

A photograph of a tiger behind metal bars, looking out with a somber expression. The tiger's orange and white fur is visible through the vertical bars. The background is dark and out of focus.

Undercurrents

Monitoring Development
on Burma's Mekong

Issue 3

Wildlife trafficking
Rubber Mania
Mining Update
Flooded Out

Greetings from the Lahu National Development Organization

We are pleased to welcome you to this third issue of Undercurrents, in which we continue to monitor development along Burma's Mekong. One of the world's longest and most biodiverse rivers, the Mekong forms the border between Laos and Burma's Shan State for a stretch of 234 kilometers in the infamous Golden Triangle. On the Burma side of the river, ethnic Lahu and Akha highlanders as well as Shan lowlanders live in extremely isolated and volatile conditions.

In our last issue we reported on how that isolation enables unchecked rapacious logging and mining that causes environmental degradation and displacement, fracturing some of the least known cultures in the world and threatening yet to be documented biodiversity.

In this issue we focus on the expanding influence of Chinese interests along the Mekong in Burma, from increased wildlife trading to rubber plantations and mining operations. In Lahu and Akha villages in eastern Shan State, Chinese agents are handing out traps, poison, and skinning tools while contracting hunters with fixed rates for rare animals such as leopards, bears, and pangolins. Village headmen are solicited to safeguard precious gems for agents who make the rounds looking for potential mining sites.

Under the banner of opium eradication, the Yunnan Hongyu Group, a company that has been lauded at the United Nations by Chinese government officials for its work, is establishing huge tracts of rubber plantations by employing forced labor and burning down forests after entire villages are forcibly relocated. Yet even with such drastic measures, by all accounts opium cultivation increased in eastern Shan State last season. Meanwhile, China continues to steam ahead with the construction of eight giant dams on the mainstream Mekong while downstream communities anxiously question what impacts will befall them, especially after unprecedented floods in August 2008 damaged thousands of acres of paddy farms.

The long time lapse since our last issue is a reflection of the difficulty and danger of gathering information inside military-ruled Burma. This year has seen rising tensions and clashes since the State Peace and Development Council (SPDC) announced that it will hold elections in 2010 and started pressuring ceasefire armies to surrender their weapons. After a sham referendum in 2008 most remain mistrustful of the regime. Open shoot-outs on the Mekong among drug gangs and militias are also not uncommon. Yet we remain committed to gathering information and stories from local people so that their situation can be understood.



We hope that readers will seriously consider the impacts of the destructive and unsustainable pattern of development unfolding in Burma's Mekong region. We urge you to join us in searching for ways in which all those that rely on the Mekong can benefit equally from development projects within their countries and be protected from disproportionate negative impacts across borders. The future of our Mekong depends on it.

Awv bon ui _ javmeh_
Thank you from LNDO



UP FOR SALE:
Tiger skin and other
wildlife parts on
display in Tachilek
market

Undercurrents

Monitoring Development on Burma's Mekong
April 2009, Issue 3

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Site of the Nouzhadu Dam

Undercurrents is a publication of the Lahu Development Organization (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.burmariversnetwork.org and www.shanland.org

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COVER PHOTO: Wild cat on the market in Mongla



CAUGHT: This monkey is being kept alive so that a Chinese customer can drink his brain matter

Mekong Biodiversity UP FOR SALE

The border towns of Mongla and Tachilek have been known as popular posts for illegal wildlife trade to China and Thailand for years. Rare animals were openly on display at markets in the towns and illegal purchases were made in plain sight. Over the past two years, however, a significant shift has occurred. Keng Larb, located on the Mekong in northeast Shan State, has emerged as a new center for wildlife trade, with almost all traffic now headed to China and the bulk of trade happening under the table directly between a network of buyers and sellers. Sop Lwe, the Burmese port town on the Mekong in Special Region #4, and Muang Sing, a China-Lao border point, are also replacing the old wildlife trading centers.

Keng Larb: New hub of the wildlife trade

Its location on the Mekong makes Keng Larb a good place for transporting goods by river to China, Laos, Thailand and other Southeast Asian countries. It was with the aim of developing Keng Larb into a “regional transportation and trade hub” that it was upgraded to a township in 2004. The town itself was once a Shan-Akha village with approximately 700 families but now houses several government departmental offices. The SPDC has even set up a high school (although no one attends it as almost all students never pass the sixth standard).

The futility of the developments in Keng Larb is also evidenced by

the six bridges that have been planned along a 50-mile road from Ta Lerh (see *Undercurrents 1*). Although an initial bridge at Pang Peng was finished in 2003, the other six bridges have been in a state of half-construction since 2004.

Villagers from the surrounding area are repeatedly forced to carry timber to the bridge sites but the material inevitably disappears on the black market. SPDC military officers change frequently. Every year a new military outpost camp officer arrives, he demands that villagers collect timber and proclaims “we must finish the bridge(s) this year.” Yet since 2004 not even one of the six bridges has been completed. Local authorities have

been pilfering their share of the timber to make as much gain as possible before moving on to their next post.

According to traders, the real advantage of Keng Larb as a trading center is that it is cheaper to do business. Compared to Tachilek, there are fewer road checkpoints and department offices, and no immigration or customs offices. Therefore fewer bribes and taxes need to be paid at each step of the trade. One shopkeeper trading in illegal wildlife explained how expensive Tachilek is: *"I have to pay 10,000 Thai Baht (US\$285) per month to the customs group as a bribe to do business. After that the police or military intelligence officers come asking for some cash for their personal needs. Sometimes, just to cross the bridge or the river of the border from Tachilek to Mae Sai, a trader has to pay one tenth of his costs as a bribe to the customs group."* (The customs group includes military intelligence, special police, and customs and township authorities.)

Due to the expenses in Tachilek, Keng Larb has become an

attractive alternative and is consequently now a center for drug-running, illegal logging, and human trafficking. It is also fast becoming a booming market for illegal, exotic animals and wildlife products bound for China, putting greater pressure on the region's endangered and threatened animals such as tigers, bears, and pangolins. Chameleons, grass lizards, crickets, geckos, dung beetles, snakes, and various wildlife, big and small, are gathered at Keng Larb from Mong Ton and Monghsat townships. Some wildlife destined for China is transported from Thailand to Keng Larb, mostly live pangolins. Tachilek now has a limited variety of wildlife on offer, with the majority of deals happening in secret.

Keng Larb's location is also ideal for transporting wildlife parts or live animals by river to Chinese markets. In the past wildlife was rarely smuggled on the Mekong itself. Today it is more common because although it takes longer, it is cheaper than transport by road. There are much fewer checkpoints and no customs officers.

A shift from Thailand to China

The trade to Thailand overall has declined significantly. This began slowly ten years ago when the Thai government banned the transport of live animals across the border and enforcement has been improving. Over the past two years almost all trade has shifted to the China side except meat for consumption, and elephant and deer horns. For example Mong Hta and Maisoong villages of Mong Ton Township, under control of UWSA-South's 171 Brigade, have become a market for bear meat export to Thailand.

Cattle smuggling that in the past was almost exclusively to Thailand has also turned to the Chinese market. One water buffalo that in the past sold for 10,000 Thai Baht to Thailand, now sells for 3,000 Yuan, or over 15,000 Thai Baht, to China. Buffalo are transported by foot across the border, by road, and some are sent up the Mekong from Tachilek Township. Sales of buffalo have picked up since the increasing commercialization of farmland in China, including the Party decision in 2008 to allow farmers to buy and sell their lands.

A new hub of illegal wildlife trade and a network of direct buyers from China is hastening the pace of species loss



SELLING A TIGER

In January 2009 LNDO interviewed a helper of a tiger skin seller

On 13 January a big tiger attacked and killed a farm ox in Mong Kai village (Kengtung Township). After the tiger retreated, the owner put Chinese-made poison into the ox carcass. That evening the tiger returned and ate the poisoned meat. The ox owner and some villagers easily found the dead tiger a few yards away from the ox near a stream.

We skinned the tiger and began drying the carcass. Within two days, buyers from different places came for bargaining. The owner didn't make any decision to sell because the village headmen suggested that he go to Keng Larb for the famous

prices. We didn't want to keep the tiger too long in the village because the owner had to pay ten people daily to keep security over the carcass.

The 20th of January was an Ox Day on the Lahu /Akha calendar. We believe a day of ox is good luck for trading. The animist hill people have to choose those days that are good luck on the calendar. For hunting, Chicken or Pig days are good luck. For trading, we can never choose a Dragon or Snake day. We also sacrificed a chicken and checked whether it was safe to go by the omens in the chicken bones. All was fine, so we started our journey.

On the way we were stopped by many dealers wanting to buy the tiger. Mostly they were agents of Chinese businesses. We stayed over night at two places on the

way. The news spread fast of our catch. Nine people from Kengtung to Mongla came to find us and bargain.

When we were half way to Keng Larb, we met with a buyer who came from the Lao side. This guy was following us for two days and gave the highest price - 700,000 Baht (US\$20,000) for the skin and the bones that weighed just over 14 Viss (51 lbs.).

