

On the Treacherous Trail to the Rare Ruby Red

With the best fetching \$100,000 a carat, rubies draw smugglers and desperadoes to the jungles of the Golden Triangle

Text by Rod Nordland

Photographs by Matthew Naythons*

It was deep in the Shan State of Burma, at a place called Ho Maung not marked on most maps, that photographer Matthew Naythons and I, rare travelers from the West, saw our first true Burmese red along the ruby trail. Here the trail was a jungle track, just wide enough for pack-horses, that crept along hillsides and occasionally dipped into valley pockets where farmers struggle to grow rice. We had trudged along for three days, alternately chilled in the darkness of triple-canopied jungle and broiled in the midday sun. Guarded by an escort of a dozen young Shan guerrillas, some of them barefoot and most no more than boys, we were looking for some sign of the rubies believed to be smuggled out of Burma into Thailand along this trail. But all of the many smugglers we had met on the way had been carrying antiques, or blocks of jade, or rubber sandals. Some had even been driving oxen. There seemed to be everything but rubies.

We stopped at Ho Maung to rest.

Once a thriving village, it was burned down during an antiinsurgency sweep by the Burmese Army. Today the rice terraces have many broken dikes and are farmed by men with a hoe in one hand and a gun in the other. In what had once been the village mango grove, we sat down to share the shade with a group of weary smugglers, two men and two women in tattered clothes.

We fell into conversation. The smugglers told us that the day before they had seen a tiger "nine forearms long." As we talked, one of the women, just awakened from an afternoon nap, began smoothing her waist-length hair with her hand. All of a sudden, the sun caught the large red

Right: Shan State Army soldier near Thai-Burmese border totes child along route where smuggling and insurgency have become way of life. Below: At trail's end in Chiang Mai, Thailand, smuggled rubies are set in glowing necklaces by Shan dealers and shown to prospective buyers.







Above: Chief cash crop is opium, harvested from poppies by the Lahu hill people, who score the pods and then collect sap to make heroin. Left: At Chiang Mai a crudely cut cabochon ruby from Burma may be bought by foreign jeweler, faceted, and resold at a very high premium. Right: Shan State guerrillas like this one collect taxes on gems, opium, and antiquities to help finance their 20-year war for independence.

stone on her finger. We had heard about the way a good Burmese ruby fluoresces in sunlight, as if there were a fire burning within it, but seeing it in this unexpected setting, on the finger of a woman in a soiled blouse and a cheap *longyi* leaning against a mule pack, was startling. Set in a crude gold ring with four ungainly prongs like crab claws, the stone looked as out of place as an orchid in a plastic vase. Even the obviously clumsy cutting, the oblate and uneven facets, could not extinguish the stone's fire. It must have weighed at least three carats.

"Just a cheap ruby," the woman said, awkwardly trying to put her hand somewhere where no one would be able to look at the ruby too closely. "Of no value."

