mining operation further are forging ahead without concern for the local people. The operators plan to build a refinery at the mine field in order to reduce the amount of material they have to transport. In preparation, a dam was constructed on Nanalawba stream north of the villages. The electricity generated will be used to operate the refinery.

Even though villagers feel bitter, they cannot complain. They are stuck between the communist rule

---continued on page 6

The En people

The En are an ethnic group in Burma related to the Wa tribe. They believe that they are the descendants of Mao San, the man recognized in Buddhist scripture as the one who looked after Gautama's horse when he was a prince. Even now, every En village has a small horse stable in the center of the village and it is venerated as a sacred space.

The En maintain a simple lifestyle. Everybody wears self-made natural dress and strictly keeps old traditions. Most of them are skillful in magic spells but also strong Buddhists. The En are known for never marrying outsiders.

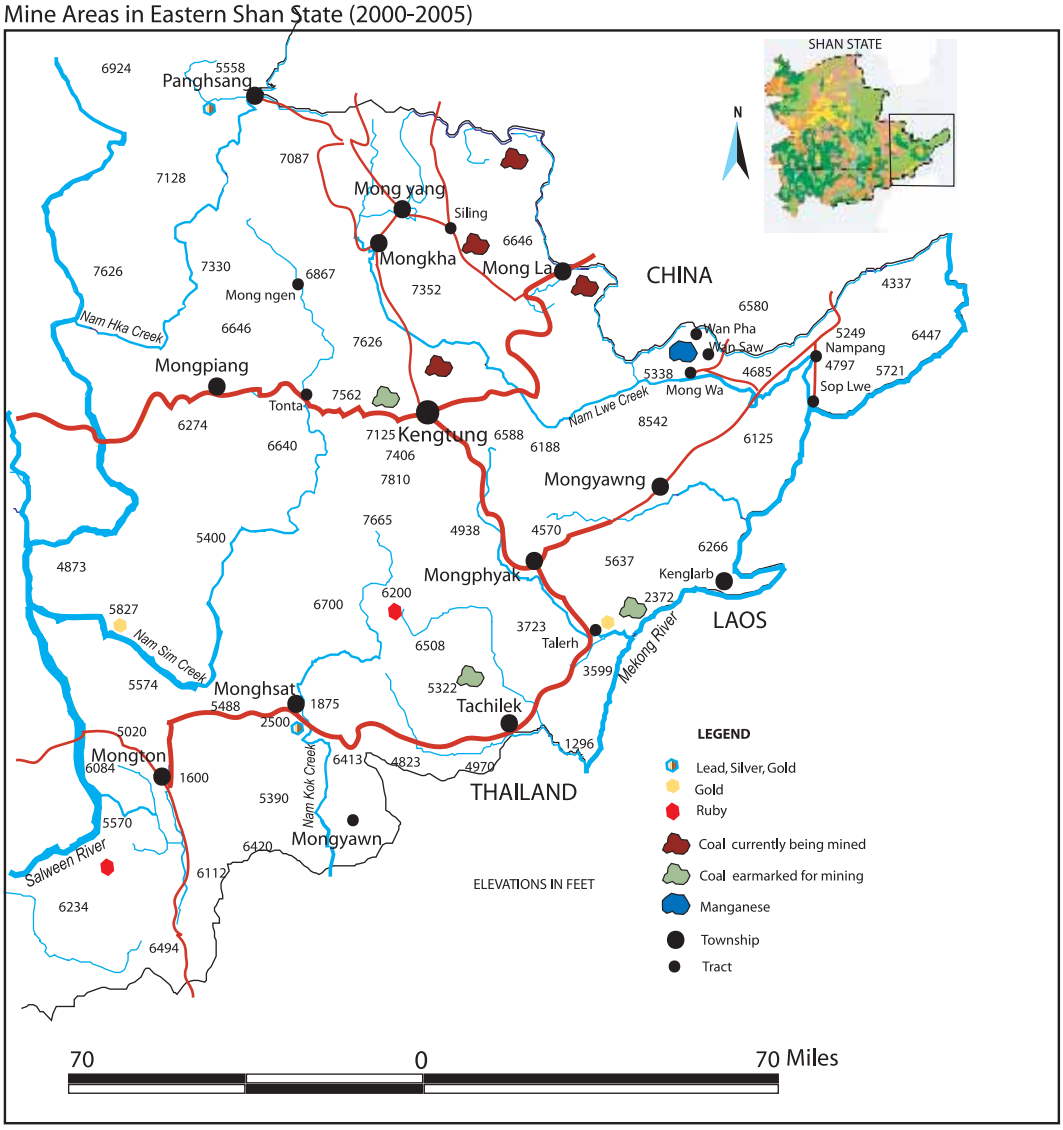
According to the En, they have to follow Gautama's teachings that En people must be good followers and never leaders. Therefore, they aren't interested in external education and refuse to become a chief or leader of other villages, such as a chairperson of a village tract. They don't belong to any rebel groups and they never make a problem to neighboring villages. They work hard in their rice and tea farms. Poppy farming is also their ancestors' heritage.

En people can only be found in Hopong and Mong Ngen tracts of Mongkha Township, Kataung and Mongphyak tracts of Kengtung Township, Mongluu tract of Tachilek Township, and Wan Saw and Wan Hpa tracts of Mong Yawng Township. In all, it is estimated that they are not more than 30,000 in number.

In addition to the En, the Samtao are also impacted by the mining operations. The Samtao are well-known as ironsmiths and for making guns. Buddhists all over Shan State respect Samtao monks because they can strictly follow the teachings and are able to memorize the entire Buddhist scriptures by heart. ■

A culture and people under threat: A typical En village with native architecture, left, and girls in homespun dress, below

Mine Areas in Eastern Shan State (2000-2005)



of China, the military rule of Burma, and the lawlessness of the region. All three sides are benefiting from the project – ceasefire groups charge road taxes on the transport trucks, the regime collects an annual tax on the mining teams, and China feeds its steel industry – all the while squeezing out the local En and Samtao peoples.