The ox owner had already spent 30,000 Baht (10,000 to the militia leader in the village, 1,500 to the headmen where we stayed the night, 2,000 to 2 military camps, and 16,500 for the trip (to pay helpers)). So he was able to keep 670,000 Baht, but once he returned home he needed to buy some ox to sacrifice in thanks at 8,000 Baht a piece.



Lahu hunting group in eastern Shan State (Nam Hen forest) April 1999

Lahu hunters yesterday and today

Lahu across China, Burma, Vietnam, Laos, and Thailand are very fond of hunting. Chinese call them La Hu, or "tiger hunter." Shan call them *Muser*, meaning "those who are happy in the jungle like tigers." Burmese call them *La Hu Mote Sol*, "the hunter Lahu."

Lahus have handed down the skill of hunting for generations. Traditionally every Saturday is a day of hunting. On Saturdays everybody is free from working; women go to catch fish, and men go to hunt. In the past hunting was not for a market but only for eating. Lahu are a mountain people and mostly very poor. In a village there was no big merchants and it was

very hard to get meat or any food in the market. Therefore the meat of wild animals was for their survival.

However, nowadays, under the rule of the Burmese military, taxes and levies have become very heavy. Every household is seeking income to meet this burden. Some seek work logging or mining, others become drug traffickers or cattle smugglers.

Similarly, Lahu are now hunting for money. These days in every village either the headman or an agent of a Chinese boss keeps a certain amount of money with them to buy what the villagers can get from the forest, whether it is rare wild orchids, herbs, or animals, alive or dead. Sometimes a hunter can get advance money easily since the cash is in the village. The incentive is very high for hunters that are already skilled and knowledgeable.

New buyers, new prices

Instead of Thai or western buyers that used to frequent the markets in Tachilek, the majority of buyers in Keng Larb are Chinese traders based in the town. They use Lahu hunters as contractors to catch or kill rare animals and gather forest products (see box Lahu Hunters). The Lahu sellers can get a better price for animals in Keng Larb than in Tachilek, with the following going rates (see table).

Losing the future

A recent study reported that 1,068 species were newly identified by scientists between 1997 and 2007 in areas around the Mekong River. "This reaffirms the Greater Mekong's place on the world map of conservation priorities" said Stuart Chapman, the director of the World Wildlife Fund's Greater Mekong Programme when the report was released in December 2008. Yet, wildlife trading from Burma over the past twenty years has threatened various species and now several animals are becoming scarce. Some have already disappeared. ■

TESTIMONY OF DISAPPEARING WILDLIFE Interview with a 71-year old hunter from Keng Larb Township, December 2008

"I don't know how many kinds of wild animals are on the Burma side along the Mekong. But so many times I watched on the bank and saw deer, boar, gaur and other migrating animals cross the water.

About 50 years ago a herd of 30 to 50 elephants used to cross the river from Muang Sing in Laos to Nam Yawn forest in Burma 2 or 3 times a year. Later we never saw them. We knew a group of thirty used to pass through the Loi Pha Lang mountain range

GOING PRICES in Keng Larb

Animal	Product	Amount	Price
Leopard	Skin and full set of bones*	Bone 5-12 Viss (18 - 43.2 lbs)	500,000 Baht (US\$14,300) for 12 Viss
Pangolin	Shell	1-10 tical (16.33 grams)	120 Baht (US\$3.40) / tical
Bear	Dried gall bladder	4-5 tical (14.4-18 grams)	70,000 Baht (US\$2,000) for 5 tical
Otter (Small type - yellowish stomach)	Skin	8-24 inches	150 Yuan (US\$22) / 8 inches
Otter (Big type - white stomach, webbed feet)	Skin	8-40 inches	260 Yuan or 1,300 Baht (US\$37) / 8 inches
Turtle	Dried shell or Alive	1 Viss (3.6 lbs)	450 Baht (US\$13) / Viss
Small black tree ants**	With nest	1 Viss (3.6 lbs)	60 Baht (US\$1.75) / Viss

* Dry skin and bones must be sold together

** Lahu have never heard of selling these ants before, it is a new product for the Chinese market

to Loi Na Kha yel of Mong Hai tract. But so often poachers from Thailand and Burma hunted them for ivory and killed many. In 1990 I heard there were only 13 left.

Fifteen years ago there were many groups of gibbons in Loi Maw Hta Lon forest. Now they have all disappeared because of logging and the noise of the chain saws.

Ten years ago I went to hunt in Loi Phakuton forest beyond the bank of the Mekong. I found a pair of monkeys bigger than bear with long yellow hair. I had never seen anything like them before in my hunting life. Later my son returned there several times but never saw any tracks of those monkeys. Maybe they moved to the other side into Lao's forests.

Today Chinese wildlife traders give various kinds of traps to

the local people to catch the wild animals. They have otter traps, civet traps, bird nets, tiger poison, and tools for skinning too.

Lahu hunting could be lost completely. Now in just a short time we have a hard time finding turtles, otters, and bears. Tigers are scarce and pangolins are almost gone."

Note: Currently there are an estimated 17 elephants in Mong Lu forest (Monghsat Township) where the Shan State Army-South bans elephant hunting. There are an estimated 31 elephants in Loi Pu Meung forest (Monghsat Township) where UWSA-S bans hunting.

"Fifteen years ago there were many groups of gibbons in Loi Maw Hta Lon forest. Now they have all disappeared..."

Rubber Mania

Scrambling to supply China, can ordinary farmers benefit?

Over the last decade, rubber trees have been planted at an increasingly accelerated rate in Burma. Along the roads on the China-Burma border in Kachin State one can see vast tracts of rubber. In Shan State, also, rubber is spreading in several townships in the southeast and north. China's insatiable appetite for the material along with its decreasing available land, are driving forces behind this change. China and Burma's interest in using rubber as a drug substitution crop to eradicate opium is another.

In eastern Shan State, incentives from Chinese businessmen, together with forced plantings and large-scale plantations, all constitute a fixation with rubber. However, the promise of rubber may never pay off. First, due to the nature of uncontrolled commerce, investors have already been cheated with poor seeds, poor or fake budded seedlings, or unfair price offers in several areas. A general lack of technical expertise and knowledge about rubber, together with the lack of fire control in Shan State, resulting in the loss of rubber trees, also make long-term success questionable. Finally, the feasibility of drug eradication is doubtful when rubber is often planted along main roads while opium cultivation continues unabated in more interior areas (see Drug Country). The test of rubber's success will come in measuring the actual benefits to ordinary farmers and villagers, which so far do not add up.

The political situation in eastern Shan State has worsened during

the latter half of 2008, and is currently extremely unstable. Following the constitutional referendum carried out by the Burmese military regime in May 2008, and the announcement that elections will be held in 2010, the regime has been increasing pressure on the ceasefire armies in Shan State to surrender their weapons and join the election process. Various ceasefire armies, including the 40,000 strong United Wa State Army (UWSA), have remained mistrustful of the regime and are refusing to disarm. The regime has responded by

reinforcing its military bases around the ceasefire territories. One armed clash between the UWSA and the regime's troops has already taken place in early 2009. Within this context, villagers are at the mercy of not only the ruling military junta in Burma but various armed groups, all of whom are interested in rubber.

Rubber lures ceasefire groups

In Wa-controlled areas, where leaders are pressured to prove that they are not involved in opium cultivation, rubber has become quite popular as a drug substitution



crop to clear their name. This, together with a policy instituted by the UWSA in 1993 that each brigade or division commander must be self-sufficient, has compelled Wa leaders to increase trading and farming businesses. Rubber is especially popular as leaders feel it will reap enough profits to support their troops and send some funds back to central headquarters. For example, ten years ago UWSA leader Bao You Chang planted 100,000 rubber plants.

More recently, since August 2008, Takap, a southern commander in the UWSA, has employed local villagers to plant rubber seedlings on their own lands in the Lahu village of Peinsa in Monghsat Township. He provides the rubber seedlings and pays 3 Thai Baht

China's demand - Burma's answer

China is the world's top rubber consumer, overtaking the United States in 2002.

Although it is a substantial producer of rubber itself, China's demand is too high for its domestic product, making it also the biggest importer of rubber in the world. To meet its needs, China has turned to its neighbors. It is the largest investor in agribusiness in Laos, with almost all rubber production in Laos driven by Chinese demand. Burma is also an attractive site of land and labor. Official statistics show Burma cultivated 302,000 hectares of rubber in 2006; the Ministry of Agriculture and Irrigation is aiming to increase that by a further 100,000 hectares in 2008. Burma currently consumes 15% of the rubber it produces with the rest exported mainly to China, Malaysia and Singapore.



Photo Mawma Times

per tree planted. Villagers must maintain the plantations and protect the trees from fire and animals. Takap has said that when the trees produce, he will give 30% of the profits to the landowner. This year the villagers are happy as they were able to earn 3 baht per tree. However, it will take several years for the trees to produce and there is no written guarantee of the benefit sharing arrangement.

