## Shan Drug Watch

**Newsletter** 

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# Political settlement: A win-win solution for all







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#### **Foreword**

Two years from now in 2014, the Burmese government's 15-year master plan to permanently eliminate drugs from Burma will be ending.

As SHAN has reported almost every year since 2003, the results since 1999, the year the master plan was launched, have not been impressive. Take, for example, the first phase (1999-2004). 21 out of 22 townships (or 18 out of 20 by today's count - after government reorganization of some townships) that had been targeted for opium elimination are still growing opium.

But since last year, things seem to have been changing for the better:

- During his inauguration address on 30 March 2011, President Thein Sein promised "good governance," regarded as one of the first requirements for the control of illicit drugs
- O His meeting with Nobel laureate Aung San Suu Kyi, his call for peace talks with the armed opposition movements, his order to suspend the controversial Myitsone dam project on the Irrawaddy and the relaxation of restrictions on the media have also helped
- On the drug front, he has reportedly been developing a 3-year- project to bring the 15 year master plan to fruition

Hence, the question: Will the remaining two years see the end to illicit drugs in Burma?

The reports contained in this year's newsletter will, we hope, give an indication of what to expect in the coming years.

Thanks for reading our publication.

Mysoong Kha! (All the best!) Shan Drug Watch Program Shan Herald Agency for News 26 June 2012

## Political settlement: A win-win solution for all

Wednesday, 16 May 2012 13:35 S.H.A.N.

No one is innocent in the war on drugs in Burma:

- The people because of their desperate need for survival
- The rebels to buy arms for the struggle against a tyrannical government
- ◆ The government and its armed forces for encouraging allies to be involved in the drug trade to fight against the resistance and for allowing their units to be involved so they can feed, clothe and equip themselves

The circle becomes complete when greedy financiers take advantage of the state of affairs to invest, produce and trade in drugs.

When Khun Sa (1934-2007) still enjoyed the good graces of the country's ruling military dictatorship as he was fighting against the Shan State Army (SSA) and the Communist Party of Burma (CPB), the financiers had flocked to him.

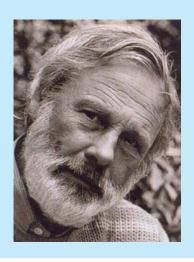
One of these tycoons was mentioned by James Mills in The Underground Empire (1986). While Khun Sa was being dubbed a "King", Lu Hsu-shui aka Vichien Wachirakaphan, a Thai of Chinese descendent, was the "King of Kings." To him, Khun Sa was just "the ulti-

mate source of supply."

Even Khun Sa himself acknowledged the fact. He once told a meeting held at his Homong base: "I'm just a taxing king. The real traffic-kings are others."

But as he became more vocal in politics against Rangoon (then Burma's capital), the latter retaliated by withdrawing its support and switching it to the Wa that was fighting against him.

It was small wonder most of the financiers left him then to invest with the Wa, as it was safer to work with them and the returns were swift and high.



### The real kings

When Lo Hsing Han, dubbed "The king of opium" and "Asia's most wanted criminal" was arrested, it was claimed "Victory over opium". But the facts were otherwise. Although Lo Hsing Han's army broke up, the merchants had as little trouble in moving to the SUA (of Khun Sa) as they had in transferring from the KMT (in the late 1960s).

Adrian Cowell, Trouble in the Golden Triangle, 2005

That was until 2005, when they were still fighting against Khun Sa and, after his surrender in 1996, against Yawdserk's Shan State Army (SSA) "South". During that year, the United Wa State Army (UWSA) decided there was no use fighting against somebody who was obviously not a rival as Khun Sa was and withdrew their troops from the fight.

The Wa insubordination was countered by seizure of a UWSA convoy escorting nearly half a ton of heroin in September that year. Ta Pan, leader of the convoy and nephew of Wa supreme leader Bao Youxiang, is reportedly still languishing in a Burmese jail.

Since then, the "license to deal" has been passed along to the People's Militia Forces (PMFs) that were set up by the Burma Army to assist in its operations against the rebels. As to be expected, more and more "Kings of Kings," both native and alien, are transferring their investments to the PMFs.

Naw Kham, who was recently arrested in Laos and extradited to China, is one example. Many remember him as a lieutenant of Khun Sa, but little is mentioned about his tenure as PMF leader, which was longer than that with Khun Sa.

What has been said here is not to blame anyone involved, especially the rebels and the Burma Army. As the Palaung leader Ta Ai Phong says: Everyone who has a gun is involved.

The solution therefore should not be the Burma Army and ceasefire armies joining hands together against the PMFs, which will only result in financiers moving their investments to new armed groups politically in favor with Naypyitaw.

The obvious solution should be political: an agreement that ensures both the integrity of the nation and the "autonomy in internal administration" of the non-Burman ethnic nationalities that will put an end to strife and lawlessness in the country.

