



Munshi Ahmed — Asiaweek



Cui Baolin — Xinhua

Downtown Rangoon; the retired strongman: A tangle of questions over what might happen next

BURMA

# Goodbye to Ne Win

To most Burmese, their undisputed leader of the last 26 years had seemed an immovable fixture. Commonly referred to as "No. 1," Gen. Ne Win, 77, ruled his socialist police state with a will as tough and unbending as Burmese teak. But as any good Burmese Buddhist knows, all things are transient, even strongmen. At an emergency meeting of the country's only political party, the Burma Socialist Program Party (BSPP), Ne Win stunned the more than 1,000 delegates, and the nation, by announcing his resignation as chairman and his retirement from politics. In his wake, he left an economy in tatters and a restive and disaffected population; well over 100 people have already been killed in riots this year. Most of all, Ne Win left a tangle of questions for his countrymen over what might happen next.

If, as some suspected, the wily ruler was angling for an outburst of popular clamour for him to stay in office, he may have miscalculated. Certainly, many speakers rose to praise him and insist that his continued rule was indispensable for the nation. **IMPLORED TO RECONSIDER**, ran the headline in one state-controlled newspaper. Sweeping economic reforms that his men unveiled were enthusiastically

received. Two days after his speech, however, the congress accepted his resignation and that of party vice-chairman San Yu, who had succeeded Ne Win in 1981 as president of Burma. The congress also took the virtually unprecedented step of rejecting a proposal of Ne Win's: he had called for a referendum on setting up a multi-party system in place of the only game in town, the BSPP. On the streets, no masses poured out to plead that their ruler stay on. The capital, Rangoon, displayed only a tense and expectant quiet. To one Western diplomat, the acceptance of Ne Win's resignation coupled with the rejection of his referendum was "a slap in the face for him."

A day later, the BSPP's top body, the Central Executive Committee, selected a close ally of Ne Win's, Sein Lwin, 64, to replace him as chairman. That choice had immediate implications for the government's approach to any further disturbances. Considered among the hardest of the hardliners, Sein Lwin was in charge of the riot police that

ruthlessly suppressed student-sparked protests in March and June. Sources say that in debates in the Central Executive Committee after widespread rioting June 21, Sein Lwin argued: "With the death of a few, everything is quiet. If we kill another 10,000, we will solve the problem for good." Sein Lwin also commanded an army company still remembered for killing 22 students during protests at Rangoon University shortly after Ne Win took power in his 1962 coup. Those who have met the new chairman say his manners are crude and unpredictable. Reportedly, he has no formal education beyond the free elementary-level teaching offered by monks.

The sudden rise of Sein Lwin, No. 4 in the party hierarchy and No. 3 on the governing State Council, left open the question of how much influence Ne Win had on the choice. Although supposedly retiring from politics, the old warhorse gave strong indications in his speech July 23 that he did not want to leave the scene completely. In



Keystone

San Yu: Also out

stern tones, Ne Win emphasised that only he could give the orders for the army to intervene to suppress disturbances. He did so, he said, in his home town of Prome in July and warned that he would not hesitate to call out the army again. Said he bluntly: "I am retiring from politics, but I will not allow chaos in the country. In this connection, I want all the people throughout the country to know that in the future if there are any disturbances, as you know the army shoots straight. It does not fire into the air to scare."

Ne Win personally took some of the responsibility "even if indirectly" for what he termed the "sad events that took place in March and June." Curiously, however, this section of his speech, which also contained his resignation, was read not by Ne Win but by another, unidentified man to whom the chairman turned over the microphone for a short period. To some Burmese analysts, that indicated that Ne Win could choose to dissociate himself from the blame-taking sentiments.