The productivity of the rubber is a serious concern. Ten years ago Lin Ming Xian, the commander of Special Region #4 in the northeast corner of Shan State, ordered his officers to grow rubber along the border roadsides from Mongla to Ta ping, Mong Ma, and Mong Kha. Today some of those trees are producing well. But in early 2008 Lin Ming Xian reassessed the project after great disappointment in the overall production of the trees and percentage of latex in the rubber. One of his assistants recalled that at one meeting the commander slammed his fists on the table and yelled, "All my good forest is gone, millions of money has been lost, now what to do with this useless rubber?"

The frustration of Lin Ming Xian may be shared by many other hopeful rubber entrepreneurs if they are not careful about the quality of seedlings they plant. One rubber farmer across from Mongla in China explained "To get good latex you must have good quality stock from an old rubber tree. It is very important. You should take a bud from that one and graft it; otherwise you will not have good production." In UWSA areas, some rich men are buying their own plants for a going price of 2 Yuan each, but it's not clear if the buyers know well about the seedling quality.

Ruling military and Chinese promote rubber

Villagers forced into rubber

Rubber is not only expanding under the purview of the Wa and other ceasefire armies, but also under the promotion of the ruling military government in cooperation with Chinese business interests in Shan State. Starting in 2006, headmen in Keng Larb Township, which lies along the Mekong River, informed villagers that an order had come from the township field commander. Farmers were forbidden to cut forest in shifting



cultivation for rice fields, but they could cut to plant rubber. As rice fields were restricted, Akha and Lahu villagers began suffering food shortages. Villagers in Pa Liao, Keng Larb, Mongkok, Loi Taw Kham, Mong Phong, and Phan Min tracts had no choice but to ask money from Chinese businessmen to plant rubber. These agents provided seedlings and paid villagers 3 baht per tree for planting.

Villagers are hoping to receive some share of the profits once the rubber starts producing. The Akha in particular see rubber as a potentially lucrative cash crop because they believe that their Akha relatives in China have a better standard of living due to rubber. However, no one knows if they can make any money before the rubber produces, which could take up to seven years. One villager from Keng Larb Township bitterly explained:

"We have no chance to survive in spite of growing rubber for Chinese bosses. The military orders us 'do not cut one tree,' but for rubber plantation, 'cut as much as you can.' We don't have any money for food but we have to wait 7 to 8 years to get benefit from rubber - it is impossible for us."

The situation in Keng Larb demonstrates how villagers face difficulties in representing themselves against outside interests seeking to manipulate public law for private gain. Verbal contracts of long term leasing for rubber production are in fact land grabs with no guarantee of benefits, reducing villagers to laborers for Chinese agents. Private interests are colluding with military authorities, forcing villagers into arrangements that have no long term security and threaten their natural resource base.

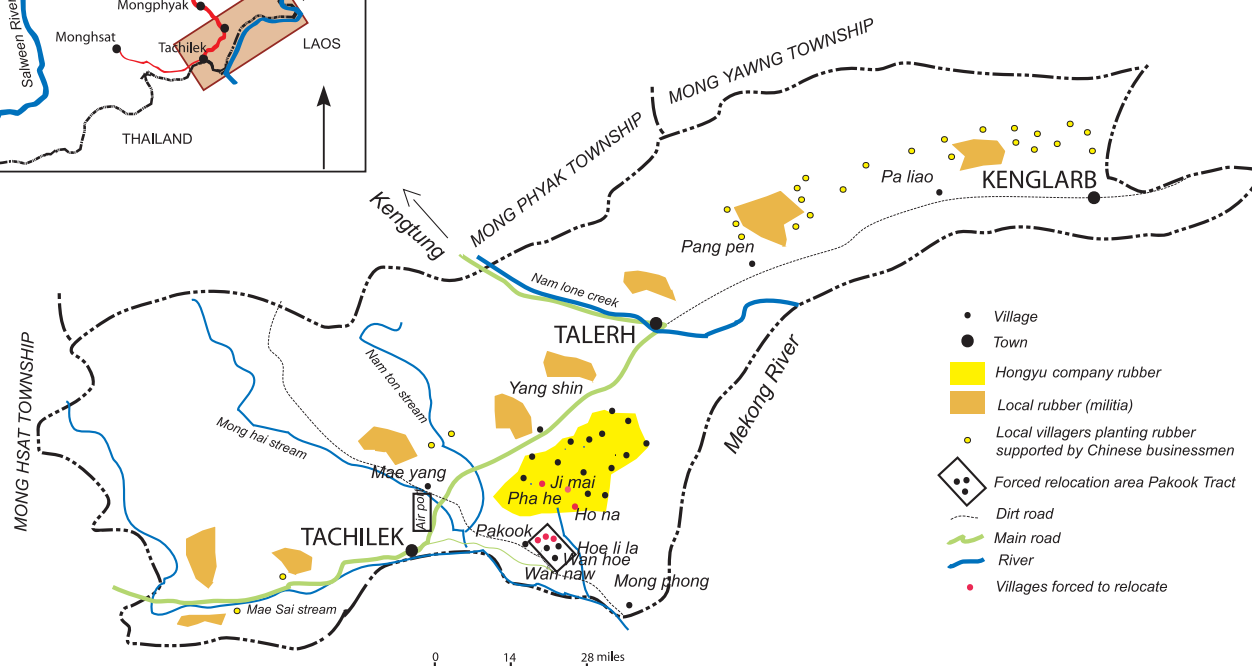
Armed groups scramble to invest

In addition to rubber cultivation by individual villagers, several Lahu militia groups have also started planting tracts of rubber in Tachilek and Monghsat townships (see map). For example, west of Tachilek the militia chief Yeshe from Wan Pung (hot spring) village planted an estimated 1,000 acres in 2007. The chiefs buy seedlings from Chinese traders at 2-3 Yuan each in bundles of 20-30 seedlings. They then use their soldiers and pay local villagers to plant the trees and clear the weeds once a year.

Burma Army military officers and territory authorities with money are also scrambling to invest in rubber. As they rival with each other to grow much more than the others, nearby villagers are not spared the confiscation of their lands.



Areas under rubber cultivation in Tachilek Township surveyed by LNDO



A retired Akha soldier from Tachilek Township had 20 acres of land that had been passed through his family for generations. Two years ago he began growing maezali trees (*Cassia siamea*) to sell for firewood. But before the trees were big enough to cut, the Light Infantry Battalion 571 based in Ta Lerh and a local militia group confiscated his land by force and divided it up between them to grow rubber. He tried again and again to get back the land but after complaining several times he got back just 2 acres. The battalion commander ordered him to replant rubber or another vegetable on the two acres instead of maezali trees. Unfortunately this case is not isolated. He explained: *"Many other villagers' lands have been confiscated by military, village, or town authorities. They announce that the land must be developed for the country, and then they take it."*

Hongyu Plantations

Individual rubber plantings with varying involvement of Chinese business interests are coupled with large-scale plantations of one company in particular. The Yunnan Hongyu Group Company Ltd. has introduced rubber in Shan State under the banner of opium eradication and with license from the ruling military.

In 2004 Hongyu made an agreement to plant 100,000 hectares of rubber in Shan State (see box), and according to local residents, in 2006 the company received another license to grow 5,000 acres of rubber in an area under the control of drug lord Wei Hsueh Kang in Mong Hsat Township and 5,000 acres in Tachilek Township. Villagers don't know how much money the authorities received from the company for this deal, just that the company paid the military to arrange land and labor for the plantations.

The Hongyu Group: Living up to its Global Compact pledge?

"Projects will be executed on the principle of equality, mutual benefits, supplying each other's needs and mutual respect." - Ma Zhengshu, Chairman of the Yunnan Hongyu Group Co., Ltd., describing his company's projects in Burma

Members of the three villages forcibly relocated for Hongyu rubber plantations in Tachilek Township (see article) may disagree with Ma Zhengshu's idea of "mutual benefits." Local people have so far endured unprecedented air pollution, land confiscation, forced labor, and forced relocation for the plantations. Nevertheless, Hongyu, a member of the United Nations Global Compact initiative on principled business practices, continues to work hand in hand with the military in Burma.

Established in February 1995 and located in Kunming, the capital of Yunnan Province, the private enterprise began approaching Burmese authorities in 1998 "supported and guided by the provincial [Yunnan] government" to develop drug substitution schemes in Burma. By 2004 the Group had received acknowledgement from the United Nations Office on Drugs and Crime (UNODC) and the Yunnan Commission of Narcotics Prohibition for its work.

According to a report submitted to the Yunnan Provincial Narcotics Control Committee in 2004 by Hongyu, the company was to implement a project "to build rubber plantations in Tachilek of Myanmar...aimed at relieving the shortage of rubber supply needed by China as well as the world on the one hand, and reducing the opium poppy cultivated area on the other."* The project will develop 100,000 hectares of rubber plantations during 2004-2014. Although the general narrative of the report specifies Tachilek as the location of rubber plantations, the detailed description of the project mentions Special Region No. 2 (Wan Hong District, in Mong Hsat Township).