With such a political settlement, there will be no need for war and hence no need to have a huge army that has to look after itself by any means available. Neither will it need to have allies who are allowed to "live by their wits" to fight against rebels. And a country such as this will no longer need "Kings of Kings" and their kind of investments.

Unfortunately, the meeting between Naypyitaw and Loi Taileng, the headquarters of Shan State Army (SSA) "South", did not discuss any political settlement of the problem.

However, whatever they are going to do together, I hope they keep in mind that the ultimate solution is political, not eradication or spectacular seizures.

Until then, we shall need to remind ourselves, as the late Shan leader and scholar Chao Tzang Yawnghwe (1939-2004) once said, we are only putting out the smoke and not the fire.



## 2011-12 opium season: More output

The (1999-2014) 15-year master plan to make Burma opium-free had targeted 51 townships, 43 in Shan State alone.

However, during the years since, the ruling military council has reorganized some of the townships in Shan State (see adjacent table).

As	а	result,	only	39	town-
ship	os	remain	out o	f the	e origi-

	Former townships	New townships
	Muse, Mongkoe and Panghsai	Muse
	Pangwai, Manphang, Napharn, Mongmai, Pangyang and Wiangkao	Pangwai, Napharn, Mongmai and Panghsang
Total	9	5

nal 43 targeted in Shan State.

The last season, 2011-12, our researchers were able to visit

previously unvisited townships to confirm that 49 out of 55 townships in Shan State were growing poppies.

### Phase One (1999-2004) in Shan State

PART	TOWNSHIP	FREE	NOT FREE	CONTROLLED BY	KNOWN DRUGLORD
North	Kunggyan		NF	Burma Army/BGF 1006	Liu Guo Xi (Member, National Assembly)
(13)	Laokai/ Laogai	F		Burma Army/BGF 1006	Bai Xuoqian (Member, State Assembly)
	Kunlong		NF	Burma Army/PMF	Ho Xiaochang (Member, People's Assembly)
	Hopang		NF	Burma Army/PMF	
	Mongyai		NF	Burma Army/PMF	Ma Guowen (Mongha- Mongheng PMF)
	Tangyan		NF	Burma Army/PMF	Than Win (Ethnic Chinese businessman)
	Lashio		NF	Burma Army/PMF	Bo Mon (Manpang PMF)
	Namtu		NF	Burma Army/PMF	
	Mantong		NF	Burma Army/PMF	
	Hsenwi		NF	Burma Army/PMF	Mahtu Naw (Kawngkha PMF)
	Kutkhai		NF	Burma Army/PMF	T.Hkun Myat (Kutkhai PMF) also (MP, People's Assembly) Myint Lwin (MP, State Assembly; Ta Moeng Ngen PMF)

PART	TOWNSHIP	FREE	NOT FREE	CONTROLLED BY	KNOWN DRUGLORD
	Namkham		NF	Burma Army/PMF	Kyaw Myint (Panghsay PMF; Member, State Assembly)
	Muse		NF	Burma Army/PMF	Keng Mai (Mongpaw PMF; Member, State Assembly)
East (1)	Mongla	F		NDAA (ceasefire group)	
South	Kunhing		NF	Burma Army/PMF	
(6)	Mongpan		NF	Burma Army/PMF	
	Langkher		NF	Burma Army/PMF	
	Hsihseng		NF	Burma Army/PMF	
	Faikhun		NF	Burma Army/PMF	
	(Pekhon)				
	Mong Keung		NF	Burma Army/PMF	
Total	20	2	18		

Note: 22 townships by original count.

### Phase Two (2004-2009) in Shan State

PART	TOWNSHIP	FREE	NOT FREE	CONTROLLED BY	KNOWN DRUGLORD
North (4)	Pangwai	F		UWSA	Wei Xuegang (Commander, 171st Military Region)
	Napharn	F		UWSA	
	Mongmai	F		UWSA	
	Pangyang	F		UWSA	
East (7)	Mongyang		NF	Burma Army/PMF	
	Kengtung		NF	Burma Army/PMF	
	Mongyawng		NF	Burma Army/BGF 1009	
	Monghsat		NF	Burma Army/PMF	Ja Ngoi (Punako PMF)
	Mongton		NF	Burma Army/BGF 1007	Ja Pikoi
	Mongpiang		NF	Burma Army/PMF	
	Mongkhark		NF	Burma Army/PMF	
South	Hopong		NF	Burma Army/PMF	
(3)	Mongnai		NF	Burma Army/PMF	
	Panglawng		NF	Burma Army/PMF	
Total	14	4	10		

Note: 16 townships by original count.