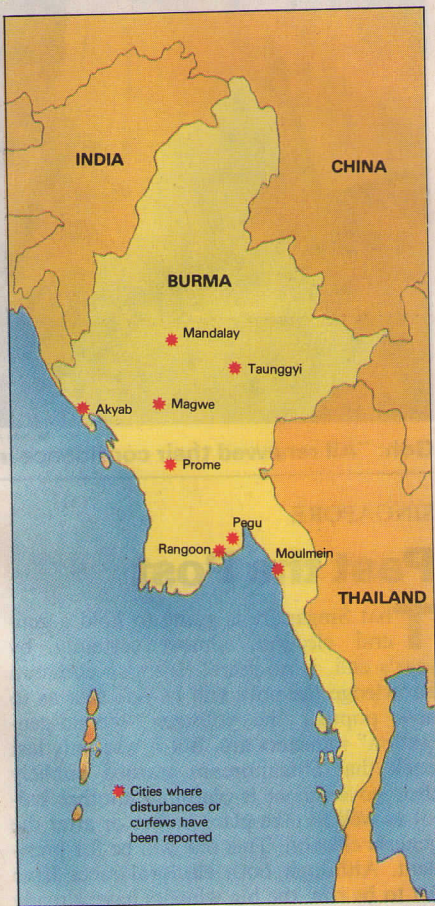
Ne Win gave advancing age as his reason for retirement, pointing to party rules that allow members to resign only because of age or health. He is believed to have been in poor health for several years and to have made several trips to Europe and the U.S. for medical reasons. Still to emerge was whether he would retire to his lakeside villa in Rangoon or, as some speculated, move abroad. If he should choose exile, it would probably be in Switzerland, where he apparently keeps a house. He reportedly owns another home in the London suburb of Kingston, where Burmese dissidents have at times daubed protest slogans, although this house is also said to be an official residence.

The congress declined to accept resignations of four other senior party officials Ne Win named, including Sein Lwin, allowing only San Yu's to go through. Left in place was party general secretary Aye Ko, also vice-chairman of the State Council, who theoretically was next in succession before Sein Lwin. After the new party chairman was named, the Central Executive Committee announced that Prime Minister Maung Maung Kha, 68, had been dismissed from the post he held for eleven years. State radio said he should take the blame for the March disturbances. Some analysts believed that he was Sein Lwin's main rival for the top party post.

A major nemesis at the congress was Brig.-Gen. Aung Gyi, who had recently issued a series of searingly critical open letters to Ne Win. The tone of attacks by Ne Win and many delegates, noted one analyst, was not just a scolding for an erring subordinate but a denunciation of a serious rival, even a traitor. A former Ne Win colleague, Aung Gyi resigned from

the Revolutionary Council in 1963 when its policies veered off in a strongly socialist direction. But Ne Win told the congress that Aung Gyi resigned not because of policy differences but because "he gave the orders to blow up the student union." That was a reference to the destruction of the Rangoon University Students' Union in 1962 soon after the 22 students died. Other speakers claimed that his letters exaggerated the casualties from the recent riots in order to make trouble.

After his elevation, Sein Lwin wholeheartedly backed the economic reforms approved unanimously by the congress. Implementing them, however, will be



a tall order. They are nothing less than a total repudiation of Ne Win's isolationist "Burmese Road to Socialism." Nearly a year ago, after admitting mistakes, Ne Win began instituting some capitalist-style reforms, especially in the critical rice trade. But the latest measures would open virtually all areas of Burma's economic life to private enterprise, excluding only oil production, armaments, jade and gems.

Joint ventures between private and state-owned concerns and with foreign firms would be allowed. Steps would be taken to restore confidence in the banking system. All curbs, checkpoints and other barriers that hinder movement of goods in

the country would be abolished. Print media would be opened to the private sector. Farmers would be allowed to purchase farm machinery and engage in all kinds of agricultural trade. The timber industry would be opened to the private sector. All forms of inland transportation would be privatised. Laws encouraging foreign investment would be drafted.

Under the proposals, noted one diplomat, "the economic freedom, apart from the few remaining controls, is almost comparable to Thailand's." But onlookers remained sceptical about the follow-through. Laws implementing the new policies had yet to be promulgated by the People's Assembly, which was to get down to business July 27. Moreover, the country has no real leaders other than those who are steeped in the old ways or have a vested interest in the country's "shadow economy."

Still, Aye Ko spoke candidly about economic rot to the congress, which was called to bring in the reforms a year ahead of schedule. The country's major industries — oil, farming, fishing, and mining — were all languishing for lack of investment and foreign currency to buy needed materials, he said. The balance of payments deficit was now in excess of \$300 million and being financed through increasing borrowings from abroad. The fall in oil production had severely affected the transport of goods, leading to shortages and exorbitant price rises.