From casinos to coal

Mong La is a city famous for its vices – casinos, drug dealers, and sex workers serve customers from around the world. A crackdown on the town in 2005 (see *Undercurrents* Issue 1) slowed business a bit. It may be getting an economic boost from an unusual source, however, as Chinese businessmen continue to exploit the benefits of the border area by another means: mining coal.

Two coal mines west and one east of Mong La are in operation; the estimated production of one is 80 tons per day. At Chin Kham mine east of Mong La, 100 trucks leave for China every day. As the mines develop, so too does infrastructure that promises profit. A new road has been constructed that passes exclusively through NDAA-controlled territory, allowing the group to collect transport taxes on the coal. Roads constructed under these conditions usually last only as long as the money. As reported in Issue 1 of *Undercurrents*, the Green Light Company (owned by drug lord Wei) constructed about 30 miles of a paved road from Mong Hpyak to Mong Yawng in late 2003. Within one season, however, the road became ruined and useless. Now that the timber in the area is gone, there is no motivation to maintain the road.

The state of roads in Burma's Mekong region is a testament to what factors are steering development there: not the needs of local communities but the appetites of powerful players seeking wealth. Indeed, the rights of local populations are continuously trampled on. After a coal mine was discovered in Seng Pin in 2004, Lahu, Akha, and Samtao people native to the area (an estimated 150 houses in 5 villages surrounding the mine field) were forced by NDAA authorities to relocate. Some were moved 15-20 miles northeast of their old villages while others moved to Kengtung. An estimated 200 households of Chinese mine workers then moved in, followed by their families.

Kengtung coal mine

Since 2000, Chinese and Thai interests have competed for the operation of a coal mine just nine miles outside the town of Kengtung. The SPDC has started and stopped deals between several companies. A Thai company currently operates at the mine. However, researchers in the area report that operations have recently and unexplainably stopped again at the mine. Still, the Kengtung authorities have ordered nine villages in the area to relocate, including some that have been established there for over a hundred years. The first wave of relocations began in April of this year.

Villagers have lost their houses and farms without compensation and are being torn away from nearby relatives. Some haven't been able to move yet because they cannot even arrange any transportation. For example, villagers from Pang Sang Kya had to trudge five miles down a dirt road to their new location. Others are scattered here and there and have to settle in unknown places without adequate land.

When the mine does begin operations again, no one knows the effects it will have on the town of Kengtung as environmental regulations are nonexistent.

Eastern Shan State provides a convenient place to do business for Chinese and Thai mining interests. The location offers deposits of rich minerals and fuel sources without the nuisance of environmental regulations or protests by local populations. Those populations, however, remain uninformed and confused about what is happening around them. Relocation without compensation, illness, and a degraded environment are just some of the consequences they must endure - with no benefits in sight. ■

The cost of coal mining in Kengtung

Ordered to move out by Kengtung authorities:

	Village name	Villagers	Houses	History
1	Pang Sang Kya	Lahu	116	Established about 33 years ago. Villagers fled here from Pang sang kya tract, Mong Yang Township at the time of the CPB war
2	Pamakha	Akha	93	
3	Na Theun	Akha	130	
4	Naw Ka	A leper village	220	Established here since World War II
5	Ban Kaw	Akha	23	
6	Mae Yang	Shan	230	Established here more than 100 years ago
7	Wan Mocu	Wa and Samtao	17	
8	Wan Kang	Shan	250	Established here more than 100 years ago
9	Wan Yang	Shan	170	Established here more than 100 years ago

Villages 1 to 5 have to move out 582 houses before April 2006; 664 houses from villages 6 to 9 have to move out before 2009. An additional 20 villages might be moved out after 2010.

Open for the taking: coal mining near Kengtung

Bigger, not better

Despite massive expansion, the Burma Army has shaky foundations

Since 1988, the number of Burma Army battalions in four townships of eastern Shan State has increased from 6 to 34. In 2006 alone, a further 8 battalions, two per township, were added. However, inside sources reveal that this rapid expansion of the military has had high costs in terms of quality of personnel and morale.

Maung Thet Khaing served 21 years in the Burma Army before retiring at the age of 38. He recounted that when he first joined the army, new military recruits were strictly screened: "Soldiers had to be over 18 years old, at least 5 feet 6 inches tall, and weigh at least 120 pounds. Those with poor or skewed eyesight were rejected immediately."

By the time the Arakan sergeant retired, after serving with Infantry Battalion 49 in eastern Shan State, standards had dropped drastically. "When I left the army in 1986, many new soldiers were just boys. They were short, underweight and some were even cross-eyed. Some had only had a month's training before being sent to serve with us."

Such was the experience of an ex-Burma Army officer twenty years ago. Since then, the Burma Army has more than doubled in size to over 400,000 troops, and, by all accounts, standards of military personnel have continued to plummet.

Officers, as well as regular soldiers, are being recruited en masse. Before 2000, it was very difficult to enroll in the Defense Services Academy in Maymyo, which trains officer cadets. Only about 200 students out of thousands of applicants were accepted to attend the four-year DSA training course. Since 2000, however, about 1,000 students have been accepted each year. Not only does no one fail the course, but sometimes one or two extra soldiers are brought in at the closing ceremony to bring the total number of graduates to an auspicious number such as 1002 or 1003. This is for the benefit of the notoriously superstitious General Than Shwe, who always gives a speech to the new graduates.

The result has been unusually high numbers of officers in field units. Formerly, there were only two or three sergeants in each battalion, and the commander was a captain. Nowadays, the battalion commander is a colonel or major, and there are 10-12 sergeants among the 200 or so soldiers in a battalion (formerly, battalions would contain 400-450 troops). Most of the soldiers are lance corporals or corporals.