### Phase Three (2009-2014) in Shan State

PART	TOWNSHIP	FREE	NOT FREE	CONTROLLED BY	KNOWN DRUGLORD
South	Kehsi		NF	Burma Army/PMF	
(5)	Monghsu		NF	Burma Army/PMF	
	Namzang		NF	Burma Army/PMF	Mahaja (Homong PMF) Zhou Sang (Nayai PMF) Sai Lu (Markkieng PMF)
	Yawnghwe		NF	Burma Army/PMF	
	Laikha		NF	Burma Army/PMF	
Total	5	-	5		

### Untargeted townships in Shan State

PART	TOWNSHIP FREE	NOT FREE	CONTROLLED BY	KNOWN DRUGLORD
North	Mongmit	NF	Burma Army/PMF	
(6)	Namhsan	NF	Burma Army/PMF	
	Mabein (Manpiang)	NF	Burma Army/PMF	
	Kyawkme	NF	Burma Army/PMF	
	Nawngkhio	NF	Burma Army/PMF	
	Hsipaw	NF	Burma Army/PMF	
South	Loilem	NF	Burma Army/PMF	
(6)	Taunggyi	NF	Burma Army/PMF	
	Kalaw	NF	Burma Army/PMF	
	Lawkzawk	NF	Burma Army/PMF	
	Mawkmai	NF	Burma Army/PMF	
	Pindaya	NF	Burma Army/PMF	
East	Markmang (Metman)	NF	Burma Army/BGF 1010	
(3)	Tachilek	NF	Burma Army/BGF 1008	Yishay (Nampong PMF)
	Mongphyak	NF	Burma Army/PMF	Ja Seu Bo
				(Mong Hai PMF)
Total	15	15		

#### Poppy cultivation outside Shan State

Since 2002, the year the Shan Drug Watch program was launched, only 1 state (Mon) and 4 regions (Rangoon, Irrawaddy, Pegu and Tenasserim) have not been reported as opium producers.

Among the opium growing areas, only Kachin State, like Shan State, has been growing poppies since the 18th century, when it was introduced from China's Yunnan province. Cultivation in the rest is a recent phenom-

enon, especially:

- ◆ Chin State (first reported 1977)
- ◆ Karenni/Kayah State (first reported 1995)
- Magwe Region (first reported 2002)

- Arakan State (first reported 2004)
- ◆ Karen State (first reported 2010)

By the year 2007, Bangladesh was reporting destruction of poppy fields in

Chittagong Hills, which shares the border with Arakan State.

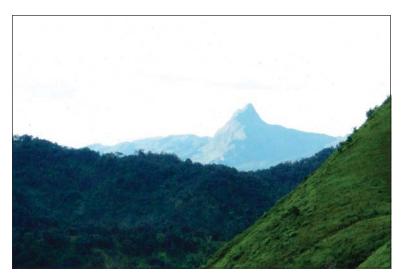
Looking back, even official news agencies had reported destruction of poppy fields in the following states and regions: Shan, Kachin, Kayah, Chin, Magwe, Sagaing and Mandalay.

Summing up both official and unofficial repors, there are some 27 townships involved in poppy cultivation:



A poppy farmer's house in Mantong

Khamauk Taung, "Broad brimmed Bamboo Hat Mountain," between Namtu and Mantong, reported to be leading producer of opium in the 2010-11 and 2011-12 seasons



State/Region	Targeted in 15 year plan	Untargeted in 15 year plan	Remark
Kachin	Karmaing <i>(now in Phakant township)</i> Waingmaw Moemauk Moehnyin	Hsaw Law * Chihpwe * Sumprabum * Tanai * Putao * Ma Changbaw * Hpakant * Anjanyang * Nawng Mon (Nawk I) Khao Lam Phu •	<ul><li>★ Kachin News Group</li><li>Media</li><li>Mong) *</li></ul>
Kayah	Loikaw Dimawso	Phruso ** Shadaw **	** Official
Chin	Tonzang Falam	Tiddim *** Pletwa ***	*** Khonumthung News
Sagaing	-	Kalemyo *** Tamu ***	
Magwe	-	Nge Phe ** Minhla **	
Karen	-	Myawaddy *	◆ Karen Information Center
Total	8	19	

Even if half of these reports are true, the inescapable conclusion can be none other than that the current poppy eradication policy is not working.

Is it because of the wrong prescription, or worse, because of the wrong diagnosis? It is high time the new administration finds this out.

It is ridiculous that Tasmania should benefit from growing poppies while Laos is penalized.

Bangkok Post, 10 September 2004

### Did the British bring poppy cultivation to Burma?

In 1889, on his way to Kengtung, which was yet to be annexed, J.G. Scott passed through Mong Pu On (now in Mongpiang township) and found "acres of opium cultivation."

Scott of Shan Hills, P.140

## Opium poppy growing areas in Shan State during 2011-2012 season



Poppy growing townships

Poppy free townships

N.B. The green color in a township does not necessarily mean the whole township is growing poppies.

#### Well known militia forces and chiefs



Article 340 of Burma's 2008 constitution enshrines the role of the People's Militia Forces (PMFs) as follows: "With the approval of the National Defense and Security Council (NDSC), the Defense Services has the authority to administer the participation of the entire people in the Security and Defense of the Union. The Strategy of people's militia shall be carried out under the leadership of the Defense Services."