It's not clear whether the area described in the article at left is part of a new agreement, as understood by local residents, or part of the larger project described in the 2004 document. In either case, the complicity of the Hongyu Group in the abuses involved in establishing rubber plantations is clearly against the ten principles in the areas of human rights, labor, the environment, and anti-corruption that businesses are encouraged to follow and advocate as signatories of the United Nations Global Compact.

Its 2006 annual report on the implementation of the Compact clearly states that Hongyu Group prohibits any form of forced labor, and has a policy of a "people-oriented and humanized work atmosphere." The report also notes that "During the feasibility study stage of new projects, Hongyu Group puts priority in assessment of impacts on ecological and living environment, and takes measures to reduce and even eliminate such impacts." While the Global Compact may accept Hongyu's self-definition of humanized work atmosphere, impact assessments, and mutual benefits, residents of Tachilek Township certainly wouldn't agree.

* *Dedicating to Drug-crop Substitution Cultivation, Forging a Green Great Wall Project of Drug-crop Substitution Cultivation*, 2004, available at <http://english.ynjd.gov.cn/pubnews/doc/read/tdfz/906991389.117111478/index.asp>

The Tachilek project began in earnest in March 2007 when the Tachilek Field Commander sent out the order that villagers were to cut and burn forest areas belonging to 17 villages in preparation for planting rubber. Every village lost some of their lands.

A thick brown haze quickly blanketed the region and unprecedented pollution levels were registered as far away as the northern Thai city of Chiang Mai, 270 kilometers to the south. On the 10th of March the fire in Yangshin village whipped out of control and two houses were burnt to the ground. Two children (ages 4 and 6) were killed when their parents could not save them from the flames.

Orders also came down from the Commander demanding villagers to plant the seedlings, encouraging “volunteer labor for the country’s development.” Militia chiefs and village headmen rounded up the laborers to fulfil the field commander’s order, giving villagers 2.5 baht for each hole dug and 2.5 baht per seedling planted.

Three months after the land-clearing began, the Field Commander then forced three of the seventeen villages to move to Pakook tract ten miles away to make room for the plantations. They were Pha He, a village of 46 households working in shifting rice farms for generations, Ho Na, a village of 150 households growing beans for their survival, and Ji Mai, a village of 35 households breeding goats; all were Akha.

When the newcomers arrived in Pakook with their farm animals, the existing residents were extremely unhappy with the new competition for land and conflicts have arisen. It is also difficult for

the newcomers to find enough forest materials to make new shelters and homes. Without enough land for everyone and little land to work, young Akha, both boys and girls, are leaving for Mae Sai to find work in Thailand.

Adding insult to injury

First biofuel trees, now rubber take over lands

As we reported in our last issue, the military junta has ordered the entire country to plant jatropha trees for biodiesel production. In its report *Biofuel by Decree*, the Ethnic Community Development Forum documented how the program for biofuel is a fiasco, causing forced labor, loss of lands, and impacting food security. Meanwhile, failure of plantings is widespread and facilities to process the oil are not adequate.

While the country is being covered in jatropha (in 2006 General Than Shwe ordered 8 million acres planted within three years), at the same time Chinese businessmen have licence to grow rubber across large tracts of lands, converting vital grazing grounds, forests, and farming areas. Native farmers have fewer and fewer lands to grow their food crops. Without land the hill peoples have no job and no future. One poppy farmer from Monghsat lamented: *“Poppy farming is good for us but we don’t know it makes the world a problem. Now rubber farms make us a bigger problem. Rubber takes our conservation forest and cleans out the fire wood; there is no wood to build a house and no land for our cattle grazing.”*

What benefit?

Farmers in Burma’s Mekong region have been forcibly relocated for rubber plantations, employed by armed groups to establish tracts of rubber, and

coerced into planting rubber themselves due to land use restrictions.

While some remain hopeful that once the rubber trees start producing they will enjoy substantial earnings, the lack of security for ordinary farmers remains a looming issue. Even in Laos, land has been granted to Chinese investors without compensation to villagers that previously owned it. In Burma, where the country is run by the military and armed groups vie for control, a guarantee of land rights is more precarious.

The long-term environmental impact of rubber must also not be overlooked. The clearance of forests, some of them community conservation areas, for a mono-crop system, reduces natural biodiversity and eliminates vital harvests of non-timber forest products that many villagers rely on. Erosion caused by rubber plantations has also been a concern.

The vitality of trees of varying quality stock and the percentage of latex they can produce will be critical uncertainties to resolve in the coming years. In the short term, however, the biggest question that remains is what will farming families eat during the seven years before the rubber actually starts to produce? ■

Drug Country

Another opium season in eastern Shan State sees increased cultivation, mulitple cropping, and a new form of an old drug

If one looks at a geographical map of Burma you will find a mountain range of 5-8,000 feet running from China to Thailand, cutting through eastern Shan State. It is one of the four main ranges in Burma, named *Taungwin* Mountain Range. Historically *Taungwin* was famous as the range that “protected from the Chinese merchants” because it made transportation difficult.

Green forests follow the line of the range all along the way. Some parts are thick jungle covering the ravine, but some areas are cultivated. The land is excellent for growing opium. The soil is so good that land is passed down through generations in the same

family and never sold. It cannot be bought because it is priceless.

A peak of 8,694 feet at the China-Burma border is the starting point of the range. Called *Orlong* Mountain, the Lahu Tubo (one group of Lahu animists) say it is their Holy Land. The peaks then roll steadily downward in a thin line west of Kengtung, from Mount *Nabokha* at 7,087 feet to 5,330 feet, forming the *Loi phe* mountain range.

The mountains rise again to *Loi Sam Sao* (7,810 feet) and after Kengtung, the range expands and widens to include Ar Ma point (7,665 feet) west of Mongphyak. The range continues toward the

Thai border point of *Doi Maekhalon* (6,473 feet), crosses onto Thai soil and ends at *Doi Tung*, now a national park.

Every year all of these mountains are blooming with poppy flowers due to the excellent soil for poppy. And every year this green swath of peaks never ceases to be a prime drug trafficking route.

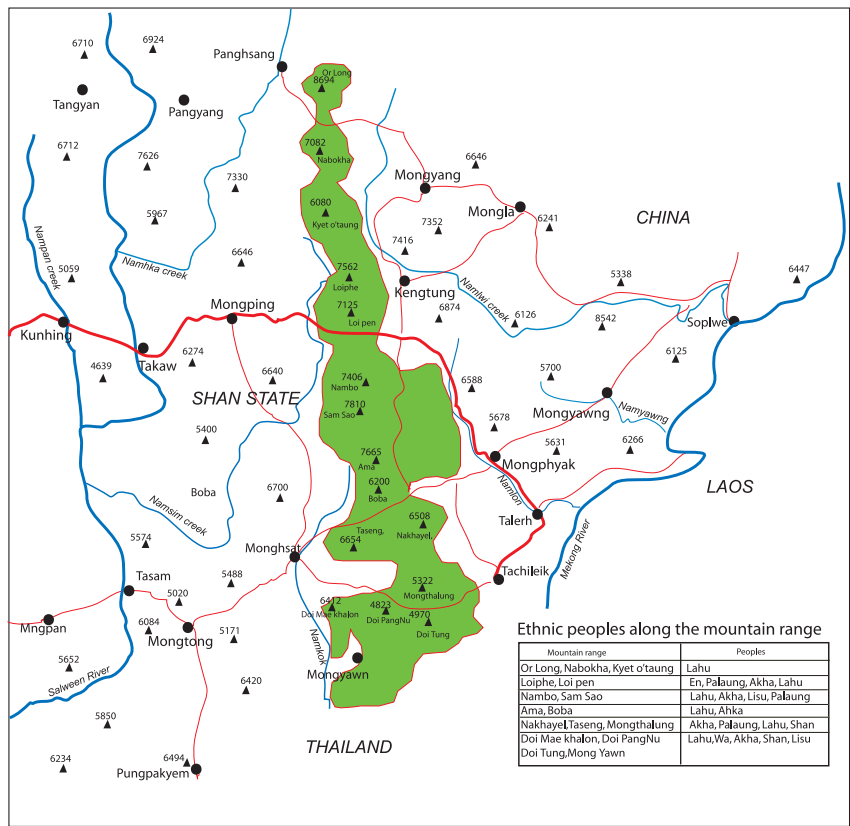
Cultivation in 2007-08 season

Each year LNDO surveys poppy farms in seven townships of eastern Shan State (Kengtung, Mongping, Monghsat, Mongton, Mongphyak, Tachilek, and Mongyawng). During the 2007-08 season, field researchers noted more poppy farms than in recent years in these areas. Good harvests were found in every place.

