Key leaders of the junta-sponsored Union of Solidarity and Development Association will form a new political party within days.

Key leaders of the junta-sponsored Union of Solidarity and Development Association (USDA) will form a new political party within days, according to sources in Rangoon.

One week ago, a number of military officers holding ranks of full army general and brigadier-general resigned their posts and handed over to the government all state-owned properties such as cars and real estate which they had been granted, sources said.

The junta's election laws stipulate that members of political parties are not allowed to use state-owned property.

The former military officers are expected to be appointed to chairman positions in states and divisions, where they will direct the affairs of the new political party. They will also stand as candidates under the banner of the new party in the election, according to sources.

One reliable source said that soon after the election commission is formed, the USDA-backed party will register.

Also, at least 18 government ministers will resign their posts and join the political wing of the USDA, according to a senior official of the National League for Democracy (NLD).

According to several interviews with USDA officials on Thursday, the organizers from a number of townships in Rangoon, including Yankin, North Okkalapa, South Okkalapa, South Dagon and Pegu townships, were ordered to attend meetings in the township government offices on Thursday.

Organized by the junta in 1993, the USDA began as a social organization under the direction of high-ranking military officials. Its patron is military chief Snr-Gen Than Shwe. During the 1990s, government employees in Burma and students were either forced or coerced into joining the USDA.

In 2005, Maj-Gen Htay Oo, a government minister as well as the USDA secretary-general, said at a press conference that the USDA would be transformed into a political party.

"We think that a USDA-affiliated political party is on the way," said a Rangoon resident. "There is a lot of confusion here, and some people are now even asking people where they can register as a political party."

According to the junta's election laws, all political parties must register at the election commission within 60 days from March 8, when the regime announced the new election laws. The election laws have come under heavy criticism by opposition groups as being deliberately designed to exclude pro-democracy leader Aung Sann Suu Kyi, jailed ethnic leaders and 88 Generation students leaders from the upcoming election.