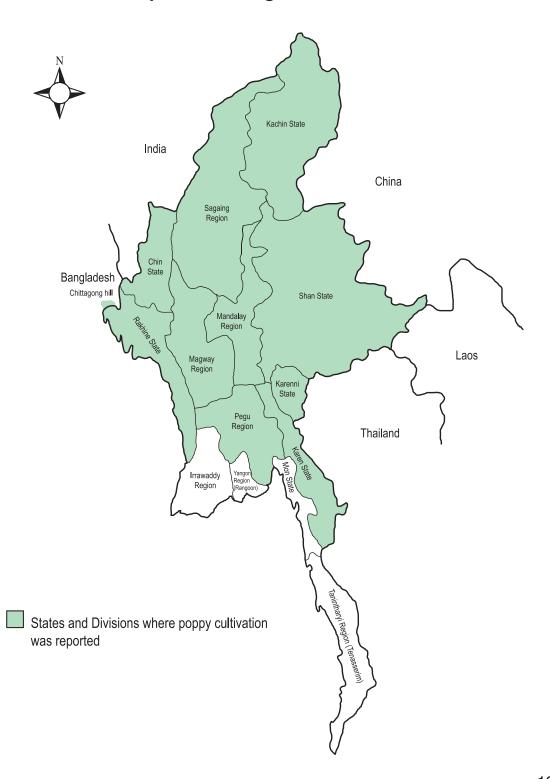
The PMF's mission is to fight the rebels, be the eyes and ears of the Army, collect taxes and control the populace (meaning to cut the link between the people and the rebels). Compared to the Ka Kwe Ywe (Home Guard Forces) that flourished between 1960-1973, the PMFs are a step higher, because the KKY were not needed to collect taxes and control the populace.

As well as proving to be an added financial burden to the populace, the PMFs are known to collect transportation and protection money from drug-trafficking syndicates.

According to the Network for Democracy and Development (NDD)'s Documentation and Research Department, "outgoing" Senior General Than Shwe gave a standing order to set up one battalion-sized PMF in each village tract. (There are 13,725 village tracts in Burma.) Instead, there is only about one PMF battalion in each of the 325 townships and some 60 subtownships.

The Border Guard Forces (BGFs) were formed in 2009: 3 in Kachin, 2 in Karenni, 5 in Shan and 13 in Karen states. Like PMFs, they are commanded by local officers but, unlike PMFs, administered by Burma Army officers.

## States and Divisions where poppy cultivation was reported during 2011-2012 season



## More poppy destroyed, more grown

For each poppy season, our intrepid researchers have been able to pick up one or two interesting catchwords or phrases.

For example, in the 2009-10 season, when soldiers were ordered to go on a search-and-destroy operation against poppy fields, the underpaid troops would say, "Now it's time to draw our pay from the hills."

Next, in the 2000-11 season, which also coincided with the campaign season for the first elections in 50 years, the military proxy Union Solidarity and Development Party (USDP) candidates in several townships reportedly promised: "Vote for us and you'll be free to grow poppies". The result was the saywhich became catchphrase, "The Army gets taxes (meaning drug taxes), the Lion (the USDP logo) gets votes."

Not surprisingly, the last (2011-2012) season saw both cultivation and output even higher than the 2010-11 season, thanks to better weather conditions, in all three parts of Shan State (North, South and East).

The exceptions were two townships: Namzang, where several fields were destroyed on 31 October 2011 when it was hit by a hailstorm. The event prompted some farmers to make up for the loss with fresh cultivation. But not all could afford or find the capital. Its neighbor Kunhing meanwhile was still recovering from the extensive use of chemical fertilizers in the past, resulting in low yields for the third consecutive year.

All other townships have claimed more output. In Kutkhai, Hsenwi and Lashio, one researcher reported that the output was as much as the 1996-97 season when the annual yield reached its peak. (The highest overall outputs, according to the UN, were 1,791 tons in 1993 and 1,760 tons in 1996).

It was during the last season that a field slashing team, made up of soldiers, police and civilian officials, visited a village in Lashio township.

Directives from Naypyitaw not to take payments and food from the farmers appear to have had little effect on the team, most of whom had been long struggling to make ends meet. When asked by the farmers to be careful only to destroy the low yield fields already chosen for the team, the team leader was reported to have answered: "Don't worry. We won't be touching any high yield fields. If one of them is destroyed, we'll return your money."

This should be compared with a report by Reuters, dated 21 February 2012, that quoted government officials saying they had destroyed 52,252 acres of poppy fields since September. But Reuters also found "opium had been harvested from some poppies before they were destroyed. And while more poppy is being destroyed, more is also being grown."