The deteriorating economy has been blamed for a rise in tensions of all types. Despite the surface calm during the congress, the U.S. embassy in Bangkok warned American citizens intending to visit Burma then to "exercise extreme caution." It noted that Monday, July 25, was an important Muslim holiday — the celebration of the Haj to Mecca — and that some of the previous disturbances, in Taunggyi and Prome, had racial and religious overtones. About 3.6% of Burma's 38 million people are Muslims of various races. For this year's festival, the government restricted the ritual slaughter of animals — long a point of friction with Buddhists — to homes instead of mosques. Leaflets alternately inciting Buddhists or Muslims to rise up against the other also surfaced.

As the week progressed, Rangoon's streets were largely free of security forces. However, residents said police were no longer patrolling some neighbourhoods for fear of being hit in the back by a *jinglee* — a kind of home-made spear using umbrella or bicycle spokes tipped with poisonous insecticides or excrement. There were no other signs of unrest; universities have been closed since June. But to many Burmese, the potential for further troubles in their gentle country seemed, if anything, to be greater. ■

## Burma on the Brink

**K**ing Narathihapate, a ruler of the first Burmese Empire, was renowned for his vanity. He boasted of 3,000 concubines and an army of 36 million men. But a prophecy arose over the construction of his pagoda in Pagan, the ancient upland capital. When it was finished, the story said, the kingdom "will be shattered into dust." He finished it anyway, and not long afterwards, in 1287, the Mongol hosts of Kublai Khan swept down from China. The tale was echoed recently by a rumour that began circulating about U Ne Win's pagoda. It purported that the 77-year-old autocrat was fearful of topping it off with the *hti*, or umbrella-like finial, lest he was so undeserving as to invite disaster. From all evidence, however, the *hti* is going up, and to all appearances also U Ne Win's régime is headed for a fateful reckoning. Twenty-six years after his coup, the ex-general may have bowed out from all formal power last week but the political system he shaped in his own military image is crumbling. Optimism at this point might look forward to a Rangoon Spring. Caution would be on guard against the worst result possible.

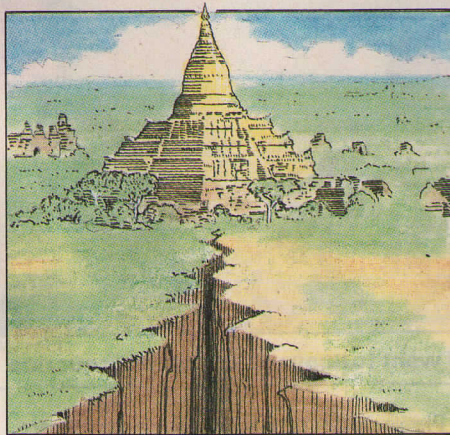
In an age of "miracle" economies and bustling capitals of finance, Burma has remained Asia's mysterious land apart. Burmese encounter no skyscrapers over their cities or criticism of their trade surpluses.

They have none. Burma is rich in fertile plains and cultural resources. At the same time, it is one of the poorest countries on earth. Yet Burmese do manage to spend, and spend lavishly, on a focal point of their lives still un eclipsed by towers of banking and commerce: the temple. Presiding over every major vista in the nation is at least one splendid pagoda, its glittering stupa attesting to Buddhism's central place in Burmese society. Trite as it may seem, this fact represents a key to the enigma of Burma — how it could have stayed so perplexingly aloof from the transformation that is consuming many of its neighbours.

That U Ne Win's "Burmese Road to Socialism" has turned into a highway to pauperisation is a judgement no one can really deny. The legal economy is a fraud. What growth Burma has achieved has been almost entirely in the black market, where profits from scarce goods selling at extortionate prices find their way into privileged bank accounts. The system feeds off an enforced acquiescence. It admits no opposing parties, and it has robbed a generation of its economic potential. For all that, though, few thoughtful outsiders, among them Burmese in exile, can come away from a visit without a large dose of ambivalence. Burma

isn't a lockstep people's republic bent on razing society down to Year Zero. State ownership of resources aside, its "socialism" is mostly a vague nationalism by another name. And the policy of isolation, its near-monomania for self-sufficiency, has in truth managed to preserve many of the graces that make Burma what it distinctively is.