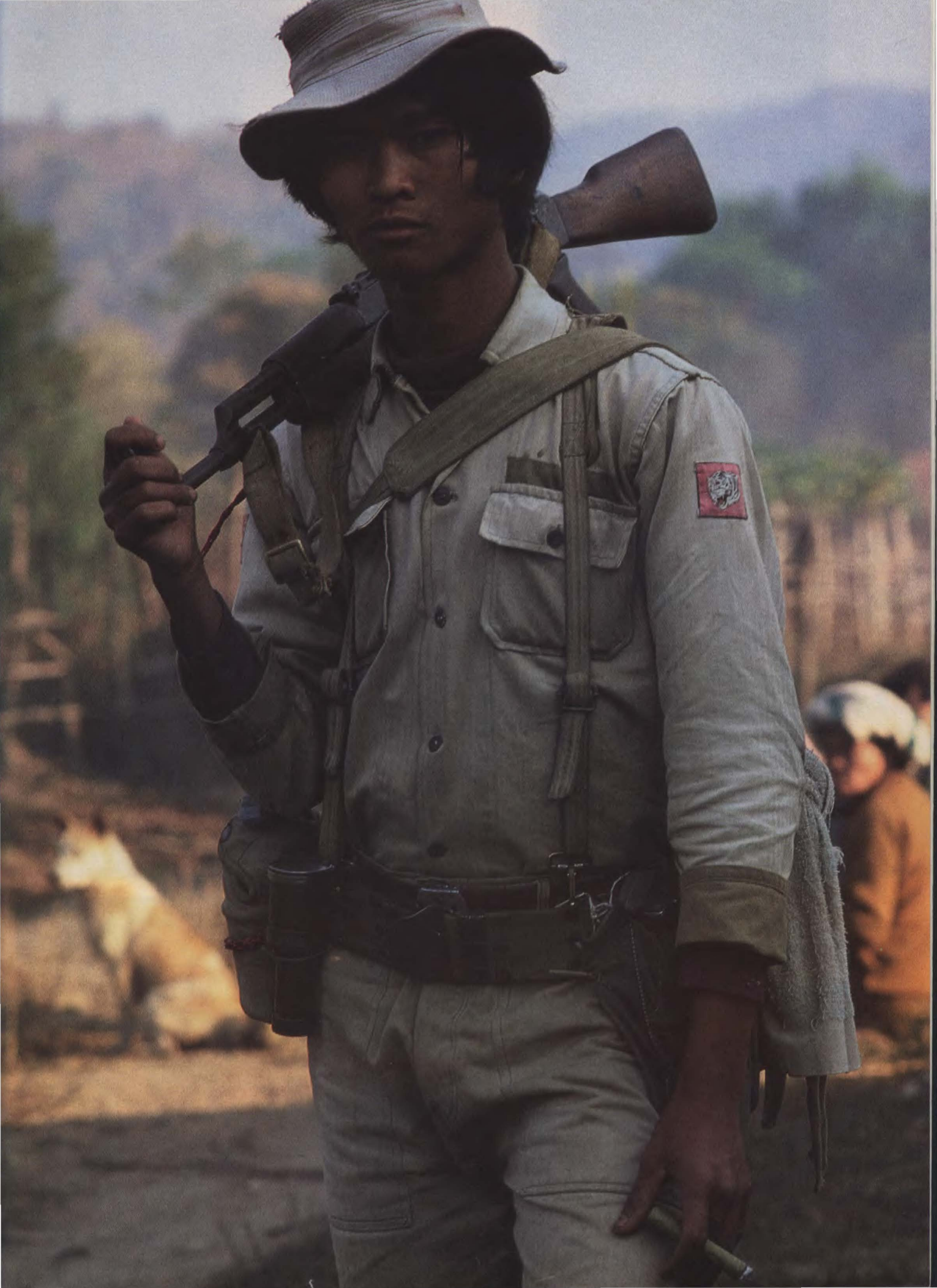
We thought the lady protested too

much. If genuine, such a stone might eventually sell for \$100,000, after it had been moved the rest of the way along the ruby trail to the glittering gem emporiums in Bangkok, where it would be refaceted and sold on a world market starved for rubies—especially Burmese rubies. Recently, an especially good Burmese red sold for a record \$100,000 per carat.

"A Burmese ruby that is clear, of good color, flawless, is just one of the rarest things in the world," says Richard Hughes, a gemologist with the Asian Institute of Gemological Sciences in Bangkok. At a time when many other precious stones have been declining in value and even the once-unassailable price of the diamond has been tumbling, causing grief to investors the world over, only the ruby—and especially the Burmese ruby—