Indeed, further north in Hsenwi, many people were found missing from the annual Lern Hsi (Fourth Lunar Month) Festival in March by friends and relatives. When asked, they were told the said people were busy "slitting (poppy pods) and scraping (their sap)" in the Loi Tao mountain range, where opium has long been traditionally produced.

### Mekong godfather run down

Friday, 27 April 2012 09:52 S.H.A.N.

Naw Kham, known as the Godfather of the Golden Triangle, where Thailand, Burma and Laos meet, was finally nabbed at his mistress's home in Bokeo province, on Wednesday night, 25 April, confirmed sources in the area.



Naw Kham

The raiding party was made up of Chinese and Laotian officials. The Chinese had been hot on his tail since the killing of 13 sailors near the Golden Triangle on 5 October 2011. The arrest ended his 7 year "reign" in the area.

Villagers yesterday had protested to the authorities that they had arrested the wrong suspect and that he was a bona fide Laotian national. "The officials told them they couldn't let him go until he was duly interrogated," said the source.

Eight of his men also surrendered to the Burmese authorities on 23 April, Myanmar Alin reported on 25 April.

His capture took place five days after his deputy Hsang Kham was detained by Thai law enforcement officers on 20 April, the same day the kingdom's anti-drug suppression center announced a 2 million baht (\$ 66,666) price on his head, according to a former Mong Tai Army (MTA) commander who used to work with Naw Kham before his (Naw Kham's) surrender to the Burma Army together with Khun Sa in 1996.

"The Chinese, Burmese and Thais all want him extradited each to their own country," said a Burmese official source. "It's up to Laos to decide what it should do with him."

Naw Kham, a native of Mongyai (a scion of the princely Mongyai House, according to a source), became a Burma Army-run militia chief in Tachilek following his surrender.

On 10 January 2006, he became a fugitive after his home was raided and "countless numbers" of methamphetamine were seized by the authorities. Since then he had taken control of the cross-border trade and shipping, both legal and illegal, along the Mekong by collecting protection money from the traders.

He was believed to be behind the killing of the 13 Chinese sailors, including two women, on the river six months earlier. The event had triggered Chinese law enforcement into the Triangle that finally led to his arrest. He was extradited to China on 10 May.

Lt-Gen Yawd Serk, leader of the Shan State Army (SSA), however said catching Naw Kham would not end lawlessness on the Mekong especially in the Golden Triangle. "It began long before Naw Kham appeared on the scene," he said. "All will remember the 1967 Opium War which took place in the same area. To prevent these things from happening, cooperation from all those con-

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## Burma Army makes record seizure but owner gets away

Wednesday, 15 February 2012 13:06 S.H.A.N.

Sources in Shan State East say the real owner of the 8.7 million yaba pills and 52.8 kg of heroin seized on Monday, 13 February, has been strictly left alone by the military authorities.

They had instead taken into custody Miju, an Akha woman, whose husband Ah Mu had managed to slip away, when the raiding party led by Col Khin Maung Soe, Commander of the Tachilek Operational Command, entered the village of Pha Khao in Loi Taw Kham tract. Two other suspects, Ah Ka and Ah Kar, also got away, accord-

ing to ASTV The Manager Online.

It did not mention anything about Ah Mae, aged around 47, a former militia leader who is believed to be the real owner.

Sources say Ah Mae, sponsored by a Thai in Chiangrai, has been producing yaba (methamphetamine) for years. "He is close to most Burmese officials in Tachilek, including Col Khin Maung Soe," said one. "He is known as a mobile ATM (Automated Teller Machine) by them. They often ask for monetary

contributions from him, either for their personal or public undertakings."

It is however not known why his village was targeted by the authorities. Thai reports have claimed that it was the result of a official request by Thai authorities after a police officer was killed and another wounded by drug smugglers coming from the Loi Taw Kham area.

"One thing's sure," said a source. "The order did not come from Khin Maung Soe, but from higher authorities."

Ah Mae's neighbors who are also known for their heavy involvement in drug production and trade have likewise been left untouched. These include Ja Ngoi of Punako, Yi Shay of Nampong and Wilson Moe of Loi Taw Kham, elected representative for Shan State Constituency # 7, National Assembly, who is also reportedly close to Nayai PMF.

One of the sources believed the actual haul was much big-

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The village of Pha Khao that was raided on Monday, 13 February 2012.

## Chemists displaced by war moving east

Friday, 17 February 2012 11:22 S.H.A.N.

One of the unintended side effects of the Burma Army's offensive against the Shan State Army (SSA) North as well as the Shan State Army (SSA) South campaign against Burma Army supported People's Militia Forces (PMFs) last year was the displacement of refineries in Shan State South as well as skilled chemists working there, according to sources from Shan State East.

The Burma Army, from March to August 2011, had launched an offensive against the SSA North that had refused to be transformed into a PMF. The offensive was reinforced by construction of chain fortifications by the newly formed Central Eastern Region Command, the 4th regional army in Shan State.