Decreases in prices for opium reflected the increase in poppy production. From Mongping to the Thai border (an area controlled by the United Wa State Army or UWSA), the price of raw opium during April-July 2007 was fixed at 25,000 Thai Baht (US\$716) per kilogram. This represents a 15% decrease from the same period the previous year, when one kilogram was sold at 30,000 Baht. A villager from Mongphyak Township described how easy it is to find opium in the area: “*Nampang village has a market every 5 days. You can buy as much opium as you want at that market.*”

The collection of taxes on opium farmers also seemed to go more

Main Drug Trafficking Route of Eastern Shan State



smoothly in the 2007-8 season. As usual, each house had to pay 2 tical (32.66 grams) of opium to a local authority. (Depending on the area, this could be a militia chief, a village headman, or a “middle-man,” all of whom then pass the tax to a local Burma Army battalion or township authority). In contrast to other years, however, there were no complaints, punishments, or token destruction of fields by regime authorities after the tax collection. Some believe that since the regime was carrying out its constitutional referendum in May 2008, the authorities did not want any disturbances or resistance and so refrained from these activities.

Division of power

Poppy farmers face restrictions from local armed groups when selling opium. These groups are authorized by the military regime to control certain areas and guard against resistance activities. The farmers must not deal with any buyers other than those who have permission from the armed groups.

There are three general areas of control in southeastern Shan State. Between Monghsat and Mong Ping (including such mountains as Monglin, Mong Kok, Pang Mu, Loi Kha, Topang, Taseng, Winbo) is controlled by Eh Ngweh, a Lahu militia chief based in Ponako.

Those growing opium between Monghsat and Mongton (including Loi Sang Kang, Loi Pa Hoo leng, Loi Phakan, Loi lem, Loi Ho Koo, Hopang, Hoyaw and Apuko) must sell to buyers who have a permit from UWSA's 214th Brigade.

All those in the area south of Mongton to the Thai border and Mong Pulon southwest of Mongping Township must sell to buyers who have permission from UWSA's 171st Brigade. The order is that whoever goes against this system will be punished heavily.

Unusual poppy season

Usually the poppy season begins in November and the crop is harvested in January. Depending on the local weather conditions, some places, such as Mount Monghtalung and Nakhayel in Tachilek Township, start in September and harvest in November. Mount Arma starts in October and Loi Sam Sao in November. In some areas planting can take place twice per year.

Regardless of slight variations in planting and harvesting times, the poppy plant cannot withstand rain. If the rain falls within a week after planting, all the seedlings die. So everyone is careful to wait until the rainy season has stopped. If it stops early, poppy cultivation can begin earlier.

Formerly, poppy growing in the summer months of March and April was unheard of. However, in the 2007-08 season LNDO field researchers discovered poppies flowering in Mongton and Monghsat townships in March.

A Palaung poppy farmer from Mongton said, “*We got some good quality poppy seeds from Thailand. The seeds are not afraid of the rain and can grow not only on high mountains but also the lower lands.*”



A new form Kha Khu, made with opium and pennywort leaves, is now a hot item in Thailand and southwest China

An Akha poppy farmer from Monghsat said, “*Since our ancestors' time we have a lot of experience of how to grow poppy. Today we can grow anytime we wish, not only 1 or 2 times per year. If we avoid the normal poppy season maybe we can evade the tax of the authorities and the Burmese military poppy cutting operations.*”

New form of drug

Khatpong, or *Kha khu* in Kachin language, is a kind of mixture of raw opium and banana leaves that has been consumed for a long time in Burma. Kachin say that smoking *Kha khu* protects from malaria and relieves fever. The strength of the mixture and risk of addiction depends on the proportion of opium that is mixed with the leaves.

Kha khu is made by firstly splitting young banana leaves into small strings and drying them in hot ash. Pieces of opium (as big as a thumb) are put in a cup or a pan, then water or weak alcohol is dropped in and the mixture is boiled on the fire. After a few minutes, the dried roasted banana leaves are mixed in to the sticky mixture, being careful not to burn the leaves. The mixture is continually rolled over and over in a ball using long sharpened chopsticks. Once ready the ball is separated into smaller portions which can be smoked with a bamboo pipe.

Kha khu has always been made with banana leaves. Recently, however, a new form is emerging, one that uses the stalks of the pennywort (*Hydrocotyle asiatica*, a vine growing on the ground, called *Myin khwa* - horse's hoof - in Burmese) plant instead of banana leaves. This mixture has no smell and is very difficult to check.

The new *Kha khu* form is now spreading into China and Thailand. In China's Yunnan province, it is similar to the traditional smoking of tobacco with a bamboo pipe, so it is hard to know who is smoking it. In Thailand, one route for the *Kha khu* is through Doi Angkhang from Nakawngmu of Mongton Township, under the control of UWSA's 171st Brigade. Two grams sells for 80-100 baht and the market is spreading. Thai officials are looking for the source and trafficking route of this new drug.

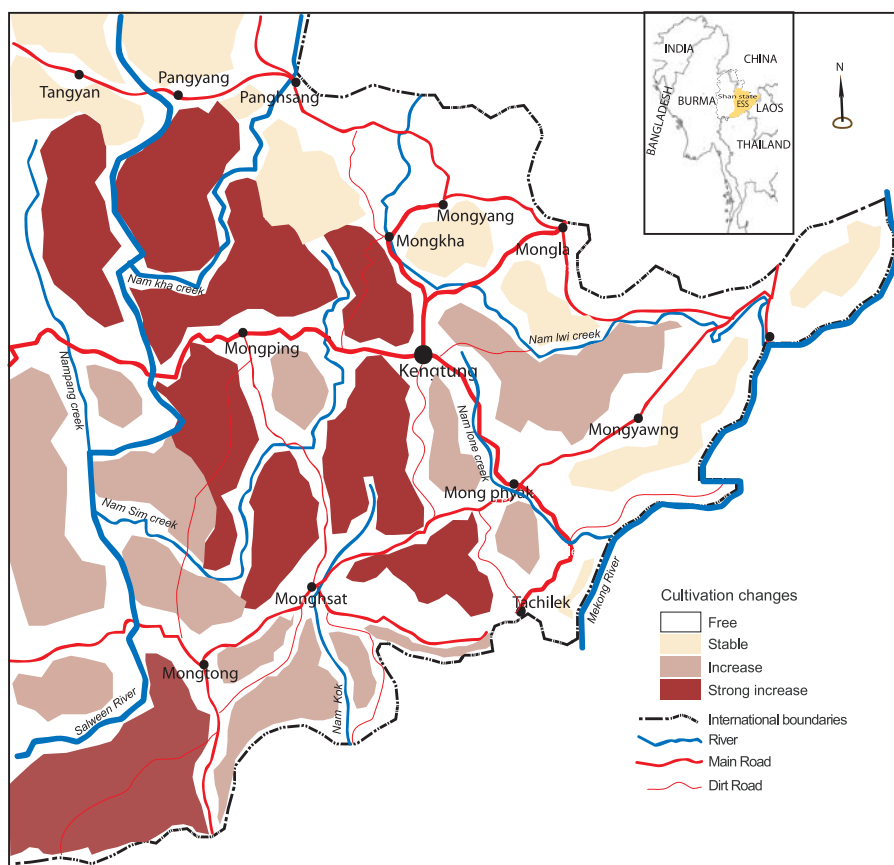
However, only a few people recognize the difference between the old and new drugs. Lahu and Akha only know the name *Kha khu* to refer to the old drug, which is famous as herbal medicine. People say it is good for 'health, long life, and sweet dreams.'

Failure of drug eradication efforts

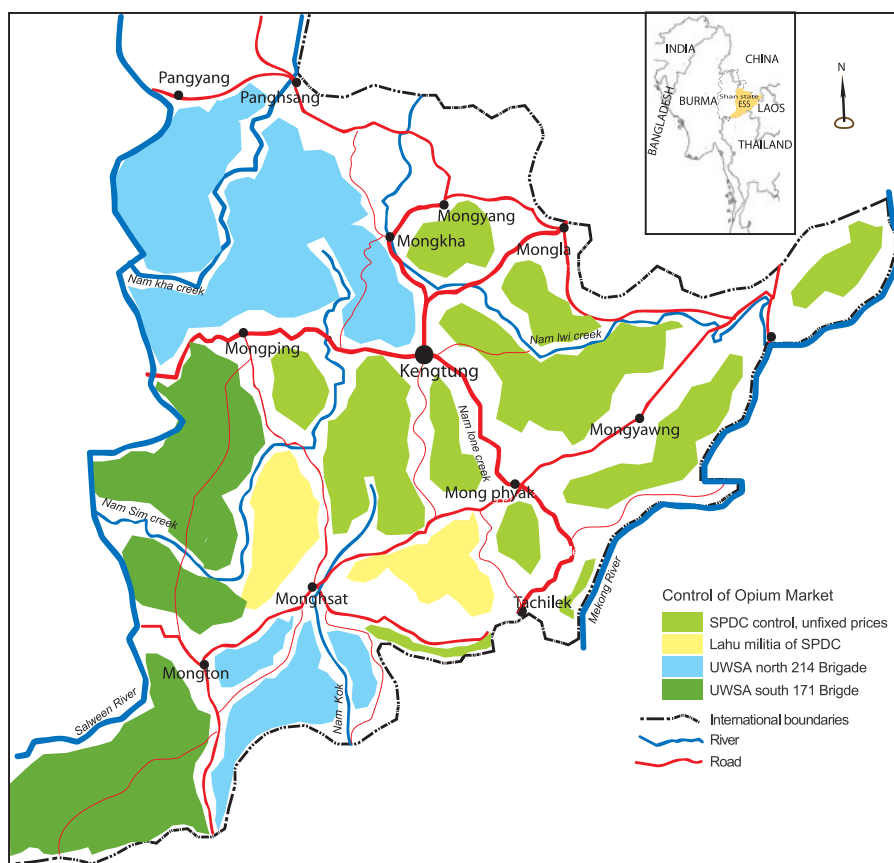
Over the last four decades Burmese military dictators have continuously proclaimed that they are eradicating opium. News about the destruction of poppy fields, the detention of drug traffickers, or drug-related criminals being sentenced to jail terms, are recorded in annual government reports and broadcast in government-controlled media. Every year Burmese authorities burn purportedly seized illicit drugs, including opium, in front of journalists and foreign dignitaries.