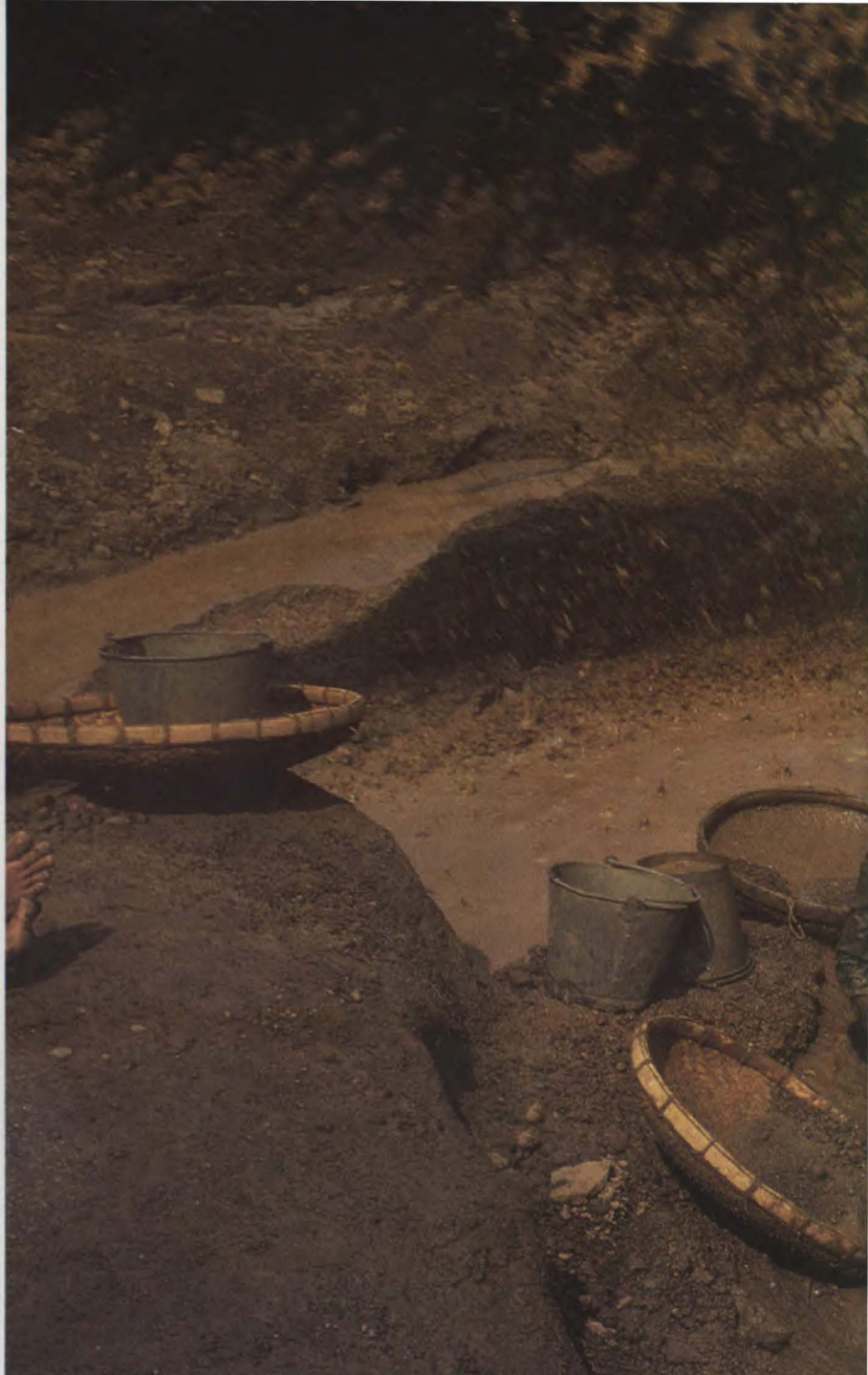
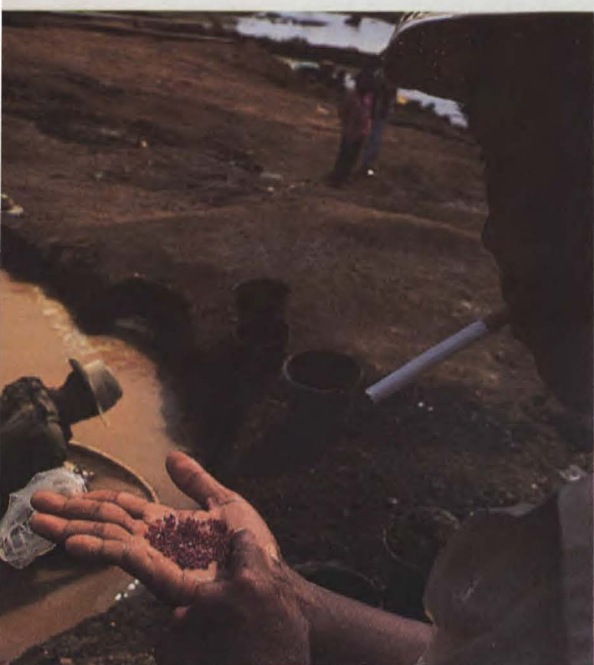
continues to rise in price. "Rubies are now, carat for carat, more valuable than diamonds, emeralds, or sapphires," David Barouch, a leading Bangkok gem dealer, asserts.