Rewarding soldiers with rank has not, however, led to improved

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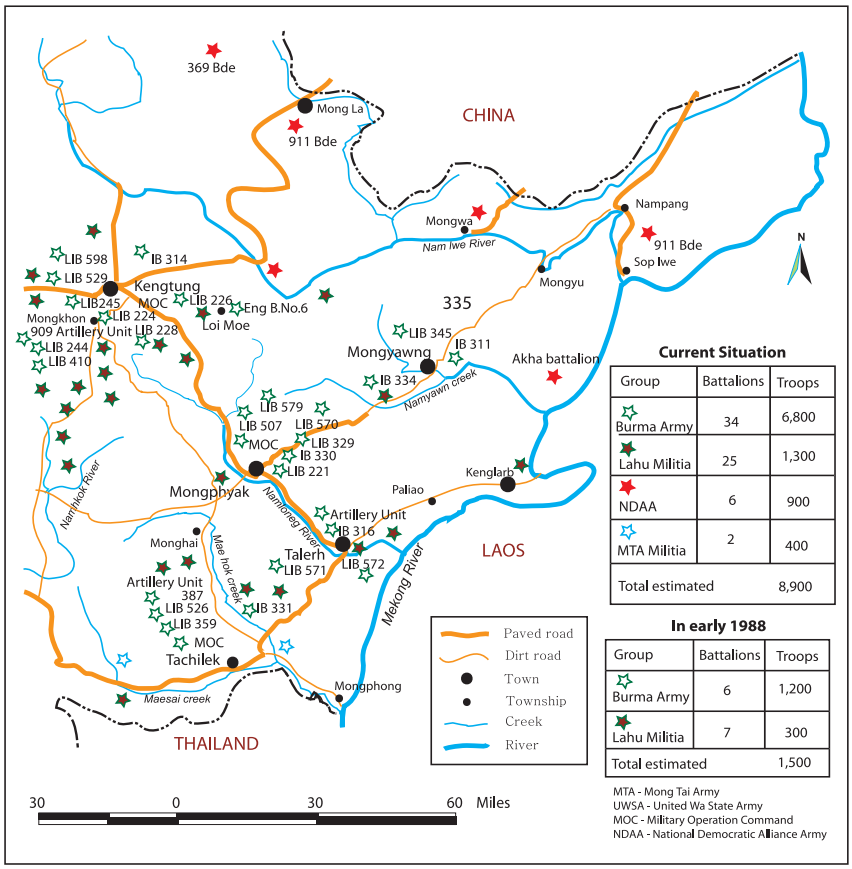
Armed Groups in Four Townships of Easternmost Shan State 2006



Deadly Changes

Unpredictable water surges and unprecedented low water levels on the Mekong have human costs

Every Saturday Lahu villagers young and old go to catch fish. For the most part, they stay only in streams, not in big rivers, because they don't have proper fishing gear for rivers. Usually Lahu catch fish with their bare hands. Sometimes they use a small mesh casting net or a small fish trap made of bamboo. Lahu fishermen's knowledge and methods are different from their neighbors, the Shan and Akha.

Saturday fishing is an old Lahu tradition; it's a fun family outing. When the fishing is done for the day, everyone gathers together and divides the same proportion of fish for each one among them. Some also earn their living by fishing in the river all day and night.

On one Saturday, April 16, 2005, seventeen people from Sen Kha Vai village went up to a local stream called Pha La Law. Pha La Law meets the Mekong at the lower Nam Yawn river mouth. In the morning they caught fish in the stream two miles from the Mekong and then went downstream. At noon they reached the bank of the Mekong River. The day was very beautiful, without a cloud in the sky.

They set up a fire on the bank and prepared cooking for lunch. They gathered the fish which they had all caught on a banana leaf and the old men of them divided the proportions. Some were cooking. Some were sitting on the rock and looking at the beauty of the river.

Suddenly they heard a strange noise far from them. It was a terrible noise getting louder and louder. Everybody stood up and shouted warnings to alert each other. Some ran very quickly far away from the bank without taking along anything. Some climbed up on a hill and looked.

A huge surge of water was rolling down. Frothy water with short and long logs and branches was flowing rapidly. They watched for about half an hour and the water kept increasing.

They couldn't get their meal or the dishes left on the sand. Some of them lost their slippers, clothes, fishes and fishing tools in the water.

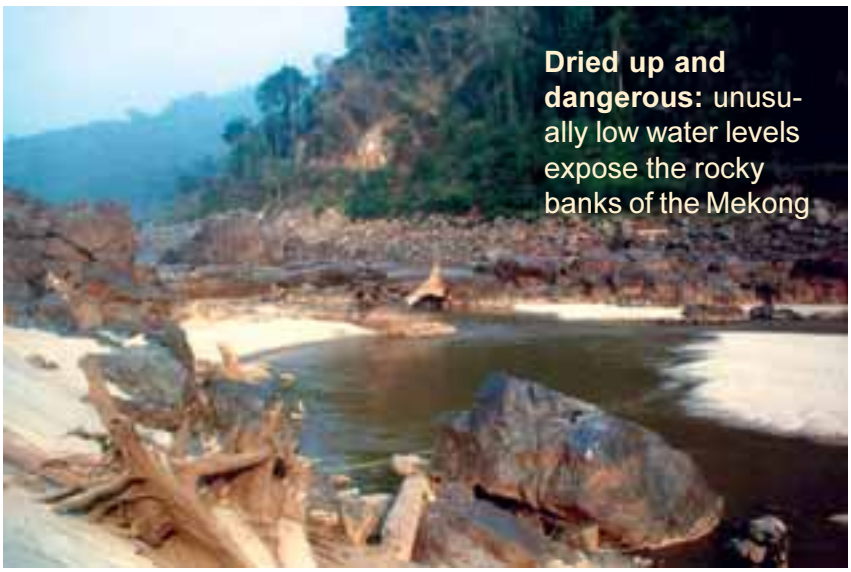
Only once before had they seen a flood like this "but that was in the rainy season, and it wasn't this terrible" said one. They'd definitely never seen such a dangerous situation in the dry season. They realized that this was not caused by rain but a flood. Some of them said *we will never again come beside the Mekong river bank*.