The United Nations and other international organizations have spent hundreds of millions of dollars on opium eradication projects in Burma. Development projects for locals, including education, health, agriculture, livestock breeding, etc., were arranged and implemented. The World Food Program has been supplying rice to former poppy growers for five years. Drug

Opium cultivation 2007-2008 over previous season



Division of Power: Control of the opium market 2007-2008



“Without democratic change there is no solution to the drug problem. Democracy, development and an end to the flow of narcotics are all linked.” - Khuensai Jaiyen, Shan Herald News Agency

eradication programs have been tried again and again but after 35 years there is no progress. Today Burma is still the second largest opium producer in the world after Afghanistan.

Although some areas controlled by ethnic cease-fire groups, such as Special Region 1 (Kokang), Special Region 2 (UWSA) and Special Region 4 (Mongla) have been declared opium-free zones, opium production is still increasing every year over the whole Shan State. According to UNODC's annual opium surveys, during the year 2005-06 opium production seemed to decrease slightly, but it increased 3% in 2007-08. That means that even according to the UN's own agency, international efforts to eradicate opium in Burma have not had positive results.

Within the so-called opium-free zones, cultivation of opium also continues. In 1997 General Khin Nyunt declared that there was no more poppy in Special Region 4, controlled by Lin Ming Xian, but poppy is still cultivated along Nam Lwe creek in this area. UNODC also calls Special Region 4 a drug free area. Opium and heroin are not the only drug menace coming out of Burma's Mekong region.

Even in areas where there is little or no opium, the threat of other drugs looms large. A passenger from Mong Mao in the UWSA controlled area said *“Now at our place there are no poppy plants but still opium dealers. Mostly there are too many amphetamine dealers and so many addicts.”*

Drugs are obviously not just a

problem in these areas or in Burma alone. On November 11, 2008, two drug traffickers from Taiwan were arrested in Phuket, Thailand in a heroin mega-bust that uncovered a web of drug transfers. Heroin from the Golden Triangle was being carried through Thailand for distribution to Taiwan, Hong Kong, China and other countries in the region. An LND field researcher found that during November 2008 the price of heroin was 400,000 Thai Baht per kilo in the Monghtalang area of Tachilek Township.

Why no progress?

The ruling military clique has been relying on drug money to run businesses and stay in power. While the junta proclaims success in eradicating opium in order to receive international assistance, at the same time infamous drug kingpins such as Lo Hsing-han, Lin Ming Xian, and Wei Hsiao-kang are living luxuriously under the full protection of the junta. Banks that were established by drug warlords with drug money are used to finance road construction and other infrastructure projects of the military elite and their associated businesses. Drug lord Wei Hsueh-kang and his comrades control the Hong Pang group of companies, which are involved in jewelry and gems, communications, electrical goods, agriculture, mining, textiles and large construction projects.

News of drug seizures is often printed in Burmese newspapers, but the sum of these seizures is a small percentage compared with the magnitude of drugs handled by the junta's accomplices. Arrests are simply the result of disputes in

sharing benefits with authorities and those with high-ranking connections inevitably avoid prosecution. In May 2008 Aung Zaw Ye Myint, the son of Lieutenant General Ye Myint (a member of the State Peace and Development Council) was accused of drug dealing and both he and his father were put under house arrest. The General's wife then threatened that if her son and husband were prosecuted, she would reveal the names of other generals involved in drug dealing. Since then the case has not proceeded.

Pawns sacrificed after accidental drug bust - big fish still on the run

Sai Naw Kham, a militia chief formerly belonging to the Mong Tai Army (MTA), operated as a prominent drug lord based in Tachilek after the MTA surrendered to the Burma Army in 1996. His grand house stood close to the city hall and only 100 meters from the local military intelligence office. On 26 June 2006, the SPDC authorities were preparing to hold drug destruction ceremonies at the city hall. Embarrassingly, when special police were checking security for the ceremony they discovered a pill-producing machine together with 600,000 methamphetamine pills, 80 kilograms of heroin, 2 million Thai Baht, 800,000 US Dollars, and 9 Viss of gold ornaments in Sai Naw Kham's building.

Sai Naw Kham immediately fled to Laos where he lived freely until a shoot-out on the Mekong in February 2009 (see Late Addition).



Secretary (1) Lt-Gen Khin Nyunt addressing the opening ceremony of a museum commemorating the declaration of drug free zone in Mongla on 22 April 1997

A source working closely to the Naw Kham told a headman of one Mekong village, “*We supported every battalion commander, field commander and military intelligence officer of Tachilek with at least 2 million baht (US\$57,000) per month, or as much as they requested, for ten years. We had many friends both in Senior General Than Shwe’s gang and in Senior General Maung Aye’s gang. But after General Khyin Nyunt was ousted in 2004 many army officers rivaled for position. This led to our downfall.*”

Several “smaller fish” who were working in Sai Naw Kham’s web of drug production and trafficking did not fare as well as their boss. Marku, a Lahu militia chief from Tachilek, was imprisoned after the military seized 300,000 amphetamine pills, and 14 guns without license from his property. His wife says Marku gave at least 100,000 Thai Baht (US\$2,860) to Tachilek Burma Army battalions per month, that the unlicensed guns belonged to military intelligence of Tachilek, and that he collected tax for Sai Naw Kham from drug traffickers and cattle smugglers passing through their area. She doesn’t understand why only her husband has been prosecuted when everyone was involved in the same business. She



Despite declarations of less production, 261 bars of heroin from the Golden Triangle confiscated from a drug gang in Phuket, Thailand in November 2008

and her four children are now living in impoverished conditions. Yaw Na, a Lahu militia chief from Monghai tract of Tachilek collected significant taxes along the main route of drug trafficking and cattle smuggling from Mongla to the Mekong river bank and had close links with military officers. His income generation abilities gained him favor with the top Generals and he was selected to be a Lahu delegate at the 2005 National Convention. However he was addicted to opium and died during the convention in Rangoon on March 3rd, 2005. Others have also succumbed to this fate.

Late Addition:

According to several reports, on February 18 a Chinese cargo boat was stopped on the Mekong by Naw Kham’s gang and was then fired upon by a Burma Army patrol, resulting in the death of one Chinese crewman. The Burma Army is denying that they are at fault and are blaming Naw Kham. A four-nation manhunt is now underway for Naw Kham but he remains at large. At the time of publication 350 kilograms of heroin and 217 million Thai Baht (US\$ 6 million) had already been seized. Until this shoot-out, he had been one of the most successful drug lords in the Golden Triangle due to his ability to pay off so many levels of authority. ■

Opium-free: Possible without dictatorship

Thirty years ago Doi Tung mountain range in northern Thailand, where many Lahu and Akha live, had plenty of poppy farms. After years of developing alternatives for the villagers, one Lahu farmer testifies that life is better.

Kya Kaw, age 78, is the oldest member of Hoe Nam Rim village. In the past he stayed at Doi Ang Khang on the Thai border and was a poppy farmer. He also worked in a heroin factory of a Kuomintang (Taiwan Chinese) camp. He says:

In 1995 when druglord Khun Sa and Wa troops were fighting at my place I fled into Thailand. My group and another Shenlen Lahu from Mae Suan Township came together and set up a village here. Twenty years ago it was the best soil for poppy in Thailand. When I arrived I grew poppy for a year it was very good but I became an addict.

In this hillside we are 4 Shenlen Lahu villages. We have never been forced to relocate and never been forced to porter like in Burma. Now we have no more poppy and every villager is growing flowers. We can sell as much as we produce. Some become richer and richer and have a prosperous life.