One reason is to be found at places like Hô Maung along the ruby trails in Southeast Asia, which supplies the great bulk of the world's gem-quality rubies. The trails that lead to the world's gem markets from remote jungle ruby mines in Burma, Cambodia, and Thailand are places from another age, where money talks—but guns talk louder. Half a world away from the jewelry shops of Switzerland, London, and New York, they are places of intrigue and duplicity, of daredevil adventurers and desperate guerrillas, of smugglers and warlords, of miners who dig in the night and middlemen who deal in the sunlight—for only sunlight shows the ruby's true magnificence. It is a magnificence brought to the world along

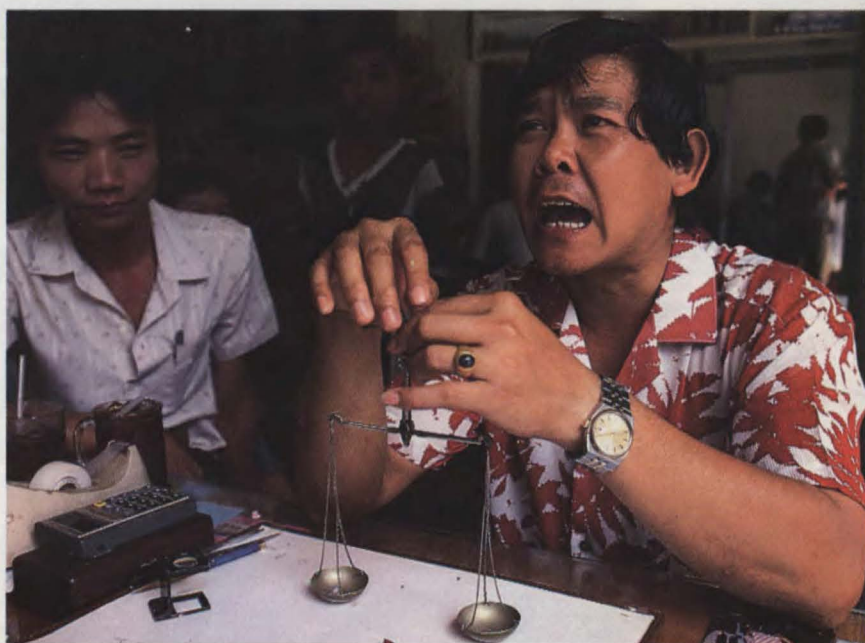


a difficult, dangerous, and sullied path.

Another reason for the ruby's high value is purely geological. A ruby is essentially a crystal of aluminum oxide, which is found in minerals all over the planet. Corundum, the particular form of aluminum oxide that makes up rubies as well as sapphires, is also not very rare as minerals go. Formed deep beneath the earth's crust and thrust to the surface during mountain-building processes, corundum is the second hardest natural material; a ruby can be used to cut anything except a diamond—even another ruby. If the corundum is formed with certain impurities, it can, in rare cases and under just the right conditions, take on a color. If that color is red, it becomes a ruby; when any other color, but most preferably blue, it becomes a sapphire. What



Above: Peasants pan in the waste effluent from ruby mine at Bo Rai, Thailand; one holds up a handful of chips, a usual day's take worth 50¢. Above right: Sinking in slime, the ruby seekers of Bo Rai are inspired by hopes of that big stone they may wash out of their next pan of mud. Below right: Many rubies found in the mines of Bo Rai reach shops of merchants in nearby Chanthaburi, drawing customers in Mercedes.





makes gem-quality corundum so rare is that the elements making up those impurities, such as chromium, are virtually never found in geological formations where aluminum oxides exist.

This combination has occurred only a few places in the world: in North Carolina, India, and Australia; in Sri Lanka, Cambodia, Thailand, and Burma. Today only the latter four places have just the right conditions to produce significant amounts of gem-quality rubies, and in each of them, those conditions exist only in a very small area seldom larger than a few hundred square miles.

Such an area is Burma's Mogok

Valley. Located near the western extremity of the mountainous Shan Plateau, far deeper into the Shan State than we dared go, the valley has an elevation of 3,800 feet among mountains that reach nearly 8,000 feet. Twenty miles long, it is the richest repository of colored stones in the world—not just ruby, but also sapphire, spinel, alexandrite, cat's eye, and garnet. Forbidden to foreigners, closed even to Burmese without special permission to visit, the Mogok is guarded by a division of Burmese troops. It is the only place in Burma where rubies exist, and nowhere else in the world is a ruby found with

such a fine crimson color, with just the right balance of impurities and imperfections to give it the fire that has made it a sought-after stone for millennia.

The town of Mogok sits in a pan-shaped depression ringed by 500-foot hills, one of which is topped by a pagoda with a seated Buddha decorated in ancient rubies and sapphires. During the colonial era the town fronted on a huge pit that had been dug out for rubies. After the British left, more rubies were discovered beneath the town, and it was moved. Now the pit is a lake, four square miles in area, and the town of 30,000 people strad-



Near Nong Heng in Burma's Shan State, an SSA soldier, rifle slung casually over his shoulder, looks over an opium poppy field at dawn.

dles its narrow neck. Just how long the ruby has been mined in Mogok no one knows, but the mines were already ancient when the Mongol khans invaded Burma in the 13th century.