We will never again come beside the Mekong river bank

When an LNDO researcher asked, they didn't know about any dams upstream. They thought the flood may have been caused by heavy rains far upstream.

From too much water to too little

According to an LNDO field survey, since February 2005 the Mekong River has dried out more than in past dry seasons. This may be caused by the closing of sluice gates upstream in China.



Dried up and dangerous: unusually low water levels expose the rocky banks of the Mekong

After receiving news from a boat owner that a Chinese cargo boat had sunk in the Mekong upstream of Xieng Dao, an LNDO field researcher went to investigate in late February 2005. After talking with villagers and taking photos, he was able to find out that on February 25, 2005 a Chinese cargo boat hit the reef at the Nam Pha river mouth and sank because the river was unusually low. The boat was loaded with garlic being sent from China to Thailand. One villager from Xieng Kok who had gone to help said that 8 crewmembers and 2 white men died of drowning.

In addition, on March 12, 2005 a cargo boat loaded with 36 cattle sank in the Mekong upstream of Kenglarb. Those living on the riverbank in that area said that after 2004, the Mekong's current often changes unexpectedly. The sand bed is sometimes close to the bank and sometimes appears in the middle of the river. ■

An Order is an Order

Th e regime's obsession with castor oil as a biofuel has villagers reeling

Since early 2006, the whole country of Burma has been active planting *kyet suu*, or physic nut. In January of this year, the Ministry of Industry met to discuss the advantage of using oil from the seeds of two species of physic nut, castor and jatropha, to produce biodiesel fuel.

Every village and every house must grow these plants, not only in the plains and also on the hills, in hot places and cool places. Villagers in eastern Shan State don't know why they have to plant *kyet suu* and are being forced to purchase the seeds.

Ai Seu is a villager from Pang Peng, a Shan village in Tachilek Township. He went together with all his fellow villagers to the headman's house for a required meeting. There, he said, "two soldiers with arms and five militia boys stood in front of the headman's house. They had *kyet suu* seeds – the seeds were variegated and as big as my thumb. Each house had to buy 100 seeds. Each seed was 15 kyat."

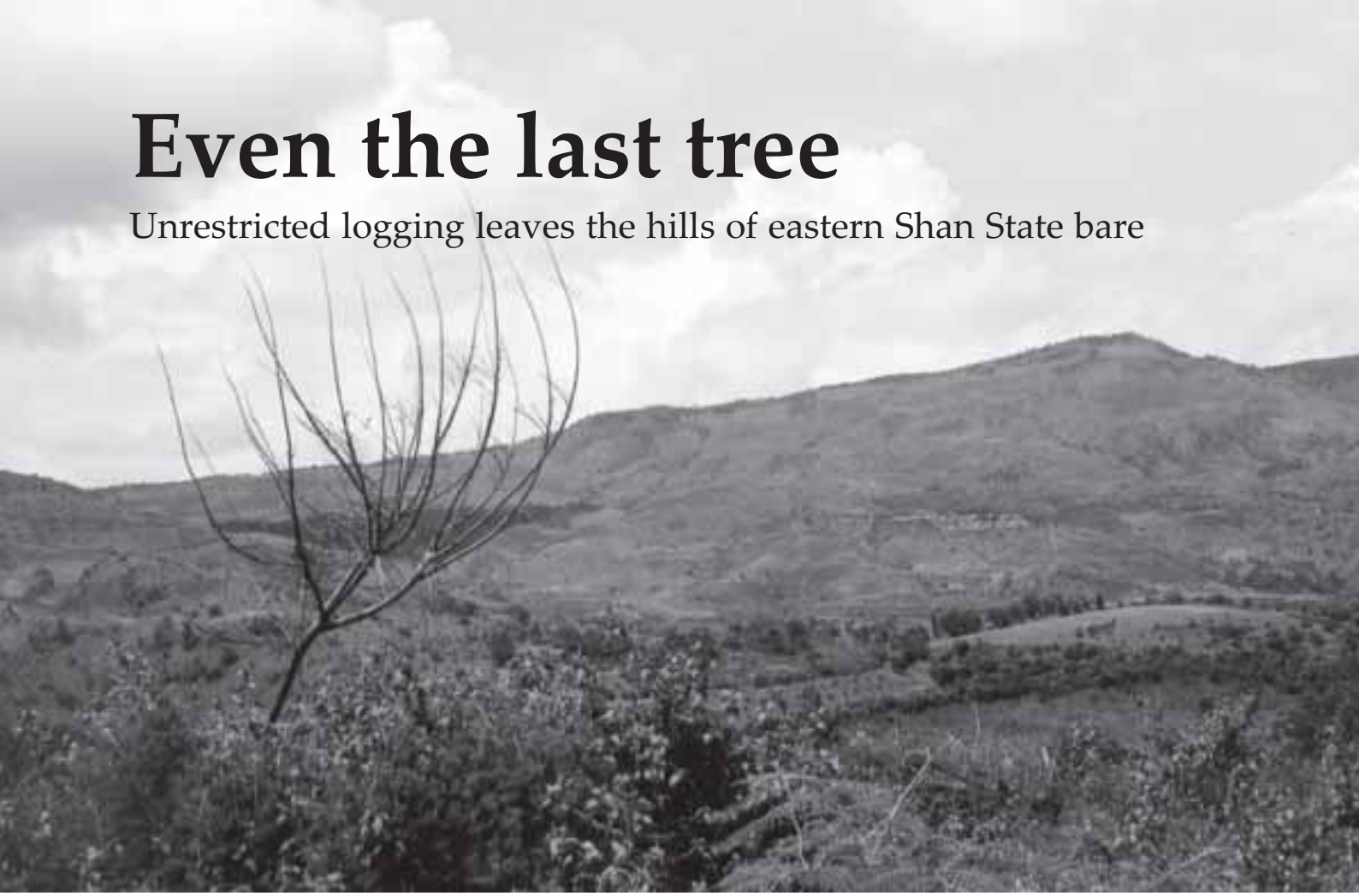
Ai Seu continued: "I wanted to know more about the castor oil plant and asked 'what's the use of this plant?' A soldier told me 'you must only know that it is an order across the whole country to grow it, you don't need to know the use of the plant – an order is an order.'"