Construction steams ahead



NOUZHADU DAM:
The construction site in 2007

Dam	Expected completion	MW
Gongguoqiao	2008	750
Xiaowan	2013	4200
Manwan	1996	1500
Dachaoshan	2003	1350
Nuozhadu	2017	5850
Jinghong	2010	1750
Ganlanba	n/a	150
Mengsong	n/a	600



Eight large dams on the mainstream Mekong River in China have created much controversy among downstream countries. China has so far completed three of the dams - Manwan in 1993, Dachaoshan in 2002 and Jinghong in June of 2008. Many blamed unprecedented floods in August 2008 on the dams (see Washed Out).

Nuozhadu Dam is the largest of the dams in terms of total generating capacity, at 5,850 MW. Once completed it will be one of the tallest dams in the world. Construction on the 258 meter-high structure began in 2006. LNDO visited Nuozhadu in 2007. The following photos are from that trip.





In 2007 there were 30,000 workers at the Nouzhadu site. This was expected to reach 50,000 in 2009. Rows of buildings (pictured below) were in place for worker accomodation.

According to an officer at the site, Huaneng Power International Ltd., the company managing construction, wants to finish the project before the expected completion date of 2017.



Digging for riches

An update on mining operations springing up across Shan State

Mining operations have been springing up across Shan State in the past few years, as interest by top officials has spurred on business deals and exploration. Part of this is due to Lieutenant-General Kyaw Win, who was a field commander in southeastern Shan State for a long time before being transferred to Kachin State. He is now a member of the State Peace and Development Council under the Ministry of Defense and has overseen several mining operations in Shan State. The following is an update on new and existing mine fields.

Coal mines on the rise

New discovery in Mongphyak

A new coal seam was discovered in early 2008 in the area of Sai Khao Village, Mongphyak Township (southeast Shan State). A Chinese company is working the mine in cooperation with the son of Lieutenant-General Kyaw Win and Sa Hin, the son of notorious drug lord Khun Sa. Each day the mine is producing 3 trucks (up to 20 tons) and the coal is transported through Mong La to China. They have an arrangement to transport 100 tons per day in 2009. Local people are concerned that they may have to relocate as the operations expand.

Unexplainable delays in Kengtung

It looks as if full-scale operations at the coal mine outside of Kengtung that we reported on in our last issue (see story “Unhindered Prospects”) have been delayed. No one knows why the Thai company that had been operating at the mine is now absent. However, a Chinese boss

gang has been digging at the site with the permission of some troops at a military outpost there. Every night 2-3 trucks are taken out. The five villages that were ordered to move out of the area in April 2006 have not been allowed to return despite relative inactivity at the mine. Four additional villages that received an order that they would have to move in 2009 are waiting anxiously to see what will happen.

Increased production near China border

Three coal mines located in Special Region #4 which used to each produce 80 tons per day increased production to 100 tons per day in 2008.

Coal destined for Thailand puts villagers on edge

The Saraburi Coal Company from Thailand has been given a concession to operate a coal mine near Mongkhok in Monghsat Township. Mongkhok consists of a group of villages on the Kok River about 40 kilometers north of the Thai border.

Ai Kyai is the Lahu militia chief that used to control the area, but over the years Burmese military troops have increased. Today there are three battalions of roughly 200 soldiers each based in the area under a tactical commander.

Coal from Mongkhok was to fulfill a US\$500 million contract that Saraburi had to supply the Electricity Generating Authority of Thailand (EGAT). In 2007 Thai geologists surveyed the mine field, leaving markers at the site.

In December 2008 the Thai company marked the road for 60 miles from Baan Thoed Thai on the Thai side through the border to Mongkhok and Thai workers could be seen in the area. However reports have emerged of resistance to the road construction on the Thai side due to security concerns and the route passing through a national park.

Regardless, one Burma Army battalion based at the mine field is currently in the process of moving three kilometers away so that operations can begin. In January 2009, nearby Shan, Akha and Lahu villages were forced to work in dismantling, moving, and reconstructing the battalion's camp.

Nine villages totalling an estimated 600 people surround the mine site itself and will have to move out.

In addition to relocation, given the mine's proximity to the Nam Kok River, pollution and runoff from the mine are also of concern. No one knows for certain how far downstream those impacts will be felt.

Zinc mine leads to forced labor

1-200 hundred Lahu, Shan, Lisu, and Palaung villagers are being forced to work on a new road linking a zinc mine to the main road from Mongping to Takaw. Some of the villagers have to walk one day by foot to reach the construction site. Each group of workers has to stay for 5 days before they can go back and another group comes in rotation. A battalion based in Mongping is overseeing the road construction

The mine is located south of Sen Mao village and exploration is underway by the Ministry of Mines. They are hoping to begin production in 2009. The Ministry has invited the UWSA-South and a Chinese company to invest in the project but until now the Wa are not interested.

New antimony mine field

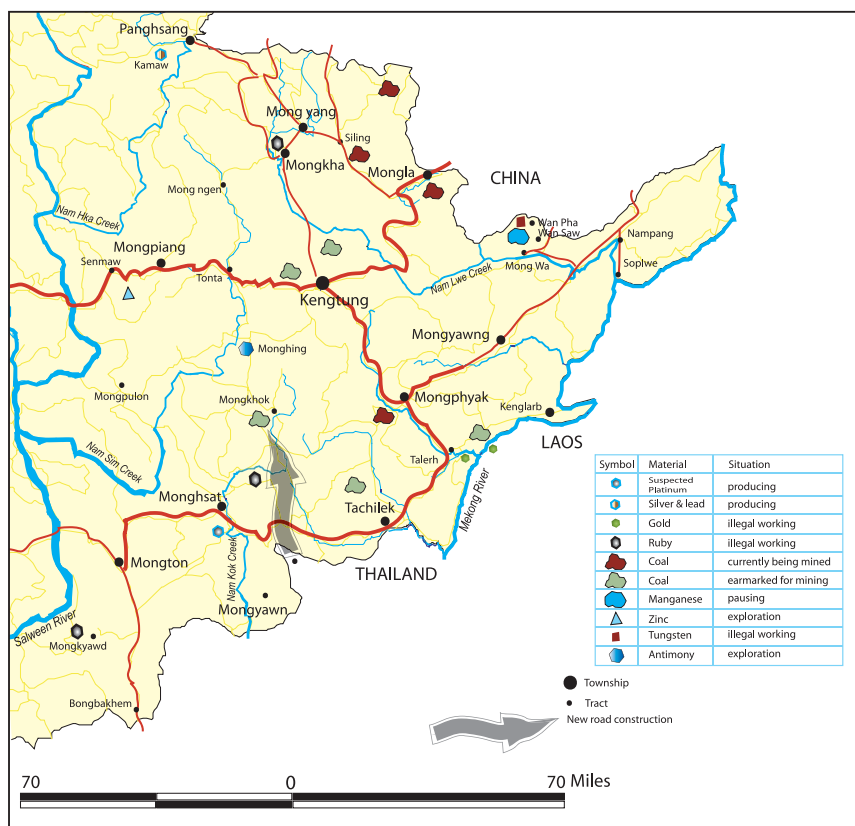
Work was started on a new antimony mine at the confluence of the Nam Hing and Khok creeks in December 2008. General Kyaw Win's son, Khun Sa's son Sa Hin, Chinese, Thai and Lao businessmen have all invested in the project. An estimated 80 houses in the Shan village Mong Inn close by and some small Lahu Kualao villages in the surrounding area may be impacted. Mong Inn is 1,000 years old and known for having good farm lands and many fruit gardens.

High-security mines

A mining area reported on in *Undercurrents 2* as having either lead, silver or gold is now believed to hold platinum. Ten miles from Monghsat and between the confluence of the Maekeng and Khok creeks, the mine is under the control of UWSA's Brigade 214 who keeps strict security of the area.

There are two main blocks of 3 square miles each. One is operated by Wa cooperating with Chinese, Thai, and Lao investors. The other block is run by Lahu from the only two villages in the triangle between the two rivers. Anyone who enters into either 3-mile block without prior permission is shot on the spot by Wa soldiers keeping security. Many Lahu men have already died after encroaching into the block areas without knowledge. Lahu in the two nearby villages have started digging their own rice fields looking for platinum.

Mine Areas in Eastern Shan State 2008



Workers at the Wa-run block are strictly checked and must be registered. They are Wa soldiers and Lahu from the nearby villages, together with a few Chinese and Lao workers. Miners get 2,500 Thai Baht (US\$71) per kg of material. Workers from the Lahu block sometimes borrow machines from Chinese at the Wa block to blast rock.

Work has been ongoing since 2003 with investment from Wa leaders, Chinese, Thai and Lao businessmen. Even some Japanese have come in. Agents for these businesses stay in the Wa headquarters after getting a permit from Wa leaders. Businessmen have to pay a percentage of their profits both to the UWSA and to SPDC authorities.