The SSA South in the meanwhile had been warring

cursors and paraphernalia used in the manufacturing of #4 heroin, at the main base of Wanpang PMF in Laikha township in December.

The result was the migration of refineries and chemists into Shan State East, where the SSA is less active.

"The Wa may still be #1 when it comes to Ice (crystal methamphetamine) and yaba

#### Heroin

As a result of these chemists' re-employment with the PMFs in Shan State East, the quality of heroin there has increased significantly. "We used to say Markkieng and Nayai PMFs (in Namzang township) produced #1 quality Kheptin (slippers, slang for heroin blocks) until a few months back," one of the businessmen in Monghsat said to SHAN. "No more. The quality of Kheptin produced in Tang Hseng (in Monghsat township), Punako (also in Monghsat township) and Nampong (Tachilek township) has become just as high. Even the Wa recognize the fact "



Heroin produced in Markkieng People's Militia Force area

against PMFs, particularly those that had actively taken part in the Burma Army's campaigns against it. One outcome was the seizure of cooked opium, #3 heroin, pre-

(methamphetamine pills)," said another businessman coming from Kengtung. "But Lahu PMFs have now emerged as #1 in heroin."

## Drug use unstoppable in Shan State North

Wednesday, 22 February 2012 14:25 S.H.A.N.

Residents of the town of Mong Yaw, 25 miles northeast of Lashio and its 17 surrounding villages, are finding it hard to prevent their youth from using drugs, according to concerned parents there.

"They are even selling yaba at school," said a mother. "Now we can't keep anything of value at home unless we lock it up where they can't easily take it away and sell to buy drugs."

Yaba, high quality, is 4,000 kyat (\$ 5) per pill and yaba, low quality, is 1,700 kyat (\$ 2.13) per pill in Mong Yaw. Among the users are women too.

The town has Ma Htu Naw's KDA (Kachin Defense Army, ceasefire army turned-militia) in the north and Bo Mon's Manpang People's Militia Force (PMF) in the south, both known for their heavy involvement in drug production and trade. It also has a police station and a Burma Army unit, usually Lashiobased Infantry Battalion (IB) # 41 or 68. "The police do nothing," said a townsman, "and the army is satisfied if there is a civilian truck and villagers taking turns each day to work at the command post."

One of the counter measures generally used by the popu-

lace is to send their children away to Thailand where it is more difficult to buy drugs. The travel fare from Mong Yaw to Thailand (a distance of about 714 km) is around 300,000 kyat (\$ 375).

At the same time, a large number of migrant workers from the kingdom are returning to Burma for the seasonal opium harvest which ends this month. The KDA and Manpang-controlled areas are known to be major opium producers.

## SSA: Cooperation from Burma Army essential against drugs

Tuesday, 15 May 2012 12:51 S.H.A.N.

Without cooperation from the Burma Army, Naypyitaw's drug eradication and suppression program will not work, according to Lt-Gen Yawd Serk, leader of the Shan State Army (SSA) South.

Speaking to SHAN yesterday, he said the SSA's seizure of precursors and "cooking" utensils from the Wanpang People's Militia Force (PMF) which were turned over to the Burma Army had only been given a cold shoulder

by the latter.

According to Tai Freedom, the SSA's website, the haul at the Wanpang PMF base in Laikhai township, Shan State South, included:







- 57 bottles of sulphuric acid
- 245 bars of Saramaka (ammonia)
- ◆ 11 sacks of soda
- ♦ 30 kg of # 3 heroin
- 9 stoves
- Cooked opium 25 bags
- Raw opium 1 bag

To the disappointment of militia members and villagers who had tipped off the SSA, Kaling Htoi, the PMF leader has been left untouched by the military authorities. Reports of his new recruitment drive to replenish his dwindling force and executions of those who had filed complaints and reports to both authorities and party officials have been received by SHAN.

"Later on, Burmese narcotics officials from Naypyitaw



Heroin precursors and paraphernalia seized at militia base

raided the Markkieng PMF," (in Namzang township, Shan State South) said Yawd Serk. "But they returned emptyhanded, because the refinery and all the evidence had already been removed after receiving a hot tip from Namzang authorities."

Another surprise raid was launched on 13 February by Tachilek authorities at Pha Khao village, Loi Tawkham tract. Although 8.7 million pills of methamphetamine ("yaba") were confiscated, the owners, who are PMF members, were tipped off to stage a timely getaway, according to militia sources.

"Militias have been formed under our supervision," Col Win Maung, then Mongton area commander, was reported as telling a militia leader in SHAN's Hand in Glove: The Burma Army and the Drug Trade in Shan State (2006). "You have been loyal to us as our eyes and ears. ... Ceasefire groups are merely enemies who have taken a break in the fighting against us."

The Restoration Council of Shan State/Shan State Army (RCSS/SSA) is planning to present a proposal for cooperation against drugs to the newly set up Union-level Peacemaking Work Committee during the coming weekend in Kengtung.