Officially, all of the Mogok mines are owned by Burma's Socialist government. Thirteen government mines exist, but according to Burmese who have visited Mogok, there are actually as many as 100 small mines run by individual entrepreneurs at the cost of hefty bribes to soldiers. Says U Maung Nye, a former Mogok Valley resident who now runs an antique store in Mandalay, 100 miles to the south, "Sometimes, if the army catches them [the private entrepreneurs], they are shot." So gemologically fertile is the area that possession of an unauthorized shovel is a crime. "But soldiers are human beings too, and for 20 or 30,000 pyas a night, they will look the other way."

Some say the Mogok mines are nearly played out. Each year the Burmese government's official gem auction has fewer and fewer stones to sell to the world market—this year's was believed to net less than \$100,000. To

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extend the lifespan of its precious resource, the Burmese have closed some mines and cut back operations at others.

Gem dealers in Mandalay, however, say there are still plenty of stones. "Most everybody in Mogok," claims a man nicknamed Moses who sells stones clandestinely at the night market in Mandalay, "is out there digging by himself. They'll have a grinding wheel in the jungle and stealthily cut and polish the stones right there—no one would dare have a grinding wheel in town—and then they smuggle them out."

Smuggling gems out of Burma is an age-old tradition. There is even something of a monument to it just outside Mogok: a *chedi* built in the last century on a hill near the village of Mya Langwa. Legend has it that during the days when Burmese monarchs ruled from Mandalay, whoever found a ruby had to surrender it to the king. A young man walking on a rice terrace discovered a ruby the size of a fist. He broke it in half and gave one half to the king. The other half he sold secretly to the king of Yunnan. On a state visit the two kings proudly showed each other their new acquisitions, and the Burmese king noticed they were a perfect fit. In a rage of humiliation, he ordered everyone in the young man's village killed. One woman escaped and erected the Mya Langwa *chedi* in memory of those who were killed.

The road from Mogok south leads first through a fine teak forest, past the "king of mines" at Twin Min Taung on the top of a 7,800-foot mountain, then through an enchanted stretch known as Wa Byu Taung (White Bamboos Mountain) and into the lowlands of the Irrawaddy River and Mandalay. From Mandalay there are two basic routes for smugglers.

By car, bus, train, or plane, they can travel to Rangoon and then Moulmein, where they set out on foot into the rugged mountains between Burma and Thailand. There they pick up escorts from among the Karen insurgents who control the frontier and then cross into Thailand at Mae Sot.

The much shorter route follows the road to Taunggyi in the southern Shan State, near the famous Inle Lake. From there a number of jungle trails take the smugglers on a month-long trek to the northern Thai border, through malarial mountains con-

trolled by Shan insurgents. The major crossing points into Thailand are all in what is known as the Golden Triangle: at Mae Sai, the northernmost tip of Thailand, where the Burmese Communist Party is active; farther south at Pieng Luang, where the Shan United Revolutionary Army has its base and its heroin factories and Thai entrepreneurs have brothels and casinos; and at Kha Harn, where the Shan State Army (SSA) has its rear base.

It was at this latter point that Matthew Naythons and I chose to cross from Thailand into Burma for a firsthand look at the ruby trail. From all accounts, of the many factions fighting for many causes in the Shan mountains, only the SSA was believed to be relatively clean of involvement in the region's lucrative narcotics trade, which would mean that much of their finances would be raised through "cleaner" gem smuggling. Our contacts had assured us they were trustworthy as well, concerned only with fighting for independence, as they have for nearly 20 years, from the Burmese central government in Rangoon.

This is a region where treachery is the norm. On both sides of the border, there are private armies owing allegiance to no one but themselves. Some were organized by the Burmese to fight Communists and decided to grow opium instead. Some were armed by the Thais to protect vital road-building projects from attacks by Communist insurgents and decided they too wanted a piece of the heroin action. Some began as legitimate ethnic insurgencies against the central government in Rangoon (there are at least 18 of these on record) yet succumbed to the lure of narcotics and full-time smuggling. There are even remnants of Chinese Guomindang divisions that fled to Burma and northern Thailand after the Communists took over China and have on occasion fought against Thai Communists for Thailand and against Pathet Lao for the CIA. Mostly, however, they smuggle drugs, gems, and jade for themselves.