These features add up to a more leisurely, humane pace of life than is expected from the modern world. It's a life on intimate terms with old traditions that comfort and reassure: the stranger's smile, the easy gift-giving, the human alarm-clock of the street vendor hawking her *peh-byoke*, or boiled chick-pea, at 5:30 a.m. Even after years of U Ne Win, many Burmese consider that they have missed little by avoiding the fate of Bangkok, whose fleshpots and urban confusion they consider a hell on earth. They would rather live in a time-warp than pay that price: the welter of choices and morally disoriented "lifestyles" that have made the psychoanalyst king of 20th-century civilisation and its discontents. Yet this abhorrence of the idea of choice, a distinctive aspect of the Buddhist psyche in Burma, is also a dangerous liability. The Burmese desire for *awza*, or personal leadership qualities based on merit, is at war with that of *ahnadeh*, a sort of paralysis that prevents people from pressing claims of self-interest. It



makes for a common wish that decisions would just go away. It also makes the idea of retreat into privacy, or into national seclusion, very attractive. And it makes for an insecure political order in which everyone wants the office of responsibility but no one wants to exercise it.

**T**hat was precisely Burma's deadlock before U Ne Win seized power in 1962. The more his predecessor U Nu gained in moral ascendancy, the more determined his rivals were to prove him undeserving and do him in. In U Nu's wake, a general who professed to know exactly what to do, then did nothing, represented a just-acceptable compromise. The Ne Win Way, sadly, could work only insofar as the rice bowl held out and the country was not a complete shambles. The Irrawaddy River kept his luck holding out, but the luck has now ended. If one could believe the party's pledge to reform its ways, it would be possible to hope for a Morning in Burma still. But U Ne Win seems to have typically abdicated responsibility, simply jumping ship. He has left a void of leadership. His chosen successor, U Sein Lwin, is scarcely a beacon of hope. By most accounts, he is the toughest of hard-nosed

## EDITORIAL

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hardliners who has little to commend him in the way of governing skills and who means it when he gives troops new orders to shoot to kill trouble-makers.

Burma's isolation has served it well in at least one security sense. The nation sits on a geopolitical fault-line that has made it dodgy to form close ties in any direction. For that very reason, it is now in real peril. The many minority insurgencies in the hills may take advantage of a power

vacuum in Rangoon. Neighbours may find their borders not what they used to be. Communal animosities in the cities may sharpen, against Muslims especially. Twenty years ago few would have believed that Cambodia could sink so quickly into fratricide. Uganda was once famous as a lovely, peaceful land. Asians ought to take a close interest today in this dreamscape of pagodas aspiring to heaven. They ought to offer Burma help, and fast. ■

## Recovering Asia's Women

Re "Manila's Red-Light Raids" [VIEWPOINTS, July 15]: I support the new official efforts to fight prostitution in Manila. Despite economic difficulties for girls dependent on prostitution, it's important to arrest the trade before it becomes part of the country's foreign exchange. In Thailand, tourism competes with sugar as a foreign exchange earner. That's no bad thing in itself. But when male tourists outnumber female tourists by 2 to 1, it's obvious that not all are attracted by the sights.

Foreign owners of prostitution establishments set up shop in Thailand and the Philippines because this people-exploiting racket is more difficult to prohibit there. But their operations aren't confined to those two countries. Brothel owners in Australia "import" Thai women to cater for foreign businessmen. When tourist visas expire, most of the girls remain prostitutes under threat of deportation.

Australian officials are aware of such dealings but seem reluctant to investigate. Now that Manila has accepted the task of transforming the red-light industries, foreign governments have a responsibility to keep their businessmen's dealings in line with the interests of the Filipino people.