A young widow complained and said 'I don't have enough money to buy this many seeds and I don't have any land to grow them on.'

The headman told her 'this is not an order from some regional commander, but from a top general, so you have to do it. Borrow money from your neighbor and grow them any space you can find.' ■

Even the last tree

Unrestricted logging leaves the hills of eastern Shan State bare



Increased international focus on the critical rate of deforestation in Burma's border areas during the past few years has led to apparent crackdowns by Burma's military authorities on "illegal" logging activities. LNDO reports on the current logging situation in eastern Shan State and finds little evidence that the SPDC is prioritizing environmental protection over profits.

After almost two decades of unregulated logging, only one area of teak forest remains in eastern Shan State, in the hills of northern Mong Ton Township close to the Salween River. Since early 2006, these last stands of mainly red teak have been fast disappearing, thanks to none other than well-known Burmese tycoon Tay Za, owner of Htoo Trading Company and de facto son-in-law of SPDC Chairman, Senior-General Than Shwe.

Long convoys of trucks bearing huge teak logs have been witnessed in broad daylight passing through Tachilek to Tay Za's large sawmill on the Mekong River, where the logs are cut into planks and exported to China and Thailand. Armed Burmese troops provide security for the trucks along the roads.

Tay Za's Htoo Trading Company is one of several companies that monopolize logging concessions in eastern Shan State. These companies include those run by the Wa and NDAA ceasefire groups, Asia World Company run by drug kingpin Lo Hsing Han, and Nong Tung company run by a Kengtung businessman, Sai Tip Aung, who has close ties to the SPDC military. If these companies do not conduct the logging themselves, they sub-contract to other entrepreneurs, mostly Chinese, to carry out logging in their concession areas.

Whether or not the companies are run by those with close links to SPDC military leaders, benefits accrue to the Burmese military or its proxies at each stage of the logging process. The companies must pay the SPDC for an initial permit and then loggers must pay

the authorities for "chain-saw licences." Loggers must also pay random security fees to local SPDC military units. Once the wood is cut, payments must be made to transport the logs through SPDC checkpoints.

As loggers commonly cut more logs than is officially permitted, they pay bribes to various SPDC authorities, including military intelligence, forestry, police, and land authorities to ensure that the extra logs will reach the final destination safely. In addition, it is common to see convoys of logging trucks skirting around main towns on the way to the China border in order to keep contraband loads out of the public eye.

Taking a roundabout route seems well worth it. For example, on July 27, 2005, 80 trucks each carrying over 10 tons of both teak and other precious hardwood logs were seen passing from Mong Hsat to Mong La and into China. The convoy skirted north of Tachilek, west of Mong Phyak, and 7 miles east of Kengtung to avoid the towns along the way.

Creative transportation routes have other advantages. Following a temporary crackdown in October 2005 by the SPDC on illegal cross-border timber trade on the northern Shan-China border, loggers conveniently moved their preferred routes eastward (see map), making the "crackdown" moot.

Official complicity in both "legal" and "illegal" logging has meant an unrelenting assault on tracts of forest which local villagers have relied on for generations. The indigenous peoples of Shan State, such as Shan, Akha, Wa, Palaung, En, Senjin, Samtao, Lisu, and Lahu have long maintained strict customs to ensure the sustainability of their forests.

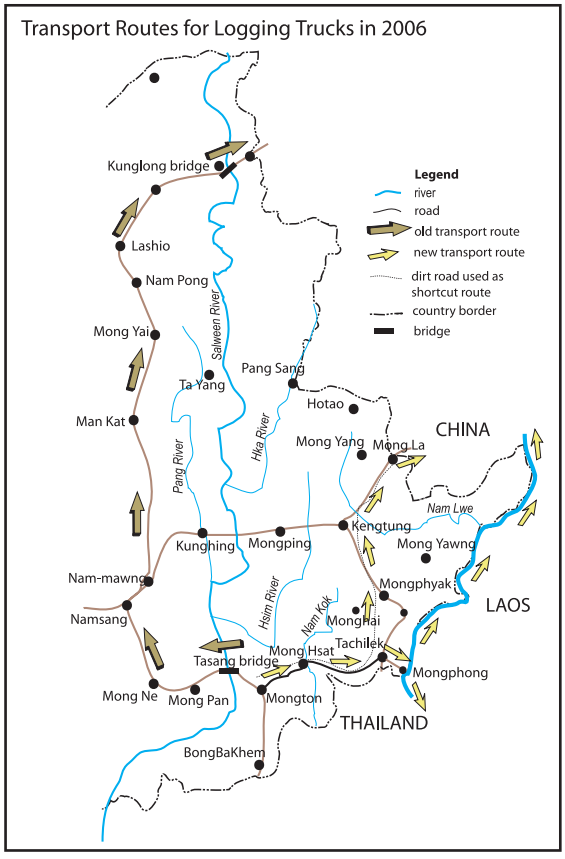
Villagers allocate certain areas of forests solely for obtaining firewood or building materials and protect them accordingly with punishments for any offenders. Those believing in animist spirits are particularly careful to protect their forests, fearing that even to break a branch from a protected tree could cause nosebleeds or serious illness leading to death. Thus, forests around animist villages have traditionally been uniquely abundant.

However, neither the loggers nor the military authorities pay any respect to local customs. As the SPDC military has expanded its presence in eastern Shan State, increasing its amount of troops there fivefold since 1988 (see "Bigger, not Better" on page 9), it has placed greater strains on diminishing environmental resources. Troops constantly demand wood for fuel and for the construction of their camps and barracks. Some troops even rip out tree stumps in areas already deforested in order to make charcoal for supplemental income.