Kha Harn is peopled largely by the Shan, an ethnic group that once ranged throughout Southeast Asia but is now generally confined to the Shan State of Burma and adjacent parts of Thailand. Linguistically and culturally, they are closely related to

the modern Thais. Like the Thais they are traditionally valley agriculturists, but their war with the Burmese central government has forced many of them to take refuge in the hills.

We headed on foot toward the headwaters of the Sa-Nga River with an escort of Shan State Army guerrillas, our constant companions for the next week. Several small, swaybacked packhorses, heavily laden with munitions, food, and supplies for guerrillas inside the Shan State, set the pace. A day's uphill trudge brought us to Khieu Hoc, the actual location—according to our maps—of the Thai-Burmese border.

Khieu Hoc, a small village of bamboo-and-thatch houses on stilts, is one of several collection points for what the SSA guerrillas call "customs tax" and others might call "smugglers' tribute." For the Shan, who consider themselves to be as independent and sovereign as the Burmese nation they despise, levy taxes to support themselves. In Khieu Hoc taxes are levied on antiques—five percent of the assessed value, as determined by the SSA's Colonel Ong Khan. Often, if the value is in dispute, he impounds the objects in his bamboo house, and prospective Thai buyers must close the deal in his presence. Huge quantities of Burmese antiquities, so highly prized by collectors, come through here. On the day we were there, smugglers brought in half-a-dozen large pieces: stone Buddhas, carved temple columns, and weathered teak carvings.

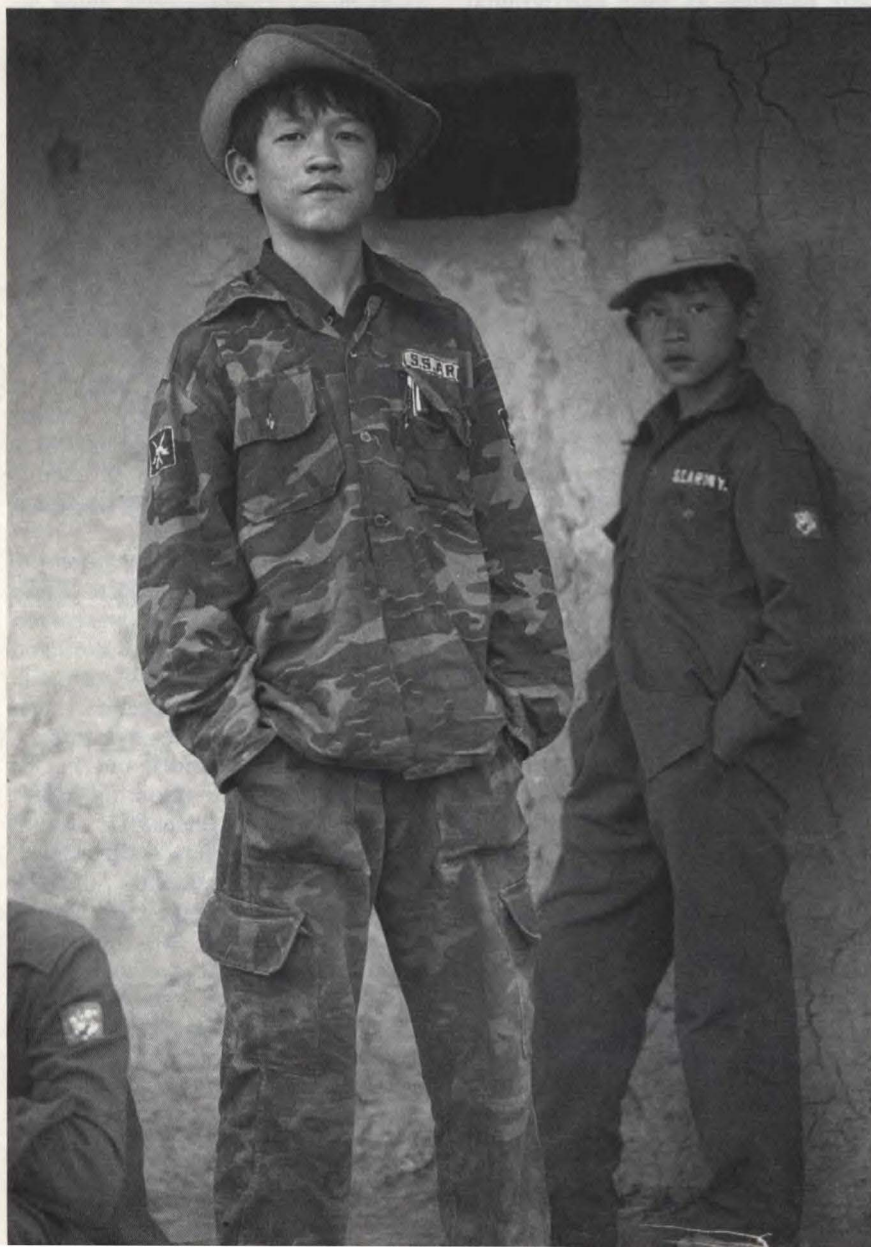
To see the customs collection point for smuggled gems, we would have to travel for two more days on foot, deep into Burma proper, to the headquarters of the Shan State Army in Mong Mai. We would be following the same trails the gem smugglers use when they leave the town of Taunggyi. Before we left, our escorts filled canteens from a teakettle and checked their precious supply of cartridges for the odd assortment of automatic weapons they carried—American M-16's, Russian AK-47's, and Belgian, German, and Chinese weapons, nearly all old but well maintained. The officer in charge set up his field radio and called headquarters. "Two *noak hokak* [hornbill birds] are coming with us," he said.