LAURENCE SHEPHERD  
Stoneville, Western Australia

## The Downing of Flight 655

Some experts have described the destruction of the Iranian civilian jet in the Gulf [INTERNATIONAL AFFAIRS, July 15] as an "understandable accident." But it is not all that understandable. Apart from leaving many grieving families, and a number of unanswered questions to be addressed by the U.S. investigating group, the incident has caused fear among those who have a direct interest in the Gulf. Many southern and eastern Asians work in Iran, and many still serve aboard merchant vessels in the region.

The downing of Flight 655 shows the need for immediate talk of peace. To maintain its good image and relations with other countries, the U.S. must work double-time to help settle the war.

JAMES C. YRASTORZA JR.  
Ateneo de Manila University  
Quezon City, Metro-Manila, Philippines

## Difficulty in Burma

"Burma's Rage" [COVER, July 8] was

very informative. We should not forget that U Nu, the legally elected prime minister, is alive and healthy at Rangoon. The best thing for Burma is for Gen. Ne Win to hand power back to U Nu, who will then be able to revitalise the 1947 constitution and the country's democratic institutions.

Meanwhile, why the hell does the international community continue to extend legal status to the usurper and killer Ne Win?

SAN THA PRU  
Committee for Restoration  
of Democracy in Burma  
Shahbagh, Dhaka, Bangladesh

■ We medical doctors and nursing staff send heartfelt thanks to Asiaweek for reporting our country's terrible situation with great accuracy and thoughtfulness.



Next they'll want to know what I did with our rice

Li Shengnan — Xinhua

Please do not turn away your eyes if silence returns . . . Ne Win's hand of death holds us painfully. Be aware that the young people are bursting with hatred of injustice, murder and repression. If Ne Win and his cronies do not leave our land, the consequences will be great.

NAMES WITHHELD  
Rangoon, Burma

■ Please watch the situation very closely now, and continue to report the truth. The Ne Win government will try deliberately to create other types of unrest. An example of this tactic is the "communal" fighting that took place in Taunggyi on July 10-13. The régime's intention is to turn the [reformist] political movements into communal clashes. These actions by Ne Win are meant to divert public attention and prevent popular uprisings as a result of the student demonstrations.

More picture reports on Burma, like

Write **Letters Dept.**, Asiaweek, 22 Westlands Rd., Hongkong. All letters intended for publication must include the writer's name & address, though names will be withheld when necessary. Letters are subject to editing as clarity and space require.

"Women of War" [EYEWITNESS, July 15], are also required.

TIN MAUNG  
Gulshan, Dhaka, Bangladesh

## No Paper Tiger

In "Heavy Industries Burden" [BUSINESS, July 8], you say our company's "\$580 million pulp and paper mill has faced hitches, and has still to start full production a year after it was set to open." That's misleading: the SFI Pulp and Paper Mill at Sipitang in Sabah is the only integrated mill in Malaysia, the largest in Southeast Asia, and the only one in the world to use 100% mixed tropical hardwood (from our own forest around the Gunung Lumaku area).

The mill was designed to produce, at full capacity, 125,000 tons of fine printing and writing paper per year. It was completed in late 1987 and began commercial production only in January 1988. It's designed to produce 75,000 tons in this first year, 100,000 tons in the second. Only in the third year of production is it expected to reach designed full capacity, as per international norms. You seem to assume we should have reached full capacity in the first year.

Already our production levels are way above international norms. In May, we achieved 90% of overall capacity. (Other mills in Southeast Asia today are operating at 71% to 84% of capacity.) Also, we've improved tremendously the quality of our paper

product. As well as uncoated writing and printing papers, SFI produces computer, photocopy, duplicating and drawing papers to international standards: large quantities are exported to other ASEAN countries, West Asia, Australia, and the U.S.

YB CLARENCE BONGKOS MALAKUN  
Managing Director, Sabah Forest Industries  
Kota Kinabalu, Sabah, Malaysia

## A Little Oversight

You didn't mention us among "Some Very Old Newcomers" in Asian retailing [BUSINESS, July 15], but our department store predates both Robinsons of Singapore and Lane Crawford of Hongkong. Though part of the Robinsons Group, John Little — nowadays affectionately called "J.L." by its young customers — trades under its own identity, is a separate company, and has operated continuously in Singapore since 1840.

ALAN E. FRENCH  
Chief Executive, John Little  
Singapore