One local group to suffer has been the Senjin. Ethnically related to the Wa, this unique tribe now number only about 500 households in the whole world. They are settled in two villages near Kengtung. Ten years ago, the Senjin hilltop village seven miles east of town was surrounded by thick forest which had been protected for generations. Today, the entire forest is gone, cut down for firewood by the nine SPDC battalions based in Kengtung. Eighty-two acres of the villagers' farmlands were also confiscated for use by the military.

Shans living in lowland valleys also have to endure encroachment and abuse. In 1996, SPDC commanders of IB 245 based in Kengtung ordered a Chinese logger named Ar Chan to provide them with planks and firewood. Ar Chan came to the Shan village of Mong Zem, where the residents had maintained a protected community forest. He ordered that all the trees

Transport Routes for Logging Trucks in 2006



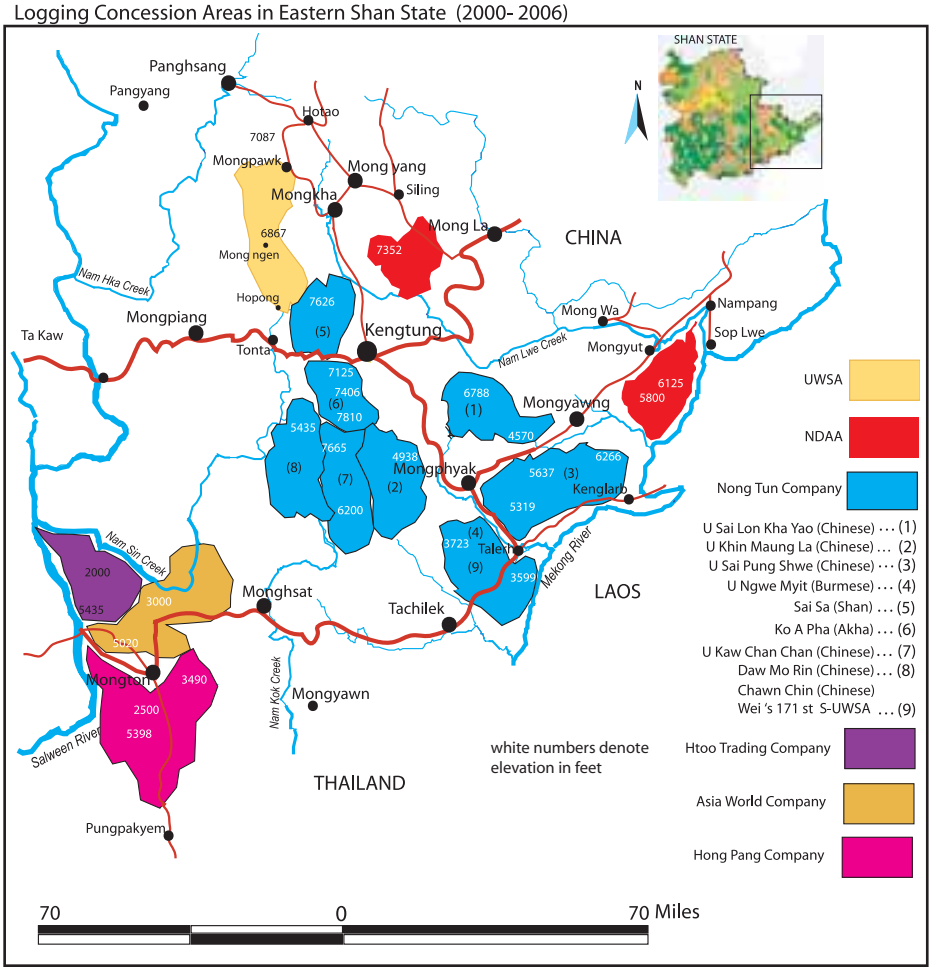
be cut down, including those with shrines for the local spirits.

The villagers were incensed, and the headman, Sai Kham Yi, went to appeal to the SPDC Regional Commander Thein Sein in Kengtung. The commander merely said: "Surely you don't worship *all* those trees?" He then offered a concession to placate the headman: "Don't worry; we'll leave you the most sacred ones." In the end, however, all the trees were cut down.

Even single trees in gardens have not been spared. In 2000, a Lahu villager from Ar Kha Day village, Mong Khon tract of Kengtung lost a massive hardwood tree growing in his garden. He explained: "One day an SPDC sergeant from a new battalion — IB 244 — near our village came and cut down the tree with a chain saw. I could not say a thing. The sergeant's soldiers ordered me to carry the planks to the camp, and gave me 2 kg of sugar. They said I should be thankful for the sugar, as the tree had been growing wild."

Even in cases where excessive logging has directly impacted the livelihoods of local farmers, local military authorities have not been willing to end logging operations. When farmlands in Pang Peng, Talerh tract north of Tachilek suffered erosion and flood damage for two successive years — 2003 and 2004 — the local headman went to complain to Col. Aye Ko, the SPDC field commander in Talerh, about the Chinese logging operations along the nearby Nam Moi River. The colonel ordered the logging to stop, but this lasted for only two months. After that, logging

Logging Concession Areas in Eastern Shan State (2000- 2006)



not only resumed, but villagers were forced to carry some of the logs to the local army camp to be used for camp buildings.

Only in early 2006, once the forests around Talerh had been almost completely destroyed, did the Talerh army commander finally issue an order that anyone cutting a tree wider than 2 inches would be fined 6,000 kyats and jailed for 6 years.

In 2003, the SPDC forestry department in Kengtung issued a similar order: that anyone who cut down a pine tree, even those no wider than a thumb, would be fined 20,000 kyats and jailed for 3 years. Yet the main pine forest near Kengtung, covering 72 square miles in Nong Taung tract, had already been entirely cut down under licence in 2002 by Daw Maw Rin, a Chinese business woman.

Such bans, imposed after forests have been lost, do little to convince local populations that the authorities are sincere about forest conservation. Neither do transportation routes intended to mask excessive loads and "crackdowns" on cross-border trade. As long as ever increasing numbers of local army battalions continue to be complicit in ongoing logging operations, and SPDC supremo Than Shwe's own "son-in-law" personally helps himself to the last stands of teak in eastern Shan State, the experience of the Senjin, Lahu, Shan, and other villagers will continue to tell the real story of logging in Shan State. ■

What opium ban?