Naypyitaw's 3-stage peace process includes: Ceasefire, Development and Cooperation against drugs, and Political dialogue leading to a Panglong-like conference.

## Drug production and abuse come together

Thursday, 17 May 2012 09:58 S.H.A.N.



Poppy field at Lawng Mark Oh, Homong sub-township, opposite Maehongson, in December 2011.

More people are engaged in opium production and more, including women and monks, are using drugs in Shan State North, according to local sources and researchers.

"On social occasions, whether religious merit-making, wedding or funerals, where people go until late at night or all night to help, yaba (methamphetamine) is being offered just as plain tea," said a villager. "To many, it is known as an invigorator and refresher."

Most of the drug abuse is in areas under the control of

People's Militia Forces (PMFs) set up by the Burma Army, reported researchers.

A survey was conducted in March in Kutkhai, where T. Khun Myat, Kutkhai PMF leader has been elected as a Member of Parliament.

From ten of the villages investigated by researchers came the following statistics:

Households 599 Population

(2,080 m, 2,617 f) 4,697 **Drug users** 

(1,330 m, 26 f) 1,356 (28.87%)

#### Poppy acreage

1,571 acres (2.6 acres per household)

Most of the users are aged between15-45. Taxes paid to the PMF and the Burma Army (through PMFs) were: K 100,000 (\$ 125) per acre and 10% of the harvest. The price was K 900,000 (\$ 1,125) at the farm gate and K 1,200,000 (\$ 1,500) downtown.

Earlier, they had also conducted a survey on the Hsenwi (under Kawngkha PMF)-Lashio (under Manpang PMF) township border areas:

Villages 24 Households 2,215 Population

(6,498 m, 6,881 f) 13,379

Drug users

(4,670 m, 1,468 f) 6,133 (45.8%)

#### Poppy acreage

13,322 (About 1 acre per household)

The worsening drug abuse situation had led to a petition by the monks from Muse, Namkham, Kutkhai and Mantong to Shan State Chief

Minister Sao Aung Myat on 24 October 2011 to take firm action against the trend. "Out of a 40-household village in Mantong, the situation is so bad that only two homes remain free from drug abuse," they wrote.

Retail prices of drugs in these areas:

Opium 12,000 kyat (\$ 15) per kyat (16 gm) Khakhu 3,000 kyat (\$ 3,75) per packet Yaba (high quality) 1,500 kyat (\$ 1.88) per pill **Yaba** (low quality)

1,200 kyat (\$ 1.5) per pill **Heroin** 

1,000 kyat (\$ 1.25) per small straw

Heroin

3,000 kyat (\$ 3.75) per big straw

On the Thai-Burmese border in Tachilek, retail prices are much higher:

Yaba (Wa-made) 100 baht (\$ 3.3) per pill Yaba (PMF-made) 50 baht (\$ 1.6) per pill The Restoration Council of Shan State /Shan State Army (RCSS/SSA), known by most people as SSA South, has proposed cooperation by governmental agencies, the people, all armed movements and both the regional and international communities against what it calls "the drug menace."

#### From page 16

ger than reported. "Already militiamen from the raiding party are offering to sell yaba at ridiculously low prices, about 25-30 baht (\$ 0.7-1.0) per pill, when others are selling them for 40 baht (\$ 1.3)."

Local competition in the drug trade is among local People's Militia Forces (PMFs) set up by the Burma Army, but not with the United Wa State Army (UWSA), a PMF leader was quoted as saying. "Our

vehicles are not stopped by Burmese checkpoints, and if stopped, not searched," he said. "Only Wa vehicles are stopped and searched."

Drugs were used as a pretext to cover up the rejection of the undesirables.

Roberta Laserna, 20 (mis) conceptions on coca and cocaine (1997)

War on Drugs will not be successful without national reconciliation in Burma/Myanmar.

Thaksin Shinawatra, Thailand's Prime Minister (2001-2005), 15 October 2003

### **Book Review: The Hunt for Khun Sa**

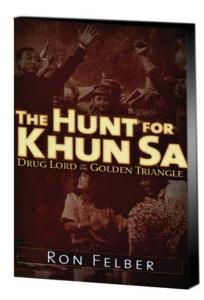
Monday, 12 March 2012 11:02 S.H.A.N.

Drugs/ Book Review

The Hunt for Khun Sa: Drug Lord of the Golden Triangle, Ron Felber, Trine Day LLC, www.trineday.com (2011)

The price is a bit steep for people like myself, 795 baht (\$ 26.5). But I bought it right away when I found it among the book shelves at one of Bangkok's Asia Books stores.

It took me about 8 hours to finish its 240 pages, together with Foreword and Index. Hardly a page-turner, one might say.