Manganese mining halted in the north

In our last issue of *Undercurrents*, we reported on a manganese mine under operation in Special Region

#4 near the Chinese border. The mine produced an estimated 34,000 tons of rock per year in both 2004 and 2005 and was closing in on the villages of Wan Saw and Wan Pha. After the publication of *Undercurrents*, mining at the site was stopped in early 2007. Today the trucks have disappeared and piles of rock sit idle.

Illegal Chinese miners cross by day in Special Region #4

Today many small groups of Chinese miners are crossing the border daily to search the earth for whatever metal or gem may earn them some money. Poor Chinese villagers come in groups of 2-5 and dig or pan all day before walking half an hour across the mountain back to buyers waiting on the China side. Each can earn 80-200 Yuan (US\$12-29) per day.

LNDO interviewed illegal mine workers near the old manganese



An illegal Chinese worker pans for “wu” just a short distance from the China border. Lahu villagers have been solicited to pan for gems in local streams like this across eastern Shan State

site who said they were able to find *xin*, *wu*, and *mu*. They did not write down these names in Chinese characters, but these could be zinc, tungsten, and molybdenum. The miners know what they are looking for and how to find it, so they may have had some experience in the manganese mine or in other mines. LNDO was unable to get information from the China side but it is possible that there is a

factory in Jinhong where buyers bring the metals.

Gem seeking for Chinese agents

A pattern that has gone on for the past two years expanded and increased in 2008. Chinese businessmen have been enlisting Lahu villagers to seek out precious stones and potential mine sites throughout eastern Shan State. According to information from

Lahu villages in Ta Lerh, Kengtung, Mongpin, Monghsat, Tachilek and Mongphyak townships, businessmen that can speak fluent Lahu and have permission to travel freely have been instructing village headmen that villagers should look for and collect precious stones in local streams.

Agents sometimes stay in the village, examine the loot themselves, and pay according to their own assessment of the worth. They ask the collector where the gems were found in order to further investigate potentially lucrative sites. If any area seems to have potential as a substantial mine site, the agent will inform a bigger boss.

In other cases, money is given in advance to the village headman or a village-based dealer, who is to keep the stones until an agent returns, upon which time appropriate reimbursement will be doled out. This system is similar to that set up for wildlife purchases (see Mekong Biodiversity Up for Sale). In the case of wildlife, prices are fixed in advance, but for stones, an agent must assess the worth before payment is made.



Piles of rock from the now idle manganese mine block the road at Wan Saw village, May 2008

Washed Out

Unprecedented flooding wreaks havoc in the Golden Triangle

In August 2008 the water level of the Mekong in the Golden Triangle area reached 14 meters, its highest level in 40 years. News agencies reported that flood waters inundated parts of Luang Prabang and Vientiane provinces in Laos and over 2,000 villages in at least seven northern provinces in Thailand, causing the deaths of four people. Information on the hardship of villagers along Burma's Mekong was scarce, however.

Farmers living and planting along the banks of the Nam lone creek, a tributary of the Mekong, and many other small streams which flow into Mekong River, suffered floods and devastation to their farms, particularly in Monglane, Pang Peng, Nam Khin, Kawkawn, Seinlon and Pa Liao villages.

Many newly planted rice fields were covered with mud and damaged. Villagers were unable to plant again for they had no more seedlings and there was no assistance available for a new crop. *"We just finished planting the rice a few weeks ago. The seedlings have all died under the water now. The water reached 17 kilometers from the bank of Mekong"* said one villager from Tachilek.

The rising waters also affected the town of Tachilek. The Mekong backed up and into the Mae Sai River on the Thailand/Burma border causing the high level to overflow the bridge on August 17th. Border checkpoints between Tachilek in Burma and Mae Sai in Thailand were shut from August 17-20 when the water level rose



Rice fields in Pang Peng destroyed by surging water levels on the Mekong in August 2008

up to both friendship bridges linking the towns. A shopkeeper in Tachilek at the time bemoaned: *"The authorities haven't done anything about the situation here. At least the Thai government has some emergency measures in place, but we don't have such things in Burma."*

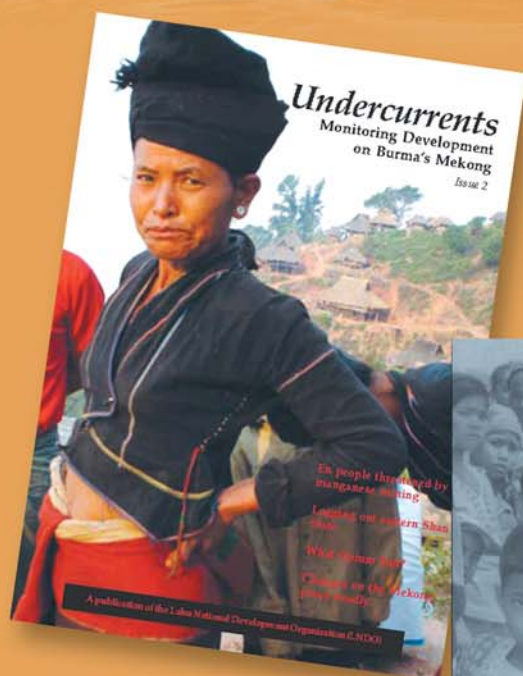
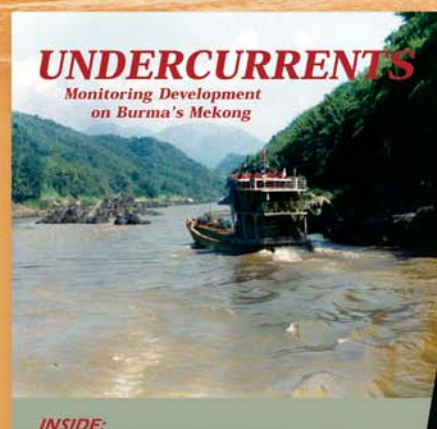
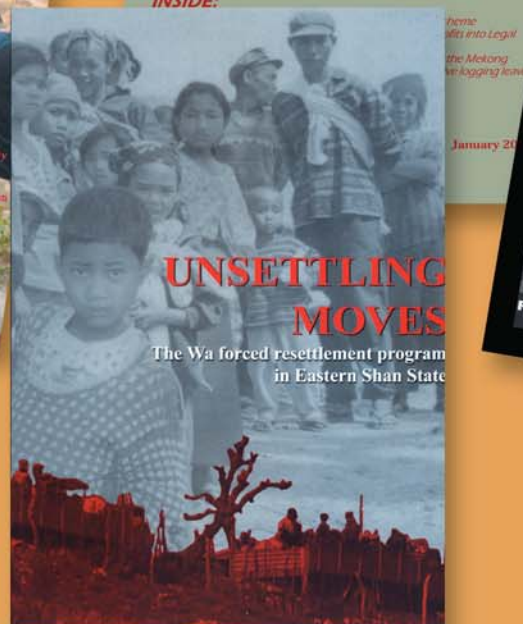
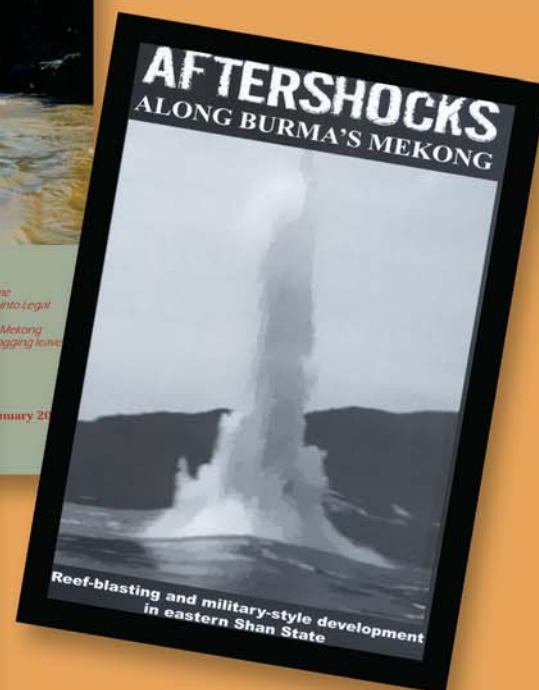
Countless paddy fields along both banks of the Mae Sai River were damaged, some as far inland as 13 kilometers on the Burma side. Some fields in Chiang Rai province in Thailand were still flooded nearly a month later.

Although China denies that the August flooding was caused by its dams upstream, villagers in both Burma and Thailand have been reporting unseasonal flooding and unprecedented fluctuations in water levels in recent years and are worried about changes to the river due to the dams (See *Undercurrents Issue 2*).

Downstream communities and governments have called for China to be more transparent about the operation of sluice gates on upstream dams and impacts downstream, as well as for the improvement to a flood warning system. Villagers along the Mekong in Burma, however, will most likely be the last to benefit from such a system.

For more information about the Mekong and dam plans, please see www.savethemekong.org

"We just finished planting the rice a few weeks ago. The seedlings have all died under the water now..."



Previous LNDO publications are available at
www.burmariversnetwork.org and www.shanland.org