Despite UN claims of reductions, poppy cultivation and trade continue in territories under the control of ceasefire groups *and* the SPDC

According to the United Nations Office of Drugs and Crime (UNODC), opium cultivation in Burma has decreased year by year since 1990. The UNODC's 2005 Myanmar Opium Survey stated that opium cultivation levels had dropped 80 percent since 1996, with only 32,800 hectares of the crop still being farmed in Shan State.

Research by LNDO in eastern Shan State during the 2005-2006 poppy growing season paints a very different picture, however. Poppy is still growing in abundance in rural mountainous areas, including those in supposedly drug-free ceasefire territories.

In 1997, well-known drug kingpin Lin Ming Xian's Special Region #4 in eastern Shan State was declared drug-free by the regime. Yet in July 2005, villagers in Lin's NDAA territories in Mong Yawng reported that the authorities were encouraging them to grow opium. "Our headman told us that if we wanted to make a lot of money this year, we should plant a lot of poppy," reported an Akha villager from the hills north-west of Mong Yawng. Opium is also growing freely in areas under the control of the United Wa State Army (UWSA), which, like the NDAA, has had a ceasefire agreement with the regime since 1989.

"Drug-free": Authorities encourage villagers to grow poppy freely in NDAA territories

UWSA Chairman Bao Yu Xiang had vowed to eradicate opium production in all of his territories by June 2005, offering to chop off his head if the pledge was not fulfilled. In December 2005, LNDO researchers visited the UWSA area of Mongpawk close to the China border, where, incidentally, the UNODC has been implementing an opium eradication project since 1998. Poppy fields were in full bloom all along the Loi Pen range south of Mong Pawk, from Hopong up to Mong Ngen. Only 3 miles from Mong Pawk, poppies carpeted the hillsides and in the town's market, raw opium was being sold openly at a price of 1,300 yuan (US$162) per viss (1.65 kg).

According to local villagers, opium is under cultivation in other UWSA areas both in northern and southern Shan State. Although prohibited from growing in open view of roads, villagers are able to continue growing opium in remote fields without restriction by the authorities. "We had to pull up young poppy plants growing near the roads, but elsewhere we could grow poppy freely," reported a Wa villager from Vieng Ngeun, north of the UWSA headquarters of Pang Sang.

The UWSA also continues to monopolize the opium trade in its territories. A Lahu villager from Mong Ton Township, which borders northern Thailand, reported: "We must sell all our opium to dealers authorized by the UWSA at a price of 120 rupees (about US$230) per viss. If we sold on the open market, we could get 150 rupees (about US$280)."

The fact that the UWSA continue to grow opium may be due to a lack of consensus among leaders,

especially now that Chairman Bao is seriously ill. The continued cultivation in both UWSA and NDAA areas may also signal their increasing mistrust of the regime, which during 2005 pressured several other ceasefire armies in Shan State to surrender their weapons without political concessions. Neither UWSA nor NDAA are likely to want to relinquish major revenues from drugs at a time when they may be forced to make a choice between surrender and resumption of armed resistance.

Yet it is definitely not only the ceasefire armies which are relying on income from drug production. Poppies are also growing in areas directly under SPDC control, including in village tracts east of Kengtung (a popular tourist destination and the seat of the SPDC's Triangle Military Command), and the military is benefiting from the production.

Villagers in SPDC areas are forced to pay a "poppy tax" to SPDC troops and police. In northern areas of Mong Ton, Lahu villagers reported SPDC troops ordering them to pay 2 rupees (US$8) per household and in the Mong Yawng and Taler areas west of the Mekong, SPDC troops were demanding 200-300 Thai baht (approx US$5-8) per acre of poppy grown. Villagers in Mong Ton also reported that since early 2006, SPDC police have been coming to demand opium taxes as well. Previously the police did not venture out into the countryside.

With the rapid expansion of its military presence in eastern Shan State (see page 9), it is clear that the SPDC are in no hurry to remove this guaranteed source of income.

What is not so clear is why UNODC persistently proclaims success in its drug eradication programs, when opium is being growing as widely as ever and when major barriers to drug eradication — namely the failure to address the root causes of the ethnic conflict, and the expanding SPDC military presence in Shan State — remain untackled. ■

Anything for gold

Desperate gold mining continues even after deadly accident

Every dry season villagers young and old from Talerh and Mong Phyak townships come to pan for gold on the bank of the Nam Lone (*Nam Lin* in Shan*)* or Mekong rivers between Ta Or port and Keng Larb. Here and there Chinese businessmen sit and watch under the shadow of trees or umbrellas. They are ready with a scale to weigh and buy the raw gold as soon as it is found.

The going price at the panning site is 800 Thai baht (THB) for 1 mu (1mu = 0.0576 ounce). This amount equals approximately US$365 per ounce. (The international market price for gold is now hovering about US$700 per ounce.) If they can find gold, workers can earn 50 - 500 THB, or US$1.30 - $13 per day.

If someone has good luck they may find a block of gold. In this case, they will continue to dig until there is a big hole. This can sometimes be dangerous, especially as the digger is excited and may not notice the danger.

Such a case occurred on April 16, 2006. Ai Kham from Wan Lon village, Keng Larb Township, died beneath a massive sand collapse. That day he had collected 1,000 THB and was very happy. He called his wife and young daughter on that day. But by the time they arrived they only found the dead body on the sand and a crowd of onlookers.

As the conditions worsen for ordinary villagers, more are turning to gold panning in the hopes of getting lucky. This year there are more gold workers than usual, and the recent accident does not seem to be a deterrent. ■

On the Mekong: a Lahu family waits for opportunity

Still no signs of outlawing license to rape

Burma Army expansion impacts women

More than three years after the regime was condemned by the international community for condoning sexual violence, following the publication of *License to Rape* by the Shan Women's Action Network, the Burma Army has yet to stop using sexual violence as a weapon of war.