Book cover: The Hunt for Khun Sa

It gives you an idea of how the Drug Enforcement Administration (DEA), particularly its Group 41 that had launched an operation codenamed Tiger Trap against Khun Sa, worked.

The subject of the book however isn't so much Khun Sa but the United States government that "publicly states one policy but through its agencies promotes the opposite for geopolitical reasons."

It is also critical of the War on Drugs, first declared by President Nixon on 17 June 1971. It "compromises our Constitution, leaving our valiantly secured rights degraded." It also "has been unsuccessful by any social measure."

One example given was Lu Hsu-Shui aka Vichien Wachirakaphan of Bangkok, known as one of the "King of Kings", according to The Underground Empire by James Mills. The DEA had ample evidence to take him. But in the end its Operation Durian against Lu was shut down by the CIA "to allow the Confidential Informant's use in a high-level, sensitive national security operation." The Confidential Informant concerned

was Lu, known by Bangkok's China town as Lok Sui.

Altogether, I'm glad to have read it. But I'm also disappointed.

I have nothing against a person's opinions. But Mr Felber will agree a writer has the duty to get his facts right. Unfortunately, The Hunt for Khun Sa's writer has many of his facts wrong.

Here are some of the most obvious ones:

The writer maintains the Thai attack on Ban Hintaek, Khun Sa's former base, took place on 11 September 1983 (P.7). The correct date is 21 January 1981.

He also said Khun Sa was in Ban Hintaek, now renamed Ban Therd Thai, at that time. In fact, he had already moved across the border, following issuance of wanted posters with a price on his head by Bangkok.

The battle would not have taken place, according to Therd Thai sources, had it not been for the fact that Khun Sa's chief of staff Falang aka Hpalang aka Zhang Suqian was still

stranded there. Khun Sa therefore had to launch a counterattack to rescue him.

- The writer also says Khun Sa rode a Burmese military jeep. (P.38) He did not have one. What he had were Toyota 4-wheel drives.
- According to P.145, the war against the Wa was clearly taking place near his headquarters Homong. In fact, the battlefield was located at least 100 miles east of it, as the crow flies. It would have taken at least a week for his reinforcements to get there, if they were lucky enough to escape ambushes by the Burma Army.

It also says Maj Kan Yawt (also written Gunyawd) was his second in command. In fact, Kan Yawt was a brigade

commander at the time of his mutiny in 1995 which broke the back of Khun Sa's mighty Mong Tai Army (MTA). The second in command then was Kan-jet (also written Gunjade).

P.147 says Khun Sa said he hated the Wa. That was one sentence he would never have spoken, either privately or publicly. There were many Wa fighters in the MTA, some of whom were even his bodyguards and personal attendants. (It was the same with the United Wa State Army against which he was fighting. There were Shan fighters among them too.)

Of course, these mistakes could not have been made if he had taken a few hours to talk with me when he came to Chiangmai.

He used quotes from my writing twice and also included some quotes by Khun Sa which I had documented, after improving on my pidgin English. But why he didn't even bother to acknowledge me as the source will remain a mystery, at least for the present.

Maybe it's a sort of indirect warning to me that if people like me who know Khun Sa better don't write about him, they cannot blame others for writing the wrong things.

So, Mr Felber, keep on writing until some Shans get so angry they get hold of a laptop and start writing their own memoirs. Which will be for the good of themselves and also readers like us.

#### From page 15

cerned is imperative. We, as citizens of Shan State (west bank of the Mekong), hope all those concerned will allow us to do our part."

He wasn't wrong. With Naw Kham and gunmen masquerading as Naw Kham's men no longer there, the cross border drug traffic has become busier, say business sources in the Shan State East.

## 20 April 2012 Thailand puts a price on three well known Burmese:

- Naw Kham, aged 43: 2 million baht (\$ 66,666)
- Yishay, aged 66, leader of Nampong People's Militia Force (PMF), Tachilek township: 1 million baht (\$ 33,333)
- Nakhanmwe aka Saw La Bwe, leader of Democratic Karen Buddhist Army (DKBA): 1 million baht (\$ 33,333)

Drug businessmen, however, question why Bangkok is doing nothing about financiers and government officials from Thailand who constitute the mainstays of the drug trade.

No anti-drug policy in Burma has any chance of success unless it is linked to a real solution to the country's political and ethnic problems, and a meaningful democratic process in Rangoon.

Bertil Lintner, The Golden Triangle Opium Trade: An Overview (2000)

The local businessmen involved in the drug trade can only manage to expand their business because of money from outside sources from China.

A former member of a ceasefire group in Northern Shan State, Financing dispossession: China's opium substitution programme in northern Burma, Transnational Institute (TNI), February 2012



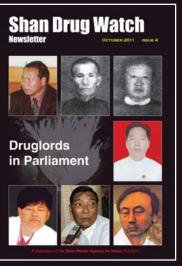
**Shan Drug Watch** 

June 2007

June 2009



October 2010



October 2011

available at www.shanland.org