The trail was uniformly steep and
(continued on page 54)



Above: Determination shows on the face of Shan State Army's General Hso Lane, posing in front of typical wattle-and-daub house in Mong Mai.

Below: Born into an ongoing state of war, self-assured youngsters such as these children at an SSA encampment are already soldiers.



Rubies (continued from page 41) treacherous. Time and again the jungle would open up onto vertiginous fields of opium poppies—purple, white, and red blossoms in great expanses of ironic beauty. Often we saw small knots of the primitive hill-tribe people—Akah, Lahu, and Lisu—who tend the fields, harvesting the opium sap by scoring the flowers' bulblike pistils so they ooze the ugly brown fluid that eventually is refined into heroin. We saw SSA soldiers guarding some of these fields, and their army began to seem less innocent than we had heard.

Indeed, when we arrived at Mong Mai after two days' march, the SSA's leader, General Hso Lane, was frank about this. His guerrilla army, he said, collects a five percent tax on everything that moves through his territory, whether it is rubies or opium, antiques or cattle. He drew the line—perhaps a fine one—at manufacturing heroin as do many of the other guerrilla groups.

Mong Mai is a largish place as guerrilla villages go, with perhaps 300 residents—soldiers in wattle-and-daub huts and families in bamboo-and-thatch houses on stilts. The trail through the center of the village, which sits in a small, mountain-ringed valley, is almost wide enough for a cart, and beside that trail at the edge of the jungle is the customs house, built of woven bamboo.

Here, Sai Lin Mao is in charge, keeping records in large leather-bound ledgers. Last year, he told us, 10,000 kilograms of raw jade were entered in his ledgers, the largest piece weighing some 40 kilograms. There were also around 50 lots of rubies. Ruby shipments have become increasingly rare, but about once a month, he said, a large group of gem smugglers comes through. Why a large group for something so small? "Often they are middlemen who have put together a syndicate to pool their money and buy stones. No one is willing to trust any of the others, so they all come together."

Sometimes people try to avoid paying the duty by concealing a few stones in their clothing or by swallowing them, and suspects are occasionally given a laxative and a plate. Last year the bodies of two men were discovered on a trail along the Thai border with their stomachs cut open.

More often, Lin said, the smug-

glers cooperate with the guerrillas, who give them protection along the perilous trails from both Burmese soldiers and local robbers. Once the smugglers cross into Thailand, they become illegal immigrants and depend on the Shans' clandestine network of contacts and buyers in that country to make their sale.

After registering the stones with Lin in Mong Mai, the seller goes to Chiang Mai or Mae Hong Son in Thailand. There he makes his sale in front of an SSA agent, who then brings him back to Mong Mai to pay the duty. To encourage gem smugglers to use their trail rather than one leading to another guerrilla army's encampment, Lin said, the SSA undercuts the others by charging a lower tax. The biggest ruby sale he had in his records for last year was 27 million Thai baht (approximately \$1.2 million).

Another day's trudging brought us to Ho Maung, where we met the woman with the whopping ruby ring, only a day's hard march from the banks of the Salween River. In normal times the SSA runs ferries across the Salween for the multitude of traders and smugglers entering the SSA's east bank strongholds. But these were not normal times, for the Burmese army had just launched a major offensive all along the river.