Light Infantry Battalion 329 based in Monghpyak is a case in point.

- On 26 June 2005, a column headed by the battalion commander (who was identified by Thai-based Network for Democracy and Development as Lt-Col Toe Myat) surrounded the twin villages of Jani (Akha) and Ah Pawday (Lahu), 4 miles south of Mongphyak. Some of the villagers, were accused of supporting the Shan State Army "South" of Col Yawdserk, bound and beaten. In the afternoon, a 14- year-old girl was raped by the commander right in front of her parents. The villagers were later warned, "If there is any failure in future to inform (the Army) about the rebels' movements, you are going to witness more excesses from us."
- On 1 July, the Akha village of Hajakhai, north of Talerh, was surrounded. Finding no signs of SSA members, a 15-year old girl was picked out and raped while the village headman and her parents, under armed custody, stood helpless outside the bedroom. The act was committed by the battalion commander himself, claimed the sources.

This article, researched by LNDO, first appeared in the Shan Herald Agency for News on August 17, 2005.

Gun-toting monks

Militarization leaves nothing sacred in Burma

Since 2000, Buddhist temples in hill areas west of Kengtung have all been appointed with new abbots from Central Burma. The abbots have been appointed to temples in Hopong, Mongngen and Nga Ok Su ("five hill tracts"), where mainly Lahu, En, Palaung and Akha people live. These monks are being treated with great respect even by local Burma Army officers, and now play a significant role in not just religious but other community affairs.

This respect may have something to do with the fact that the abbots openly wear .99mm pistols in their belts, and by all accounts, are not actually monks, but military officers in disguise. ■

---continued from page 11

morale. Maung Thet Khaing remembered that when he first joined up in the 1960s, there were few desertions. "We were well supplied. We got monthly rations of dried and pickled fish, chick peas, and milk and sugar. Our families were also supplied with rations."

During the past ten years, as Rangoon cut off basic support to military units nationwide and ordered them to generate their own income locally, desertion has become common. A soldier who deserted from Kengtung-based LIB 226 in early 2006 said that in the Kengtung area alone, there were as many as 30-40 desertions each month.

Soldiers and their families have to work hard in fields confiscated from local villagers in order to have enough to eat. They are rarely supplied with new uniforms, and it is common to see soldiers with ragged, patched trousers.

This stark contrast between the impoverished foot soldiers and the wealthy generals is obvious for all in Burma to see. All except perhaps for the generals themselves, who don't seem to realize that the massive military infrastructure they are building is resting on very shaky foundations indeed. ■

Chameleon moves his capital

Leader of NDAA survives political shake-up and continues to develop his new center of action

▲ **Haven of vice:** The town of Mong La on the Chinese border

▶ **No room for locals:** the new hotel in Sop Lwe displaced 100 families

Mong La is the capital seat of the National Democratic Alliance Army (NDAA) and its leader Lin Ming Xian. Located between Kengtung in Shan State and Jinghong in Yunnan, China, the town is famous for its casinos, drugs, and women. In the last issue of *Undercurrents*, LNDO reported that some Chinese officials had lost significant amounts of money in Mong La, prompting the Yunnan authorities to order casinos shut.

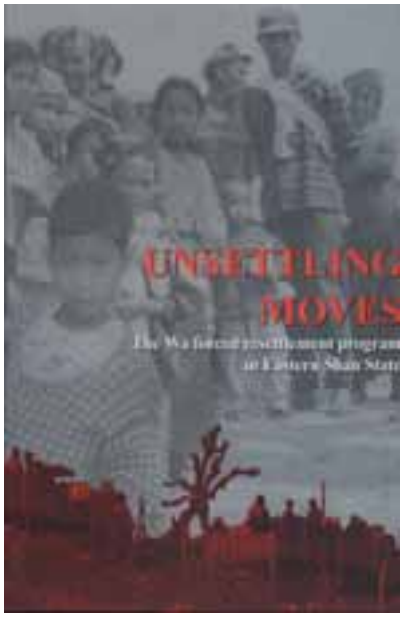
By July 2005, things had gotten more serious. The Chinese police staged surprise raids on casinos, rounding up Chinese clients. Frequent power shutdowns and restrictions on visitors by the Yunnanese authorities have further cramped Mong La's activity.

Lin Ming Xian began developing the small port town of Sop Lwe as an alternative to Mong La in late 2004, and it is continuing to develop into a new center of illicit activities. Lin, also a wanted drug lord, survived the arrest of General Khin Nyunt in late 2004 by maintaining his long-time close ties with Generals Than Shwe and Maung Aye. Always a chameleon, Lin has continued his activities unabated, adding mining to his repertoire of revenue sources.

Meanwhile in Sop Lwe, a new hotel has displaced about 100 families. Most of those have moved 1-2 kilometers from the hotel and are staying on both sides of the main road to Mong Yu. ■

Hidden in Sop Lwe

In March 2005 Burma's military regime began a crackdown operation on unlicensed cars from Tachilek and Mong Yawng. Major San Nyo, an Army officer of the UWSA, said that about 4,000 cars from Tachilek and 68 cars from Mong Yawng were confiscated. In order to avoid confiscation, many expensive cars were transported by boat and hidden in the Sop Lwe area. The Burmese intelligence knew about this clandestine activity but could do nothing about it. Most of the cars were eventually sent to UWSA territory and from there some were sold to China. Only a few now remain in Sop Lwe. ■



Aftershocks Along Burma's Mekong: Reef–blasting and military-style development in eastern Shan State (2003) lays out the background and implementation of the Mekong Navigation Improvement Project in Burma.

Unsettling Moves: The Wa Forced Resettlement Program in Eastern Shan State 1999-2001 (2002) details the forced resettlement of over 125,000 villagers from Wa areas of northern Shan State.

This first issue of *Undercurrents: Monitoring Development on Burma's Mekong* (2005) provides ten stories on topics such as blasting the Mekong, roads construction, and the disappearance of the "spirits of the yellow leaves," a unique tribe in eastern Shan State.

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