The path was suddenly clogged with SSA villagers, their livestock before them and all their belongings slung from shoulder balances, fleeing for refuge across the border into Thailand. We followed, our trek on a ruby trail cut short by just the kind of difficulty that makes the Burmese ruby both increasingly rare and increasingly precious.

Not until we returned to Chiang Mai in Thailand did we finally see Burmese stones in much quantity. The Shans' gem broker there, a man we will call Khun Cha, operates from an unprepossessing little teak house on a quiet back lane. On short notice he had the house full of Shan ladies eager to sell to us. From the bottoms of nondescript shopping bags, they drew out innumerable little packets, each containing a pile of rubies. Soon hundreds of Burmese stones—cabochon, faceted, and star rubies—covered Khun Cha's table top, most of them small but some of many carats. Most of the large ones were too flawed to be of great value, yet some

were intriguing. One piece was an antique five-carat ruby carved as a Buddha amulet, the detail work so delicate that one could pick out all the fingers of the Buddha's hand.

We asked to see a stone the color of pigeon blood, the most valued of Burmese reds, the epitome of the great Mogok ruby. No one had one. "Asking to see the pigeon blood," said Khun Cha with a shrug, "is like asking to see the face of God."

Although they do not approach the distinctive, mysterious deepness of the Burmese stones' color, Thai rubies are less rare and are easier to obtain. We traveled south in Thailand to seek them out. Most are found in a complex of mines scattered over a small area in the southeast, near the Thai-Cambodia border in Trat Province. Here, a laissez-faire attitude bordering on outright anarchy prevails.

The heart of the ruby mining area in Thailand is the hard-scrabble little town of Bo Rai, where the first thing a visitor may notice is the way the men do not tuck in their shirts, and the second thing he may notice are telltale bulges of guns beneath. Nearly every man has one.

Every morning there is an open-air gem market where literally thousands of rubies are displayed on tables guarded by 20 policemen. Ten years ago only a boat could reach Bo Rai from the nearest major Thai town, Chanthaburi. Today the gem market parking lot is crowded with the Mercedes of middlemen and buyers.

Ten thousand people live here, and last year, according to police, 50 of them were murdered, usually in shootings. Most of the shootings, according to Major Anan Rakmitr, the chief police official in the region, were over conflicting land and mining rights. To maintain the peace, he has 140 officers, but he complains that it is not enough. The major's predecessor was killed in an ambush by men with M-16 automatic rifles. Now every policeman has an M-16. "Usually people don't get too angry at the police," Major Anan says. "They hate each other too much."

Miners in the big mines earn less than three dollars a day. The thousands of peasants from surrounding areas who dig at random in the forest or, more often, pan in the waste effluent of the big mines usually find barely enough to make a living: A

full day's panning typically brings a handful of ruby chips worth only half a dollar. But everyone has a story about someone who found that one big stone.

Thai authorities in the Bo Rai district estimate that some 10,000 Thais are currently hunting for rubies across the border in Cambodia. While the Khmer Rouge guerrillas active in that area do not interfere with them—they regard Thailand as an ally—robbers, land mines, and the Vietnamese occupiers of Cambodia do. In the first month of this year, police said they received reports of 10 Thai miners who were killed in Cambodia. "Sure, hundreds are killed, especially by mines," says Subin Ngamnoy, a 29-year-old Thai panner. But he keeps going even though he has never made more in Cambodia than he could make in Thailand as a laborer. "I go because I want to be rich, and I'm willing to take the risk."

In Cambodia, Thailand, and Burma alike, the potential profits are enough to encourage the risk takers. Gem dealers like Moses in Mandalay said that a flawless Burmese ruby of the prized "pigeon-blood" red, in faceted form and weighing two carats, was currently going for \$30,000 there. In Bangkok the buying price would be more like \$70,000 and up. A three or four carat stone would not be proportionately higher, it would be exponentially higher, because large stones are just too difficult to come by at any price.

But there is another, less easily definable reason why many are in the ruby business. The ruby has been admired throughout recorded history, prized by many ancient peoples as a protective and curative charm. That charm still works its magic.

"You see that real ruby red," says Richard Hughes, the Bangkok gemologist, "and oh, it does something to you. I think those of us in this business are in love with the stones we're dealing with. It's nature's finest creation; there's just something about it. I'd like to own a fine Burmese ruby just to gaze upon it."

"It's not the value. If I wanted the value, I could buy a ton of gold." ■

Based in Bangkok, Rod Nordland is the Asia correspondent for The Philadelphia Inquirer.